FORM 10-K

US ECOLOGY, INC. - ECOL

Filed: February 29, 2016 (period: December 31, 2015)

Annual report with a comprehensive overview of the company

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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2015

OR

☐ **TRANSITION REPORT PURSUANT TO Section 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission file number: 0000-11688

US ECOLOGY, INC.
(Exact name of registrant as specified in its charter)

Delaware	**95-3889638**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
251 E. Front St., Suite 400 Boise, Idaho	
(Address of principal executive offices)	**83702** (Zip Code)

Registrant's telephone number, including area code: **(208) 331-8400**

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, $0.01 par value
(Title of class)

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the registrant's voting stock held by non-affiliates on June 30, 2015 was approximately $1.05 billion based on the closing price of $48.72 per share as reported on the NASDAQ Global Market System.

At February 19, 2016, there were 21,766,290 shares of the registrant's Common Stock outstanding.

Documents Incorporated by Reference

Listed hereunder are the documents, any portions of which are incorporated by reference and the Parts of this Form 10-K into which such portions are incorporated:

1. The registrant's definitive proxy statement for use in connection with the Annual Meeting of Stockholders to be held on or about June 2, 2016 to be filed within 120 days after the registrant's fiscal year ended December 31, 2015, portions of which are incorporated by reference into Part III of this Form 10-K.

US ECOLOGY, INC.
FORM 10-K
TABLE OF CONTENTS

PART I

Cautionary Statement for Purposes of Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995

This annual report on Form 10-K contains forward-looking statements within the meaning of the federal securities laws. Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. Forward-looking statements include statements preceded by, followed by or that include the words "may," "could," "would," "should," "believe," "expect," "anticipate," "plan," "estimate," "target," "project," "intend" and similar expressions. These statements include, among others, statements regarding our financial and operating results, strategic objectives and means to achieve those objectives, the amount and timing of capital expenditures, repurchases of its stock under approved stock repurchase plans, the amount and timing of interest expense, the likelihood of our success in expanding our business, financing plans, budgets, working capital needs and sources of liquidity.

Forward-looking statements are only predictions and are not guarantees of performance. These statements are based on management's beliefs and assumptions, which in turn are based on currently available information. Important assumptions include, among others, those regarding demand for Company services, expansion of service offerings geographically or through new or expanded service lines, the timing and cost of planned capital expenditures, competitive conditions and general economic conditions. These assumptions could prove inaccurate. Forward-looking statements also involve known and unknown risks and uncertainties, which could cause actual results to differ materially from those contained in any forward-looking statement. Many of these factors are beyond our ability to control or predict. Such factors include the replacement of non-recurring event clean-up projects, a loss of a major customer, our ability to permit and contract for timely construction of new or expanded disposal cells, our ability to renew our operating permits or lease agreements with regulatory bodies, loss of key personnel, compliance with and changes to applicable laws, rules, or regulations, access to insurance, surety bonds and other financial assurances, a deterioration in our labor relations or labor disputes, our ability to perform under required contracts, failure to realize anticipated benefits and operational performance from acquired operations, adverse economic or market conditions, government funding or competitive pressures, incidents or adverse weather conditions that could limit or suspend specific operations, access to cost effective transportation services, fluctuations in foreign currency markets, lawsuits, our willingness or ability to pay dividends, implementation of new technologies, limitations on our available cash flow as a result of our indebtedness and our ability to effectively execute our acquisition strategy and integrate future acquisitions.

Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the Securities and Exchange Commission (the "SEC"), we are under no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on our forward-looking statements. Although we believe that the expectations reflected in forward-looking statements are reasonable, we cannot guarantee future results or performance. ***Before you invest in our common stock, you should be aware that the occurrence of the events described in the "Risk Factors" section in this report could harm our business, prospects, operating results, and financial condition.***

Investors should also be aware that while we do, from time to time, communicate with securities analysts, it is against our policy to disclose to them any material non-public information or other confidential commercial information. Accordingly, stockholders should not assume that we agree with any statement or report issued by any analyst irrespective of the content of the statement or report. Furthermore, we have a policy against issuing or confirming financial forecasts or projections issued by others. Thus, to the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not the responsibility of US Ecology, Inc.

ITEM 1. BUSINESS

General

The table below contains definitions that are used throughout this Annual Report on Form 10-K.

Term	Meaning
US Ecology, the Company, "we," "our," "us"	US Ecology, Inc., and its subsidiaries
AEA	Atomic Energy Act of 1954, as amended
CEPA	Canadian Environmental Protection Act (1999)
CERCLA or "Superfund"	Comprehensive Environmental Response, Compensation and Liability Act of 1980
CWA	Clean Water Act of 1977
LARM	Low-activity radioactive material exempt from federal Atomic Energy Act regulation for disposal
LLRW	Low-level radioactive waste regulated under the federal Atomic Energy Act for disposal
NORM/NARM	Naturally occurring and accelerator produced radioactive material
NRC	U.S. Nuclear Regulatory Commission
PCBs	Polychlorinated biphenyls
QEQA	Québec Environmental Quality Act
RCRA	Resource Conservation and Recovery Act of 1976
SEC	U. S. Securities and Exchange Commission
TSCA	Toxic Substances Control Act of 1976
TSDF	Treatment, Storage and Disposal Facility
USACE	U.S. Army Corps of Engineers
USEPA	U.S. Environmental Protection Agency
WUTC	Washington Utilities and Transportation Commission

US Ecology, Inc. is a leading North American provider of environmental services to commercial and government entities. The Company addresses the complex waste management needs of its customers, offering treatment, disposal and recycling of hazardous, non-hazardous and radioactive waste, as well as a wide range of complementary field and industrial services. US Ecology's comprehensive knowledge of the waste business, its collection of waste management facilities and focus on safety, environmental compliance, and customer service enables us to effectively meet the needs of our customers and to build long-lasting relationships. Headquartered in Boise, Idaho, we are one of the oldest providers of such services in North America. US Ecology and its predecessor companies have been in business for more than 60 years. As of December 31, 2015, we employed approximately 1,400 people.

US Ecology was most recently incorporated as a Delaware corporation in May 1987 as American Ecology Corporation. On February 22, 2010, the Company changed its name from American Ecology Corporation to US Ecology, Inc. Our filings with the SEC are posted on our website at www.usecology.com. The

information found on our website is not part of this or any other report we file with or furnish to the SEC. The public can also obtain copies of these filings by visiting the SEC's Public Reference Room at 100 F Street NE, Washington DC 20549, or by calling the SEC at 1-800-SEC-0330 or by accessing the SEC's website at www.sec.gov.

We have fixed facilities and service centers operating in the United States, Canada and Mexico. Our fixed facilities include five RCRA subtitle C hazardous waste landfills and one LLRW landfill located near Beatty, Nevada; Richland, Washington; Robstown, Texas; Grand View, Idaho; Detroit, Michigan and Blainville, Québec, Canada. These facilities generate revenue from fees charged to treat and dispose of waste and from fees charged to perform various field and industrial services for our customers.

On June 17, 2014, the Company acquired 100% of the outstanding shares of EQ Holdings, Inc. and its wholly-owned subsidiaries (collectively "EQ"). EQ is a fully integrated environmental services company providing waste treatment and disposal, wastewater treatment, remediation, recycling, industrial cleaning and maintenance, transportation, total waste management, technical services, and emergency response services to a variety of industries and customers in North America.

On August 4, 2015, we entered into a definitive agreement to sell our Allstate Power Vac, Inc. ("Allstate") subsidiary to a private investor group and completed the divestiture on November 1, 2015. See Note 5 to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for additional information.

Our operations are managed in two reportable segments reflecting our internal management reporting structure and nature of services offered as follows:

Environmental Services—This segment provides a broad range of hazardous material management services including transportation, recycling, treatment and disposal of hazardous and non-hazardous waste at Company-owned landfill, wastewater and other treatment facilities.

Field & Industrial Services—This segment provides packaging and collection of hazardous waste and total waste management solutions at customer sites and through our 10-day transfer facilities. Services include on-site management, waste characterization, transportation and disposal of non-hazardous and hazardous waste. This segment also provides specialty services such as high-pressure cleaning, tank cleaning, decontamination, remediation, transportation, spill cleanup and emergency response and other services to commercial and industrial facilities and to government entities.

Financial information with respect to each segment is further discussed in Note 20 to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

Environmental Services Segment

Our Environmental Services involve the transportation, treatment, recycling and disposal of hazardous and non-hazardous wastes, and include physical treatment, recycling, landfill disposal and wastewater treatment services.

Waste Treatment & Disposal

We recycle, treat and dispose of hazardous and non-hazardous industrial wastes. The wastes handled include substances which are classified as "hazardous" because of their corrosive, ignitable, reactive or toxic properties, and other wastes subject to federal, state and provincial environmental regulation. The wastes we handle come in solid, liquid and sludge form and can be received in a variety of containerized and bulk forms and transported to our facilities by truck and rail.

We own and operate five permitted hazardous waste treatment and disposal landfills in the United States and Canada used primarily for the disposal of wastes treated at Company-owned onsite and offsite

treatment facilities. The United States landfills are regulated under RCRA by the respective states in which they are located and the EPA while our Canadian landfill is regulated by the Quebec Ministry of Environment. We also operate a commercial LLRW landfill in Richland, Washington that is licensed by the Washington Department of Health through delegated authority of the NRC. The WUTC sets disposal rates for LLRW. Rates are set at an amount sufficient to cover operating costs and provide us with a reasonable profit. The current rate agreement with the WUTC was extended in 2013 and is effective until January 1, 2020.

As of December 31, 2015, the capacity used in the calculation of the useful economic lives of our six landfills includes approximately 32.0 million cubic yards of remaining permitted airspace capacity and approximately 18.1 million cubic yards of additional unpermitted airspace capacity included in the footprints of these landfills. We believe it is probable that this unpermitted airspace capacity will be permitted in the future based on our analysis of site conditions, past regulatory approvals on adjacent property, and our interactions with regulators on applicable regulations, although there can be no assurance that any additional unpermitted airspace capacity will be permitted in the future.

Treatment and disposal ("T&D") revenue can be broken down into two categories: "Base Business" and "Event Business." As a result of our continued integration of EQ, we have changed and conformed how we define these categories. Previously, US Ecology defined Event Business as non-recurring waste cleanup projects regardless of size, with Base Business representing all recurring business. Beginning with the third quarter of 2015, we now define Event Business as non-recurring projects that are expected to equal or exceed 1,000 tons, with Base Business defined as all other business not meeting the definition of Event Business. The duration of Event Business projects can last from a several-week clean-up of a contaminated site to a multiple year clean-up project. We believe the new definitions are a better representation of Base and Event Business and will provide better insight into the T&D revenues for the Environmental Services segment. Throughout this Annual Report on Form 10-K, except where noted, prior periods presented have been recast based on the new definitions.

A significant portion of our T&D revenue is attributable to discrete Event Business projects which vary widely in size, duration and unit pricing. For the year ended December 31, 2015, approximately 26% of our T&D revenue (excluding EQ) was derived from Event Business projects. The one-time nature of Event Business, diverse spectrum of waste types received and widely varying unit pricing necessarily creates variability in revenue and earnings. This variability may be influenced by general and industry-specific economic conditions, funding availability, changes in laws and regulations, government enforcement actions or court orders, public controversy, litigation, weather, commercial real estate, closed military bases and other redevelopment project timing, government appropriation and funding cycles and other factors. The types and amounts of Base Business waste received also vary quarter to quarter, sometimes significantly, but are generally more predictable than Event Business.

The types of waste received, also referred to as "service mix," can produce significant quarter-to-quarter and year-to-year variations in revenue, average selling price, gross profit, gross margin, operating profit and net income for both Base Business and Event Business. Base Business represented approximately 74% and 68% of disposal revenue (excluding transportation and EQ) for the years ended December 31, 2015 and 2014, respectively. Event Business contributed approximately 26% and 32% of disposal revenue (excluding transportation and EQ) for the years ended December 31, 2015 and 2014, respectively. Our strategy is to expand our Base Business while securing both short-term and extended-duration Event Business. When Base Business covers our fixed overhead costs, a significant portion of disposal revenue generated from Event Business is generally realized as operating income and net income. This strategy takes advantage of the operating leverage inherent to the largely fixed-cost nature of the waste disposal business. Contribution margin is influenced by whether the waste is directly disposed ("direct disposal") or requires the application of chemical reagents, absorbents or other additives (variable costs) to treat the waste prior to disposal.

Wastewater Treatment

We operate wastewater treatment facilities that offer a range of wastewater treatment technologies. These wastewater treatment operations involve processing hazardous and non-hazardous wastes through the use of physical and chemical treatment methods. Our wastewater treatment facilities treat a broad range of industrial liquid and semi-liquid wastes containing heavy metals, organics and suspended solids.

The following table summarizes the locations and services of our active Environmental Services waste treatment and/or disposal facilities:

Location	Onsite Landfill	Services
Beatty, Nevada	Yes	Hazardous and non-hazardous industrial waste treatment, storage and disposal facility permitted under Subtitle C of RCRA and TSCA to treat and dispose RCRA, TSCA and certain NRC-exempt (NORM) radioactive waste.
Robstown, Texas	Yes	Hazardous and non-hazardous industrial waste treatment, storage and disposal facility permitted under Subtitle C of RCRA to treat and dispose RCRA, PCB remediation and certain NRC-exempt (LARM and NORM/NARM) radioactive waste. PCB waste storage for off-site shipment. Features a thermal desorption recycling system that removes recoverable oils and metal catalysts from petroleum wastes. Rail transfer station.
Grand View, Idaho	Yes	Hazardous and non-hazardous industrial waste treatment, storage and disposal facility permitted under Subtitle C of RCRA and TSCA to treat RCRA and TSCA wastes and certain NRC-exempt (NORM/NARM, Technologically Enhanced NORM (TENORM)) radioactive waste. Rail transfer station.
Belleville, Michigan	Yes	Hazardous and non-hazardous industrial waste treatment, storage and disposal facility permitted under Subtitle C of RCRA to treat and dispose RCRA wastes and certain NRC-exempt (NORM/NARM, Technologically Enhanced NORM (TENORM)) radioactive waste. Permitted under TSCA to dispose TSCA wastes. Features a regenerative thermal oxidation air pollution control system that is compliant with RCRA Subpart CC air emissions standards. Rail transfer station.
Blainville, Québec, Canada	Yes	Permitted by the Canadian Ministry of Environment and authorized under the Environmental Quality Act by Order-in-Council to treat and stabilize inorganic hazardous liquid and solid waste and contaminated soils to produce a non-leachable concrete-like material for disposal in the onsite landfill. Specializes in processing hard-to-treat materials, such as cyanides, mercury compounds, strong acids, oxidizers, lab packs, contaminated debris and batteries. Direct rail access.

Location	Onsite Landfill	Services
Richland, Washington	Yes	LLRW disposal facility accepts Class A, B, and C commercial LLRW from within the Northwest Interstate and Rocky Mountain Compacts, NORM/NARM and LARM waste including radium sources produced by customers nationwide. One of only three full-service Class A, B, and C disposal facilities in the nation.
Detroit, Michigan	No	RCRA Part B and Centralized Wastewater Treatment ("CWT") permitted industrial and non-hazardous treatment of liquid wastes, stabilization, solidification, chemical oxidation/reduction and deactivation of solid and liquid wastes. Hazardous and non-hazardous wastewater treatment and disposal of organic and inorganic liquids and solids. Direct rail access.
Canton, Ohio	No	RCRA Part B and CWT permitted wastewater treatment of liquid wastes and stabilization, solidification, chemical oxidation/reduction, deactivation and metals recovery of liquid and solid wastes. Specializes in a delisting process that converts industrial inorganic wastes into non-hazardous residuals.
Harvey, Illinois	No	RCRA Part B and CWT permitted wastewater treatment of liquid wastes and stabilization, solidification, chemical oxidation/reduction, deactivation, metals recovery of liquid and solid wastes and industrial cleaning. Specializes in a delisting process that converts industrial inorganic wastes into non-hazardous residuals.
York, Pennsylvania	No	RCRA Part B and CWT permitted wastewater treatment of liquid wastes and stabilization, solidification, chemical oxidation/reduction, deactivation and metals recovery of liquid and solid wastes. Specializes in a delisting process that converts industrial inorganic wastes into non-hazardous residuals.
Tulsa, Oklahoma	No	RCRA Part B and CWT permitted wastewater treatment of liquid wastes and stabilization, solidification, chemical oxidation/reduction and deactivation.
Augusta, Georgia	No	CWT permitted non-hazardous wastewater treatment for industrial clients, tanker wash services and solidification of non-hazardous liquids and sludges, both in bulk and containers. Tanker wash services include washing, steaming and chemical cleaning of tankers, vacuum trucks and ISOtainers.
Sulligent, Alabama	No	RCRA Part B permitted TSDF provides industrial and non-hazardous storage and consolidation, industrial cleaning and maintenance services, emergency response, laboratory packaging and small quantity chemical management services.

Location	Onsite Landfill	Services
Tampa, Florida	No	RCRA Part B permitted hazardous and non-hazardous waste treatment. Hazardous waste transfer and storage. Laboratory packaging services, small quantity chemical management services, household hazardous waste management, light duty remediation and industrial cleaning.

Recycling Services

We operate recycling technologies designed to reclaim valuable commodities from hazardous waste, including oil-bearing hazardous waste, certain metal-bearing waste, batteries, and solvent-based wastes for industrial clients, metal finishing and other manufacturing processes. Resource recovery involves the treatment of wastes using various methods to effectively remove contaminants from the original material to restore its usefulness and to reduce the volume of waste requiring disposal.

We offer full-service storm water management and propylene glycol recovery at major airports. We currently operate deicing fluid collection systems at the Minneapolis-St. Paul International, Pittsburgh and Detroit airports. We also receive deicing fluids from the Grand Rapids airport in the Great Lakes Region. Recovered fluids are transported to our RCRA Part B and CWT permitted chemical recycling facility in Romulus, Michigan where they are recycled into a greater than 99% pure material that is sold to industrial users.

We also operate a thermal desorption unit at our Robstown, Texas facility that recovers oil and catalyst from refinery waste. The recycled oil and recycled catalyst are sold to third parties.

We operate a fleet of mobile solvent recycling stills that provide on-site recycling services throughout the Eastern United States. The trailer-mounted stills are self-contained units that perform solvent distillation at the point of generation. Waste solvents are processed in 500 - 7,500 gallon batches, and clean solvent is returned for reuse. Our Mobile Recycling services are based in Mt. Airy, North Carolina.

Transportation

For waste transported by rail from locations distant from our facilities, transportation-related revenue can account for as much as 75% of total project revenue. While bundling transportation and disposal services reduces overall gross profit as a percentage of total revenue ("gross margin"), this value-added service has allowed us to win multiple projects that we believe we could not have otherwise competed for successfully. Our Company-owned fleet of gondola railcars, which is periodically supplemented with railcars obtained under operating leases, has reduced our transportation expenses by largely eliminating reliance on more costly short-term rentals. These Company-owned railcars also help us to win business during times of demand-driven railcar scarcity. We also utilize a variety of specially designed and constructed company owned tanker trucks and trailers as well as various third-party transporters to support this activity. Further, to maximize utilization of our railcar fleet, we periodically deploy available railcars to transport waste from clean-up sites to disposal facilities operated by other companies. Such transportation services may also be bundled with logistics and field services support work.

Field & Industrial Services Segment

Our Field & Industrial Services include a wide range of industrial maintenance and specialty services at refineries, chemical plants, steel and automotive plants, and other government, commercial and industrial facilities. Onsite specialty services include high-pressure cleaning, tank cleaning, decontamination, remediation, transportation, spill cleanup and emergency response. We provide these services through a network of facilities located throughout the Eastern United States that are organized into service lines including Small Quantity Generation, Remediation Services, Managed Services, Emergency Response, Transfer and Processing and Terminal Services and Industrial Services.

Small Quantity Generation

Our small quantity generation service offerings consist of retail services, laboratory packing and Household Hazardous Waste ("HHW") collection. Retail services, laboratory packing and HHW are full-service waste characterization, packaging, collection and transportation programs. Services are provided to small, medium and large industrial and commercial customers. These programs are built on our network of service centers, employ highly trained staff and provide a high level of service to the customer. As an integral part of our services, we operate a network of service centers that characterize, package and collect hazardous and non-hazardous wastes from customers and transport such wastes to and between our facilities for treatment or bulking for shipment to final disposal locations. Customers typically accumulate wastes in containers, such as 55 gallon drums, bulk storage tanks or 20 cubic yard roll-off containers. We utilize a variety of specially designed and constructed tank trucks and semi-trailers as well as third-party transporters, including railroads. Depending on customer needs and competitive economics, transportation services may be offered at or near our cost to help secure new business.

Remediation Services

Our remediation service offerings include RCRA and TSCA closures, surgical excavations, wastewater management, building decontamination and radiological site remediation.

Managed Services

Our managed service offerings consist of Total Waste Management ("TWM") programs. Through our TWM program, customers outsource the management of their waste program to us, allowing us to organize and coordinate their waste management disposal activities.

Emergency Response

Our primary emergency response offerings include spill response, waste analysis and treatment and disposal planning. We also offer product transfers, spill contingency planning and yearly service agreements with first responder status. Trained, experienced professionals operate the Company's Emergency Response Service 24 hours per day, 7 days per week.

Transfer and Processing

Our transfer and processing stations stage and consolidate non-bulk loads of hazardous, non-hazardous and universal waste into full loads for more efficient shipment to Company-owned or third-party treatment and disposal facilities. This allows us to offer a broader geographic presence without having a dedicated, Company-owned treatment or disposal facility in the region.

Terminal Services

Our terminal services include petroleum and chemical tank cleaning and other services, including emergency response, construction and industrial maintenance. The Company services several major petroleum terminals around New York Harbor.

Industrial Services

Our primary industrial service offerings include emergency response, industrial cleaning and maintenance for railroads, refineries, chemical plants, steel and automotive plants, as well as tank cleaning and temporary storage.

Waste Services Industry

During the 1970s and 1980s, waste services industry growth in the United States was driven by new environmental laws and actions by federal and state agencies to regulate existing hazardous waste management facilities and direct the clean-up of contaminated sites under the federal Superfund law. By the early 1990s, excess hazardous waste management capacity had been constructed by the industry. Over this same period, to better manage risk and reduce expenses, many waste generators instituted industrial process changes and other methods to reduce waste production. These factors led to highly competitive market conditions that still apply today.

In the U.S., hazardous waste is regulated under the RCRA, which created a cradle-to-grave system governing defined hazardous waste from the point of generation to ultimate disposal. RCRA requires waste generators to distinguish between "hazardous" and "non-hazardous" wastes, and to treat, store and dispose of hazardous waste in accordance with specific regulations. Generally, entities that treat, store, or dispose of hazardous waste must obtain a permit, either from the USEPA or from a state agency to which the USEPA has delegated such authority. Similar regulations and management methods apply to hazardous waste generation in Canada, which is regulated by the Canada Ministry of Environment and delegated to provincial agencies.

Disposal facilities are typically designed to permanently contain the waste and prevent the release of harmful pollutants into the environment. The most common hazardous waste disposal practice is placement in an engineered disposal unit such as a landfill, surface impoundment or deep injection well. RCRA's hazardous waste permitting program establishes specific requirements that must be followed when managing those wastes.

We believe that a baseline demand for hazardous waste services will continue into the future with fluctuations driven by general and industry-specific economic conditions, identification and prioritization of new clean-up needs, clean-up project schedules, funding availability, regulatory changes and other public policy decisions. We further believe that the ability to deliver specialized niche services while aggressively competing for large volume clean-up projects and non-niche commodity business opportunities differentiates successful from less successful companies. We seek to control variable costs, expand service lines, increase waste throughput efficiency, employ innovative treatment techniques, provide complementary transportation and logistics services, build market share and increase profitability.

Our Richland, Washington disposal facility, serving the Northwest and Rocky Mountain LLRW Compacts, is one of three operating Compact disposal facilities in the nation. While our Washington disposal facility has substantial unused capacity, it can only accept LLRW from the 11 western states comprising the two Compacts served. The Barnwell, South Carolina site, operated by Energy Solutions, Inc. ("Energy Solutions"), exclusively serves the three-state Atlantic Compact. A third LLRW disposal facility, licensed by Waste Control Specialists, LLC and located near Andrews, Texas serves the two-state Texas Compact and approved out-of-compact waste generators. Class A LLRW from states outside the Northwest Compact region may also be disposed at a non-compact, commercial disposal site in Clive, Utah, also operated by Energy Solutions.

Increases in pricing at AEA licensed LLRW disposal facilities heightened demand for more cost-effective disposal options for soil, debris, consumer products, industrial wastes and other materials containing LARM, including "mixed wastes," exhibiting both hazardous and radioactive properties. In addition to commercial demand, a substantial amount of LARM is generated by government clean-up projects. The NRC, USEPA and USACE have authorized the use of hazardous waste disposal facilities to dispose of certain LARM, encouraging expansion of this compliant, cost-effective alternative. We have been successful at expanding our permits at four of our RCRA hazardous waste facilities to allow acceptance of additional LARM wastes.

Industrial Services Industry

The industrial services industry is highly fragmented with thousands of small companies performing a variety of cleaning, maintenance and other services to industrial based companies such as refineries, chemical plants and steel and automotive plants. We believe customers increasingly desire to shift high fixed costs to lower variable costs by outsourcing waste management and industrial services. Some companies, such as power generation plants, petroleum refineries and chemical processors, are required to perform specialized "turnaround" maintenance only once or twice per year, making it impractical and cost-prohibitive to purchase expensive, specialized equipment, comply with complex permits and employ full-time specialized technicians required to perform those services. Similarly, the regulatory requirements of characterizing, manifesting, transporting and properly disposing of waste has led many companies to outsource this function to specialists. Our network of service centers and treatment, recycling and storage facilities provides a national footprint allowing us to serve these customers, while at the same time internalizing the waste to our own facilities.

Industrial services generally have low barriers to entry and customers are frequently won based on quality of service, reputation, health and safety record, logistics and price. This low barrier to entry has fostered a fragmented and competitive market place.

Strategy

Our strategy is to capitalize on our difficult-to-replicate combination of treatment and disposal assets and complementary service lines to provide a full service offering to customer and increase market share in the diverse markets we serve. We are focused on safety, environmental compliance and a commitment to customer service excellence. In addition to organic growth initiatives, we actively pursue acquisition opportunities to expand our geographic reach, service lines and customer base. The principal elements of our business strategy are to:

Execute Best-in-Class Safety and Environmental Compliance Programs. We pursue best-in-class safety and environmental compliance at US Ecology. Not only is it the cornerstone of our business, but our customers and regulators rely on our expertise when they select us as a vendor or grant us permits and licenses. We deploy significant resources in terms of human capital, programs and facility investment to achieve safe and compliant operations. The Company has dedicated professionals who oversee and manage safety and environmental programs including, but not limited to, employee training, internal and independent external audits, safety incentive programs, Voluntary Protection Programs ("VPP"), the Safety & Health Achievement Recognition Program, and ISO 9001 and ISO 14001 programs. Dedicated senior managers regularly review and discuss environmental and safety results with operational staff, management and the Board of Directors to improve our safety results and focus on regulatory compliance.

Leverage Regulatory Expertise to Expand Permit Capabilities and Broaden Cost-Effective Service Offerings. We have a proven track record of leveraging more than six decades of regulatory experience to broaden service offerings. Working with customers, we assess market opportunities in relation to existing laws, regulations and permit conditions. Our engineering, operational and regulatory affairs personnel then seek authority to implement innovative processes and technologies and accept additional types of waste by modifying our existing permits or obtaining new permits.

Continue to Build on Our Robust Waste Handling Infrastructure to Increase Revenue from Existing Assets. We have a unique set of treatment, recycling and disposal assets in the highly regulated hazardous and radioactive waste industry. We aim to enhance treatment capabilities at our existing facilities to handle additional waste streams and increase throughput. We also continue to invest in equipment and infrastructure to ensure that we have ample throughput capacity to expand our Event Business while continuing to support our Base Business customers.

Execute on Marketing Initiatives to Grow Organically. Our sales team is focused on high margin, niche wastes that our competitors may not be able to obtain the necessary regulatory authorizations for or handle cost-effectively. We seek to expand into new markets and offer new services allowing us to cross-sell or bundle services and ultimately drive incremental volume into our existing disposal facilities. Our strategy is to have our Base Business cover our fixed overhead costs and deliver a reasonable profit, which allows the majority of our Event Business revenue to be realized as operating profit. We aim to continue building our Base Business while remaining flexible enough to handle large clean up events.

Deliver Innovative Technological Solutions: We challenge ourselves to identify innovative and technology-driven solutions to solve our customers' waste management challenges. Past examples include leveraging our expertise in developing waste treatment recipes for organic and metals-bearing wastes, utilizing waste as a reagent to treat other wastes, beneficial reuse of select wastes, partnering with an innovative technology provider to deploy thermal desorption technology to recover oil and metal catalyst from refinery waste, and stabilizing mercury laden waste and other wastes using patented treatment process.

Pursue a Disciplined Acquisition Strategy to Add Complementary Capabilities. We pursue selective acquisitions to expand our disposal network, customer base and geographic footprint. We have had success achieving this in recent years through our targeted acquisition strategy, acquiring Stablex in 2010, Dynecol, Inc. in 2012 and EQ in 2014. The acquisition of EQ also provided us with an entirely new line of complementary field and industrial service offerings. We continue to seek acquisition opportunities to further expand our service offerings across the hazardous waste value chain while maintaining our commitment to compliance, safety and customer service excellence.

Competitive Strengths

Difficult-to-Replicate Infrastructure. We consider our disposal facilities to be difficult to replicate due to the longstanding regulatory and public policy environment for hazardous waste processing facilities, which includes the generally high cost of obtaining permits, multi-year permitting timeframes, uncertainty of outcome, high initial capital expenditures and the potential for both broad-based and local community opposition to the development of new facilities. As a result, it has been more than 20 years since a new hazardous waste landfill has been built in the United States. We operate five of twenty landfills in the U.S. and Canada that are permitted to accept RCRA wastes. Our Richland, Washington LLRW facility is one of only three full-service Class A, B, and C disposal facilities in the U. S. One of these three facilities was recently licensed and constructed after a lengthy and expensive process that was underway for well more than a decade. Our personnel have extensive experience safely managing certain radioactive waste requiring the use of shielding and remote handling devices.

Significant Regulatory and Operating Expertise. We operate in a highly regulated marketplace. The permitting process for operating disposal assets in our industry is lengthy and complex, requiring a deep understanding of federal and state hazardous and radioactive waste laws and regulations. We maintain a regulatory compliance and permitting program at our disposal facilities that has allowed us to obtain approvals to expand our service offering in terms of the types, amounts and concentrations of wastes that we are authorized to accept. Our track record of successfully navigating government regulatory and permitting processes has been a consistent competitive advantage.

A Market Leader in Hazardous & Non-Hazardous Waste Treatment and Disposal. We are a leader in the North American hazardous waste services sector with more than six decades of experience. Our collection of disposal assets combined with our transportation network provides us with coast-to-coast treatment and disposal capabilities, allowing us to serve a diverse mix of customers and industries across the United States, Canada and Mexico.

Comprehensive Waste Services. Our comprehensive waste service offerings allow us to act as a full-service provider to our customers. Our full-service orientation creates incremental revenue growth as customers seek to minimize the number of outside vendors through "one-stop" service providers.

Diverse Markets and Customer Base. In 2015, we serviced more than 5,000 commercial and governmental entities, such as refineries, chemical production facilities, heavy manufacturers, steel mills, waste brokers and medical and academic institutions. Our broad range of end-markets gives us exposure to a variety of industrial cycles, lessening the impact of market volatility.

Solid Safety and Compliance Record. Safety and environmental compliance is a cornerstone of US Ecology's business. The Company has dedicated environmental professionals who oversee and manage safety and environmental programs including, but not limited to, employee training, internal and independent external audits, safety incentive programs, VPP, the Safety & Health Achievement Recognition Program, and ISO 9001 and ISO 14001 programs. Dedicated senior managers regularly review and discuss environmental and safety results with operational staff, management and the Board of Directors to improve our safety results and focus on regulatory compliance. In addition, we have received multiple operating site safety awards including the VPP Star Worksite Award, Thoroughbred Safety Award and the CSX Chemical Safety Award.

Competition

Our Environmental Services segment competes with large and small companies in each of the commercial markets we serve. While niche services apply, the radioactive, hazardous and non-hazardous industrial waste management industry is generally very competitive. We believe that our primary hazardous waste and PCB disposal competitors are Clean Harbors, Inc., Heritage Environmental Services and Waste Management, Inc. Other hazardous waste disposal competitors include, but are not limited to, Peoria Disposal Company, Envirosafe Services of Ohio, Tradebe, Ross Environmental, Perma-Fix Environmental Services and Veolia Environmental Services. We believe that our primary radioactive material disposal competitors are Energy Solutions, Inc. and Waste Control Specialists, Inc. We believe the principal competitive factors applicable to these businesses are:

- price;
- specialized permits and "niche" service offerings;
- customer service;
- operational efficiency and technical expertise;
- regulatory compliance and worker safety;
- industry reputation and brand name recognition;
- transportation distance; and
- State or Province and local community support.

Competition within our Field & Industrial Services segment varies by locality and type of service rendered, with competition coming from large national and regional service providers and hundreds of privately-owned firms that offer field or industrial services. We believe that our primary field and industrial services competitors are Clean Harbors, Inc.; Stericycle, Inc., Veolia Environmental Services and Waste Management, Inc. Each of these competitors is able to provide most if not all of the field and industrial services we offer.

We believe that we are competitive in all markets we serve and that we offer a unique mix of services, including niche technologies and services that favorably distinguish us from competitors. We also believe that our strong brand name recognition from six decades of experience, compliance and safety record,

customer service reputation and positive relations with regulators and local communities enhance our competitive position. Advantages exist for competitors that are larger in scale or have technology, permits or equipment to handle a broader range of waste, that operate in jurisdictions imposing lower disposal fees and/or are located closer to where wastes are generated.

Permits, Licenses and Regulatory Requirements

Obtaining authorization to construct and operate new hazardous or radioactive waste facilities is a lengthy and complex process. We believe we have demonstrated significant expertise in this area over multiple decades. We also believe we possess all permits, licenses and regulatory approvals required to maintain regulatory compliance and operate our facilities and have the specialized expertise required to obtain additional approvals to continue growing our business in the future.

We incur costs and make capital investments to comply with environmental regulations. These regulations require that we operate our facilities in accordance with permit-specific requirements. Most of our facilities are also required to provide financial assurance for closure and post-closure obligations should our facilities cease operations. Both human resource and capital investments are required to maintain compliance with these requirements.

United States Hazardous Waste Regulation

Our hazardous, industrial, non-hazardous and radioactive waste treatment, disposal and handling business is subject to extensive federal and state environmental, health, safety, and transportation laws, regulations, permits and licenses. Local government controls may also apply. The responsible government regulatory agencies regularly inspect our operations to monitor compliance. They have authority to enforce compliance through the suspension or revocation of operating licenses and permits and the imposition of civil or criminal penalties in case of violations. We believe that these laws and regulations, as well as the specialized services we provide, contribute to demand and create barriers to new competitors seeking to enter the markets we serve.

RCRA provides a comprehensive framework for regulating hazardous waste transportation, treatment, storage and disposal. RCRA regulation is the responsibility of the USEPA, which may delegate authority to state agencies. Chemical compounds and residues derived from USEPA-listed industrial processes are subject to RCRA standards unless they are delisted through rulemaking. RCRA liability may be imposed for improper waste management or failure to take corrective action for releases of hazardous substances. To the extent wastes are recycled or beneficially reused, regulatory controls and permitting requirements under RCRA diminish. LARM and NORM/NARM may also be managed to varying degrees under RCRA permits, as is authorized for our facilities in Grand View, Idaho; Beatty, Nevada; Belleville, Michigan and Robstown, Texas.

CWA legislation prohibits discharge of pollutants into the waters of the United States without governmental authorization and regulates the discharge of pollutants into surface waters and sewers from a variety of sources, including disposal sites and treatment facilities. The USEPA has promulgated "pretreatment" regulations under the CWA, which establish pretreatment standards for introduction of pollutants into publicly owned treatment works. In the course of the treatment process, our wastewater treatment facilities generate wastewater, which we discharge to publicly owned treatment works pursuant to permits issued by the appropriate governmental authority. We are required to obtain discharge permits and conduct sampling and monitoring programs.

CERCLA and its amendments impose strict, joint and several liability on owners or operators of facilities where a release of hazardous substances has occurred, on parties who generated hazardous substances released at such facilities and on parties who arranged for the transportation of hazardous substances. Liability under CERCLA may be imposed if releases of hazardous substances occur at treatment, storage or disposal sites. Since waste generators, transporters and those who arrange transportation are subject to

the same liabilities, we believe they are motivated to minimize the number of disposal sites used. In addition, hazardous waste generated during the remediation of CERCLA cleanup projects and transferred offsite must be managed by a treatment and disposal facility authorized by EPA to manage CERCLA waste.

TSCA regulates the treatment, storage and disposal of PCBs. U.S. regulation and licensing of PCB wastes is the responsibility of the USEPA. Our Grand View, Idaho and Beatty, Nevada facilities have TSCA treatment, storage and disposal permits. Our Belleville, Michigan facility has a TSCA disposal permit. Our Robstown, Texas facility has a TSCA storage permit and may dispose of PCB-contaminated waste in limited concentrations not requiring a TSCA disposal permit.

The AEA assigns the NRC regulatory authority over receipt, possession, use and transfer of certain radioactive materials, including disposal. The NRC has adopted regulations for licensing commercial LLRW disposal and has delegated regulatory authority to certain states including Washington, where our Richland facility is located. The NRC and U.S. Department of Transportation regulate the transport of radioactive materials. Shippers must comply with both the general requirements for hazardous materials transportation and specific requirements for transporting radioactive materials.

The Energy Policy Act of 2005 amended the AEA to classify discrete (i.e. concentrated versus diffuse) NORM/NARM as byproduct material. The law does not apply to interstate Compacts ratified by Congress pursuant to the LLRW Policy Act.

Canadian Hazardous Waste Regulation

The Canadian federal government regulates issues of national scope where activities cross provincial boundaries and affect Canada's relations with other nations. The Provinces retain control over environmental matters within their boundaries including primary responsibility for regulation and management of hazardous waste.

The main federal laws governing hazardous waste management are CEPA and the Transportation of Dangerous Goods Act. Environment Canada is the federal agency with responsibility for environmental matters. CEPA charges Environment Canada and Health Canada with the protection of human health and the environment and seeks to control the production, importation and use of substances in Canada and their impact on the environment. The Export and Import of Hazardous Waste Regulations under CEPA govern trans-border movement of hazardous waste and hazardous recyclable materials. These regulations require that anyone proposing to export or import hazardous waste or hazardous recyclable materials or transport them through Canada notify the Minister of the Environment and obtain a permit to do so.

Our Stablex facility is located in Blainville, Québec, Canada and is subject to QEQA. This Act, independently developed by the Province, regulates the generation, characterization, transport, treatment and disposal of hazardous wastes. QEQA also provides for the establishment of waste management facilities which are controlled by the provincial statutes and regulations governing releases to air, groundwater and surface water.

Under QEQA, waste can be defined as hazardous based on origin or characteristic in a manner that is very similar to regulations in effect in the United States. A major difference between the United States regulatory regime and that in Canada relates to ownership and liability. Under Canadian federal regulation, ownership changes when waste is transferred to a properly permitted third-party carrier and subsequently to an approved treatment and disposal facility. As a result, the generator is no longer liable for proper handling, treatment or disposal. In the United States, joint and several liability is retained by the waste generator as well as the transporter and the treatment and disposal facility.

Waste transporters require a permit to operate under Québec's regulations and are also subject to the requirements of the Federal Transportation of Dangerous Goods law which requires reporting of quantities and disposition of materials shipped.

Insurance, Financial Assurance and Risk Management

We carry a broad range of insurance coverage, including general liability, automobile liability, real and personal property, workers compensation, directors and officers liability, environmental impairment liability and other coverage customary to the industry. We do not expect the impact of any known casualty, property, environmental or other contingency to be material to our financial condition, results of operations or cash flows.

As noted above, applicable regulations require financial assurance to cover the cost of final closure and post-closure obligations at certain of our operating and non-operating disposal facilities. Acceptable forms of financial assurance include third-party standby letters of credit, surety bonds and insurance. Alternatively, we may be required to collect fees from waste generators to fund dedicated, state-controlled escrow or trust accounts during the operating life of the facility. Through December 31, 2015, we have met our financial assurance requirements through insurance, surety bonds, standby letters of credit and self-funded restricted trusts.

Insurance policies covering our U.S. closure and post-closure obligations expire in December 2016. While we expect to timely renew these policies as we have in the past, if we are unable to obtain adequate closure, post-closure or environmental insurance, any partial or completely uninsured claim against us, if successful, could have a material adverse effect on our financial condition, results of operations and cash flows. Failure to maintain adequate financial assurance could also result in regulatory action including early closure of facilities. As of December 31, 2015, we have provided collateral of $5.7 million in funded trust agreements, $11.9 million in surety bonds, issued $2.7 million in letters of credit for financial assurance and have insurance policies of approximately $74.1 million for closure and post-closure obligations. Financial assurance, premium and collateral cost requirement increases may have an adverse impact on our results of operations.

We maintain a surety bond for closure costs associated with the Blainville facility. Our lease agreement with the Province of Québec requires that the surety bond be maintained for 25 years after the lease expires. At December 31, 2015 we had $657,000 in commercial surety bonds dedicated for closure obligations.

Primary casualty insurance programs generally do not cover accidental environmental contamination losses. To provide insurance protection for potential claims, we maintain pollution legal liability insurance and professional environmental consultant's liability insurance for non-nuclear occurrences. For nuclear liability coverage, we maintain Facility Form and Workers' Form nuclear liability insurance provided under the federal Price Anderson Act. This insurance covers the operations of our facilities, suppliers and transporters. We purchase primary property, casualty and excess liability policies through traditional third-party insurance carriers.

Significant Customers

No customer accounted for more than 10% of total revenue for the years ended December 31, 2015 or 2013. Revenue from a single customer accounted for approximately 10% of total revenue for the year ended December 31, 2014.

Geographical Information

For the year ended December 31, 2015, we derived $521.1 million or 93% of our revenue in the United States and $42.0 million or 7% of our revenue in Canada. For the year ended December 31, 2014, we derived $388.1 million or 87% of our revenue in the United States and $59.3 million or 13% of our revenue in Canada. For the year ended December 31, 2013, we derived $147.1 million or 73% of our revenue in the United States and $54.0 million or 27% of our revenue in Canada. Additional information about the geographical areas in which our revenues are derived and in which our assets are located is presented in

Note 20 to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

Seasonal Effects

Seasonal fluctuations due to weather and budgetary cycles can influence the timing of customer spending for our services. Typically, in the first quarter of each calendar year there is less demand for our services due to reduced construction activities related to weather. While large, multi-year clean-up projects may continue in winter months, the pace of waste shipments may be slower, or stop temporarily, due to weather. Market conditions and federal funding decisions generally have a greater influence on the business than seasonality.

Personnel

On December 31, 2015, we had approximately 1,400 employees, of which approximately 200 in the United States and 100 in Canada were represented by various labor unions.

Executive Officers of Registrant

The following table sets forth the names, ages and titles, as well as a brief account of the business experience of each person who is an executive officer of US Ecology:

Name	Age	Title
Jeffrey R. Feeler	46	President and Chief Executive Officer
Simon G. Bell	45	Executive Vice President of Operations, Environmental Services
Eric L. Gerratt	45	Executive Vice President, Chief Financial Officer and Treasurer
Mario H. Romero	58	Executive Vice President of Operations, Field & Industrial Services
Steven D. Welling	57	Executive Vice President of Sales and Marketing

Jeffrey R. Feeler was appointed President and Chief Executive Officer in May 2013. Mr. Feeler was previously the Company's senior executive as President and Chief Operating Officer from October 2012 to May 2013 and as the Company's Vice President and Chief Financial Officer from May 2007 to October 2012. He joined US Ecology in 2006 as Vice President, Controller, Chief Accounting Officer, Treasurer and Secretary. He previously held financial and accounting management positions with MWI Veterinary Supply, Inc., Albertson's, Inc. and Hewlett-Packard Company. From 1993 to 2002, he held various accounting and auditing positions 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.

Simon G. Bell was appointed Executive Vice President of Operations, Environmental Services in June 2014. Mr. Bell previously served as the Company's Executive Vice President of Operations and Technology Development from May 2013 to June 2014. From August 2007 to May 2013, he was Vice President of Operations. From 2005 to August 2007, he was Vice President of Hazardous Waste Operations. From 2002 to 2005, he was our Idaho facility General Manager and Environmental Manager. His 20 years of industry experience includes service as general manager of a competitor disposal facility and mining industry experience in Idaho, Nevada and South Dakota. He holds a BS in Geology from Colorado State University.

Eric L. Gerratt was appointed Executive Vice President, Chief Financial Officer and Treasurer in May 2013. Mr. Gerratt previously served as the Company's Vice President, Chief Financial Officer, Treasurer and Chief Accounting Officer from October 2012 to May 2013. He joined US Ecology in August 2007 as Vice President and Controller. He previously held various financial and accounting management positions at SUPERVALU, Inc. and Albertson's, Inc. From 1997 to 2003, he held various accounting and auditing positions for PricewaterhouseCoopers LLP. Mr. Gerratt is a Certified Public Accountant and holds a BS in Accounting from the University of Idaho.

Mario H. Romero was appointed Executive Vice President Field and Industrial Services in June 2014. Mr. Romero joined US Ecology after the acquisition of EQ Holdings, Inc. where he had served as the EQ's Vice President of Operations since 2009. He has more than 30 years of experience in the environmental, energy and industrial services industries, including alternative fuels, renewable energy, recycling, reuse and resource recovery. He previously held executive positions at Energis LLC, a wholly owned subsidiary of Holcim US, Safety-Kleen Corp. and Philip Services Corp. Mr. Romero is a Professional Engineer in the State of Illinois and a Member of the American Institute of Chemical Engineers. He holds an MBA from the University of Chicago and a Masters and BS in Chemical Engineering from the Illinois Institute of Technology.

Steven D. Welling was appointed Executive Vice President of Sales and Marketing in May 2013. Mr. Welling previously served as the Company's Senior Vice President, Sales and Marketing from January 2010 to May 2013. He joined US Ecology in 2001 through the Envirosafe Services of Idaho acquisition. He previously served as National Accounts Manager for Envirosource Technologies and Western Sales Manager for Envirosafe Services of Idaho and before that managed new market development and sales for a national bulk chemical transportation company. Mr. Welling holds a BS from California State University-Stanislaus.

ITEM 1A. RISK FACTORS

In addition to the factors discussed elsewhere in this Form 10-K, the following are important factors which could cause actual results or events to differ materially from those contained in any forward-looking statements made by or on behalf of us.

Risks Affecting All of Our Businesses

The completion of, loss of or failure to renew one or more significant contracts could adversely affect our profitability.

We provide disposal and transportation services to customers on discrete Event Business (non-recurring project based work) which varies widely in size, duration and unit pricing. Some of these multi-year projects can account for a significant portion of our revenue and profit. The replacement of 2015 Event Business revenue and earnings depends on multiple factors, many of which are outside of our control including, but not limited to, general and industry-specific economic conditions, capital in the commercial credit markets, general level of government funding on environmental matters, real estate development and other industrial investment opportunities. Our inability to replace the contribution from 2015 Event Business projects with new business could result in a material adverse effect on our financial condition and results of operations.

Our market is highly competitive. Failure to compete successfully could have a material adverse effect on our business, financial condition and results of operations.

We face competition from companies with greater resources than us, companies with closer geographic proximity to waste sites, customers with service offerings we do not provide and customers that can provide lower pricing than we can in certain instances. An increase in the number or location of commercial treatment or disposal facilities for hazardous or radioactive waste, significant expansion of existing competitor permitted capabilities, acquisitions by competitors or a decrease in the treatment or disposal fees charged by competitors could materially and adversely affect our results of operations. Our business is also heavily affected by waste disposal fees imposed by government agencies. These fees, which vary from state to state and are periodically adjusted, may adversely impact the competitive environment in which we operate.

Adverse economic conditions, government funding or competitive pressures affecting our customers could harm our business.

We serve oil refineries, chemical production plants, steel mills, real estate developers, waste brokers/aggregators serving small manufacturers and other industrial customers that are, or may be, affected by changing economic conditions and competition. These customers may be significantly impacted by deterioration in the general economy and may curtail waste production and/or delay spending on plant maintenance, waste clean-up projects and other discretionary work. Spending by government customers may also be reduced or temporarily suspended due to declining tax revenues that may result from a general deterioration in economic conditions or other federal or state fiscal policy. Factors that can impact general economic conditions and the level of spending by customers include the general level of consumer and industrial spending, increases in fuel and energy costs, residential and commercial real estate and mortgage market conditions, labor and healthcare costs, access to credit, consumer confidence and other macroeconomic factors affecting spending behavior. Market forces may also compel customers to cease or reduce operations, declare bankruptcy, liquidate or relocate to other countries, any of which could adversely affect our business.

Our operations are significantly affected by the commencement and completion of large and small clean-up projects; potential seasonal fluctuations due to weather; budgetary decisions and cash flow limitations influencing the timing of customer spending for remedial activities; the timing of regulatory agency decisions and judicial proceedings; changes in government regulations and enforcement policies and other factors that may delay or cause the cancellation of clean-up projects. We do not control such factors, which can cause our revenue and income to vary significantly from quarter to quarter and year to year.

If we fail to comply with applicable laws and regulations our business could be adversely affected.

The changing regulatory framework governing our business creates significant risks. We could be held liable if our operations cause contamination of air, groundwater or soil or expose our employees or the public to contamination. Under current law, we may be held liable for damage caused by conditions that existed before we acquired the assets or operations involved. Also, we may be liable if we arrange for the transportation, disposal or treatment of hazardous substances that cause environmental contamination at facilities operated by others, or if a predecessor made such arrangements and we are a successor. Liability for environmental damage could have a material adverse effect on our financial condition, results of operations and cash flows.

Stringent regulations of federal, state or provincial governments have a substantial impact on our business. Local government controls may also apply. Many complex laws, rules, orders and regulatory interpretations govern environmental protection, health, safety, noise, visual impact, odor, land use, zoning, transportation and related matters. Failure to obtain on a timely basis or comply with applicable federal, state, provincial and local governmental regulations, licenses, permits or approvals for our waste treatment and disposal facilities could prevent or restrict our ability to provide certain services, resulting in a potentially significant loss of revenue and earnings. Changes in environmental regulations may require us to make significant capital or other expenditures, or limit operations. Changes in laws or regulations or changes in the enforcement or interpretation of existing laws, regulations or permitted activities may require us to modify existing operating licenses or permits, or obtain additional approvals or limit operations. New governmental requirements that raise compliance standards or require changes in operating practices or technology may impose significant costs and/or limit operations.

Our revenue is primarily generated as a result of requirements imposed on our customers under federal, state, and provincial laws and regulations to protect public health and the environment. If requirements to comply with laws and regulations governing management of PCB, hazardous or radioactive waste were

relaxed or less vigorously enforced, demand for our services could materially decrease and our revenues and earnings could be significantly reduced.

Our indebtedness may limit the amount of cash flow available to invest in the ongoing needs of our business, and our Credit Agreement restricts our ability to engage in certain corporate and financial transactions.

On June 17, 2014, in connection with the acquisition of EQ, we entered into a new $540.0 million senior secured credit agreement (the "Credit Agreement") with a syndicate of banks, which substantially increased our outstanding indebtedness. As of December 31, 2015, we had total indebtedness of $301.0 million, comprised entirely of outstanding borrowings under the Credit Agreement. Our Credit Agreement requires us to dedicate a portion of our cash flow from operations to payments on our indebtedness, potentially reducing the availability of our cash flow to fund working capital, capital expenditures, development activity, acquisitions, and other general corporate purposes; increases our vulnerability to adverse general economic or industry conditions; makes us more vulnerable to increases in interest rates, as borrowings under our senior secured credit facilities are at variable rates; and limits our ability to obtain additional financing in the future for working capital or other purposes.

In addition, the Credit Agreement and related ancillary agreements with our lenders contain certain covenants that, among other things, restrict our ability to incur additional indebtedness, pay dividends and make other restricted payments, repurchase shares of outstanding stock, create certain liens and engage in certain types of transactions. Our ability to borrow under the Credit Agreement depends upon our compliance with the restrictions contained in the Credit Agreement and events beyond our control could affect our ability to comply with these covenants.

Failure to perform under our contracts may adversely harm our business.

Certain contracts require us to meet specified performance criteria. Our ability to meet these criteria requires that we expend significant resources. If we or our subcontractors are unable to perform as required, we could be subject to substantial monetary penalties and/or loss of the affected contracts which may adversely affect our business.

Loss of key management or sales personnel could harm our business.

We have an experienced management team including general managers at our operating facilities and rely on the continued service of these senior managers to achieve our objectives. Our objective is to retain our present management and sales teams and identify, hire, train, motivate and retain other highly skilled personnel. The loss of any key management employee or sales personnel could adversely affect our business and results of operations.

A change or deterioration in labor relations could disrupt our business or increase costs, which could have a material adverse effect on our business, financial condition and results of operations.

The Company is a party to collective bargaining agreements covering approximately 300, or approximately 20%, of our employees. The agreements expire on April 30, 2017, May 31, 2018 and November 30, 2020. While we believe the Company will maintain good working relations with its employees on acceptable terms, there can be no assurance that we will be able to negotiate the terms of future agreements in a manner acceptable to the Company. Potential work disruptions from labor disputes may disrupt our businesses and adversely affect our financial condition and results of operations.

Our participation in multi-employer pension plans may subject us to liabilities that could materially adversely affect our liquidity, cash flows and results of operations.

Certain of the Company's wholly-owned subsidiaries acquired in the acquisition of EQ participate in multi-employer defined benefit pension plans under the terms of collective bargaining agreements covering most

of the subsidiaries' union employees. To the extent that those plans are underfunded, the Employee Retirement Income Security Act of 1974, as amended by the Multi-Employer Pension Plan Amendments Act of 1980 ("ERISA"), may subject us to substantial liabilities if we withdraw from such multi-employer plans or if they are terminated. Under current law regarding multi-employer defined benefit plans, a plan's termination, an employer's voluntary partial or complete withdrawal from, or the mass withdrawal of all contributing employers from, an underfunded multi-employer defined benefit plan requires participating employers to make payments to the plan for their proportionate share of the multi-employer plan's unfunded vested liabilities. Furthermore, the Pension Protection Act of 2006 added new funding rules generally applicable to plan years beginning after 2007 for multi-employer plans that are classified as "endangered," "seriously endangered," or "critical" status. If plans in which we participate are in critical status, benefit reductions may apply and/or we could be required to make additional contributions. Contributions to these funds could also increase as a result of future collective bargaining with the unions, a shrinking contribution base as a result of the insolvency of other companies who currently contribute to these funds, failure of the Plan to meet ERISA's minimum funding requirements, lower than expected returns on pension fund assets, or other funding deficiencies. Any of the foregoing events could materially adversely affect our liquidity, cash flows and results of operations

Based upon the information available to us from plan administrators as of April 30, 2015, certain of the multi-employer pension plans in which we participate are underfunded. The Pension Protection Act requires that underfunded pension plans improve their funding ratios within prescribed intervals based on the level of their underfunding. In addition, if a multi-employer defined benefit plan fails to satisfy certain minimum funding requirements, the Internal Revenue Service may impose a nondeductible excise tax of 5% on the amount of the accumulated funding deficiency for those employers contributing to the fund. We have been notified that certain plans to which our subsidiaries contribute are in "critical" status and these plans may require additional contributions in the form of a surcharge on future benefit contributions required for future work performed by union employees covered by these plans. As a result, we expect our required contributions to these plans to increase in the future. The amount of additional funds we may be obligated to contribute in the future cannot be estimated, as such amounts will be based on future levels of work that require the specific use of the union employees covered by these plans, investment returns and the level of underfunding of such plans.

We may not be able or willing to pay future dividends.

Our ability to pay dividends is subject to our future financial condition and certain conditions such as continued compliance with covenants contained in our Credit Agreement. Our Board of Directors must also approve any dividends at their sole discretion. Pursuant to our Credit Agreement, we may only declare quarterly or annual dividends if on the date of declaration, no event of default has occurred and no other event or condition has occurred that would constitute an event of default due to the payment of the dividend. Unforeseen events or situations could cause non-compliance with these covenants, or cause the Board of Directors to discontinue or reduce the amount of any future dividend payment.

Future stock issuances could adversely affect common stock ownership interest and rights in comparison with those of other security holders.

Our board of directors has the authority to issue additional shares of common stock or preferred stock without stockholder approval. If additional funds are raised through the issuance of equity or securities convertible into common stock, or we use shares of our common stock to pay a portion of the purchase price in any future acquisition, the percentage of ownership of our existing stockholders would be reduced, and these newly issued securities may have rights, preferences or privileges senior to those of existing stockholders. If we issue additional common stock or securities convertible into common stock, such issuance would reduce the proportionate ownership and voting power of each other stockholder. In addition, such stock issuances might result in a reduction of the book value of our common stock.

Anti-takeover provisions in our organizational documents and under Delaware law may impede or discourage a takeover, which could cause the market price of our common stock to decline.

We are a Delaware corporation, and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change in control would be beneficial to our existing stockholders, which, under certain circumstances, could reduce the market price of our common stock. In addition, protective provisions in our Restated Certificate of Incorporation and Amended and Restated Bylaws or the implementation by our board of directors of a stockholder rights plan could prevent a takeover, which could harm our stockholders.

The price of our common stock has fluctuated in the past and this may make it difficult for stockholders to resell shares of common stock at times or may make it difficult for stockholders to sell shares of common stock at prices they find attractive.

The trading price of our common stock may fluctuate widely as a result of a number of factors, many of which are outside our control. In addition, the stock market is subject to fluctuations in share prices and trading volumes that affect the market prices of the shares of many companies. These broad market fluctuations have adversely affected, and may in the future adversely affect, the market price of our common stock. Among the factors that could affect our stock price are:

- changes in financial estimates and buy/sell recommendations by securities analysts or our failure to meet analysts' revenue or earnings estimates;
- actual or anticipated variations in our operating results;
- our earnings releases and financial performance;
- market conditions in our industry and the general state of the securities markets;
- fluctuations in the stock price and operating results of our competitors;
- actions by institutional stockholders;
- investor perception of us and the industry and markets in which we operate;
- general economic conditions in the United States and Canada;
- international disorder and instability in foreign financial markets, including but not limited to potential sovereign defaults; and
- other factors described in "Risk Factors."

A cybersecurity incident could negatively impact our business and our relationships with customers.

We use computers in substantially all aspects of our business operations. We also use mobile devices and other online activities to connect with our employees and our customers. Such uses of technology give rise to cybersecurity risks, including security breach, espionage, system disruption, theft and inadvertent release of information. Our business involves the storage and transmission of numerous classes of sensitive and/or confidential information and intellectual property, including customers' personal information, private information about employees, and financial and strategic information about the Company and its business partners. Further, if the Company in the future pursues acquisitions or new initiatives that require expanding or improving our information technologies, this may result in a larger technological presence and corresponding exposure to cybersecurity risk. If we fail to assess and identify cybersecurity risks associated with acquisitions and new initiatives, we may become increasingly vulnerable to such risks. Further, despite these security measures, the Company's computer systems and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance, or other disruptions. Additionally, while we have implemented measures to prevent security breaches and cyber incidents, our

preventative measures and incident response efforts may not be entirely effective. The theft, destruction, loss, misappropriation, or release of sensitive and/or confidential information or intellectual property, or interference with our information technology systems or the technology systems of third parties on which we rely, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of customers, potential liability and competitive disadvantage.

Additional Risks of Our Environmental Services Business

A significant portion of our business depends upon non-recurring event clean-up projects over which we have no control.

A significant portion of our disposal revenue is attributable to discrete Event Business which varies widely in size, duration and unit pricing. For the year ended December 31, 2015, approximately 26% of our T&D revenue (excluding EQ) was derived from Event Business projects. The one-time nature of Event Business necessarily creates variability in revenue and earnings. This variability is further influenced by service mix, general and industry-specific economic conditions, funding availability, changes in laws and regulations, government enforcement actions, public controversies, litigation, weather, property redevelopment plans and other factors. As a result of this variability, we can experience significant quarter-to-quarter and year-to-year volatility in revenue, gross profit, gross margin, operating income and net income. Also, while many large project opportunities are identifiable years in advance, both large and small project opportunities also routinely arise with little prior notice. This uncertainty, which is inherent to the hazardous and radioactive waste disposal industry, is factored into our budgeting and externally communicated business projections. Our projections combine historical experience with identified sales pipeline opportunities and planned initiatives for new or expanded service lines. A reduction in the number and size of new clean-up projects won to replace completed work could have a material adverse effect on our financial condition and results of operations.

If we are unable to obtain regulatory approvals and contracts for construction of additional disposal space by the time our current disposal capacity is exhausted, our business would be adversely affected.

Construction of new disposal capacity at our operating disposal facilities beyond currently permitted capacity requires state and provincial regulatory agency approvals. Administrative processes for such approval reviews vary. The State of Texas, which regulates our Robstown facility, provides for an adjudicatory hearing process administered by a hearing officer appointed by the State. There can be no assurance that we will be successful in obtaining future expansion approvals in a timely manner or at all. If we are not successful in receiving these approvals, our disposal capacity could eventually be exhausted, preventing us from accepting additional waste at an affected facility. This would have a material adverse effect on our business.

If we are unable to renew our operating permits or lease agreements with regulatory bodies, our business would be adversely affected.

Our facilities operate using permits and licenses issued by various regulatory bodies at various state, provincial and federal government levels. In addition, three of our facilities operate on land leased from government agencies. Failure to renew our permits and licenses necessary to operate our facilities or failure to renew or maintain compliance with our site lease agreements would have a material adverse effect on our business. There can be no assurance we will continue to be successful in obtaining timely permit applications approval, maintaining compliance with our lease agreements and obtaining timely lease renewals.

Our business requires the handling of dangerous substances. Improper handling of such substances could result in an adverse impact on our financial condition and results of operations.

We are subject to unexpected occurrences related, or unrelated, to the routine handling of dangerous substances. A fire or other incident could impair the ability of one or more facilities to continue to perform normal operations, which could have a material adverse impact on our financial condition and results of operations. Improper handling of these substances could also violate laws and regulations resulting in fines and/or suspension of operations.

If we are unable to obtain at a reasonable cost or under reasonable terms and conditions the necessary levels of insurance and financial assurances required for operations, our business and results of operations would be adversely affected.

We are required by law, license, permit and prudence to maintain various insurance instruments and financial assurances. We carry a broad range of insurance coverages that we believe are customary for a company of our size in our business. We obtain these coverages to mitigate risk of loss, allowing us to manage our self-insured exposure from potential claims. We are self-insured for employee health-care coverage. Stop-loss insurance is carried covering liability on claims in excess of $150,000 per individual or on an aggregate basis for the monthly population. Accrued costs related to the self-insured health care coverage were $1.1 million and $2.1 million at December 31, 2015 and 2014, respectively. We also maintain a Pollution and Remediation Legal Liability Policy pursuant to RCRA regulations subject to a $250,000 self-insured retention. In addition, we are insured for consultant's environmental liability subject to a $100,000 self-insured retention. We are also insured for losses or damage to third party property or people subject to a $100,000 self-insured retention. If our insurers were unable to meet their obligations, or our own obligations for claims were more than expected, there could be a material adverse effect to our financial condition and results of operation.

Through December 31, 2015, we have met our financial assurance requirements through a combination of insurance policies, commercial surety bonds and trust funds. Our insurance policies covering closure and post-closure activities expire in December 2016 for covered U.S. operating facilities (dedicated state-controlled closure and post-closure funds provide financial assurance for our Washington and Nevada facilities). We continue to use self-funded trust accounts for our post-closure obligations at our U.S. non-operating sites. We use commercial surety bonds for our Canadian operation that expire in November 2016. We currently have in place all financial assurance instruments necessary for our operations. While we expect to continue renewing these policies and surety bonds, if we were unable to obtain adequate closure, post-closure or environmental insurance, bonds or other instruments in the future, any partially or completely uninsured claim against us, if successful and of sufficient magnitude, could have a material adverse effect on our results of operations and cash flows. Additionally, continued access to casualty and pollution legal liability insurance with sufficient limits, at acceptable terms, is important to obtaining new business. Failure to maintain adequate financial assurance could also result in regulatory action including early closure of facilities. As of December 31, 2015, we have provided collateral of $5.7 million in funded trust agreements, $11.9 million in surety bonds, issued $2.7 million in letters of credit for financial assurance and have insurance policies of approximately $74.1 million for closure and post-closure obligations at covered U.S. operating facilities. We have $657,000 in commercial surety bonds dedicated for closure obligations at our Canadian operating facility. While we believe we will be able to maintain the requisite financial assurance policies at a reasonable cost, premium and collateral requirements may materially increase. Such increases could have a material adverse effect on our financial condition and results of operations.

The hazardous and radioactive waste industries in which we operate are subject to litigation risk.

The handling of radioactive, PCBs and hazardous material subjects us to potential liability claims by employees, contractors, property owners, neighbors and others. There can be no assurance that our

existing liability insurance is adequate to cover claims asserted against us or that we will be able to maintain adequate insurance in the future. Adverse rulings in judicial or administrative proceedings could also have a material adverse effect on our financial condition and results of operations.

We may not be able to obtain timely or cost effective transportation services which could adversely affect our profitability.

Revenue at each of our facilities is subject to potential risks from disruptions in rail or truck transportation services relied upon to deliver waste to our facilities. Increases in fuel costs and unforeseen events such as labor disputes, public health pandemics, severe weather, natural disasters and other acts of God, war or terror could prevent or delay shipments and reduce both volumes and revenue. Our rail transportation service agreements with our customers generally allow us to pass on fuel surcharges assessed by the railroads. This may decrease or eliminate our exposure to fuel cost increases. Transportation services may be limited by economic conditions, including increased demand for rail or trucking services, resulting in periods of slower service to the point that individual customer needs cannot be met. No assurance can be given that we can procure transportation services in a timely manner at competitive rates or pass through fuel cost increases in all cases. Such factors could also limit our ability to achieve revenue and earnings objectives.

We may not be able to effectively adopt or adapt to new or improved technologies.

We expect to continue implementing new or improved technologies at our facilities to meet customer service demands and expand our business. If we are unable to identify and implement new technologies in response to market conditions and customer requirements in a timely, cost effective manner, our financial condition and results of operations could be adversely impacted.

Our financial results could be adversely affected by foreign exchange fluctuations.

We operate in the United States and Canada but report revenue, costs and earnings in U.S. dollars. Exchange rates between the U.S. dollar and the Canadian dollar are likely to fluctuate from period to period. Because our financial results are reported in U.S. dollars, we are subject to the risk of non-cash translation losses for reporting purposes. If we continue to expand our international operations, we will conduct more transactions in currencies other than the U.S. dollar. To the extent that foreign revenue and expense transactions are not denominated in the local currency, we are further subject to the risk of transaction losses. We have not entered into derivative instruments to offset the impact of foreign exchange fluctuations. Fluctuations in foreign currency exchange rates could have a material adverse effect on our financial condition and results of operations.

We are subject to risks associated with operating in a foreign country.

Our Stablex facility is located in Blainville, Québec, Canada and uses the Canadian dollar as its functional currency. International operations are subject to risks that may have material adverse effects on our financial condition and results of operations. The risks that our international operations are subject to include, among other things:

- difficulties and costs relating to staffing and managing foreign operations;
- foreign labor union relations;
- fluctuations in the value of the Canadian dollar;
- repatriation of cash from Stablex to the United States;
- imposition of additional taxes on our foreign income; and
- regulatory, economic and public policy changes.

Additional Risks of Our Field & Industrial Services Business

A significant portion of our Field & Industrial Services segment depends upon the demand for cleanup of major spills and other remedial projects and regulatory developments over which we have no control.

A significant portion of our Field & Industrial Services segment consists of remediation, recycling, industrial cleaning and maintenance, transportation, total waste management, technical services, and emergency response services. Demand for these services can be affected by the commencement and completion of cleanup of major spills and other events, customers' decisions to undertake remedial projects, seasonal fluctuations due to weather and budgetary cycles influencing the timing of customers' spending for remedial activities, the timing of regulatory decisions relating to hazardous waste management projects, changes in regulations governing the management of hazardous waste, changes in the waste processing industry towards waste minimization and the propensity for delays in the demand for remedial services, and changes in governmental regulations relevant to our diverse operations. We do not control such factors and, as a result, our revenue and income can vary from quarter to quarter or year to year, and past financial performance may not be a reliable indicator of future performance.

Additional Risks of Completed and Potential Acquisitions

The acquisition of EQ Holdings, Inc. ("EQ") and any other acquisitions that we undertake could be difficult to integrate, disrupt our business, dilute stockholder value and adversely affect our results of operations.

Acquisitions involve multiple risks. Our inability to successfully integrate an acquired business could have a material adverse effect on our financial condition and results of operations. These risks include but are not limited to:

- failure of the acquired company to achieve anticipated revenues, earnings or cash flows;
- assumption of liabilities, including those related to environmental matters, that were not disclosed to us or that exceed our estimates;
- problems integrating the purchased operations with our own, which could result in substantial costs and delays or other operational, technical or financial problems;
- potential compliance issues relating to the protection of health and the environment, compliance with securities laws and regulations, adequacy of internal controls and other matters;
- diversion of management's attention or other resources from our existing business;
- risks associated with entering markets or product/service areas in which we have limited prior experience;
- increases in working capital investment to fund the growth of acquired operations;
- unexpected capital expenditures to upgrade waste handling or other infrastructure or replace equipment to operate safely and efficiently;
- potential loss of key employees and customers of the acquired company; and
- future write-offs of intangible and other assets, including goodwill, if the acquired operations fail to generate sufficient cash flows.

We acquired EQ on June 17, 2014. As part of the acquisition we recorded at fair value $197.6 million of goodwill and $252.9 million of intangibles associated with EQ. Our integration of EQ's operations into our operations has required and will continue to require implementation of appropriate operations, management and financial reporting systems and controls. The integration of EQ has required and will continue to require the focused attention of our management team, including a significant commitment of time and resources. The success of the acquisition will depend, in part, on the combined company's ability

to realize the anticipated benefits from combining the respective businesses and operations of US Ecology and EQ through greater efficiencies, increased utilization of support facilities and the adoption of mutual best practices. To realize these anticipated benefits, however, the business and operations of US Ecology and EQ must continue to be effectively combined.

If we are not able to achieve these objectives, the anticipated benefits of the acquisition may not be realized fully, if at all, or may take longer to realize than expected. It is possible that the integration process could result in the loss of key employees, the disruption of our ongoing business, failure to implement the business plan for the combined businesses, unanticipated issues in integrating service offerings, logistics information, communications and other systems or other unanticipated issues, expenses and liabilities, any or all of which could adversely affect our ability to maintain relationships with customers and employees or to achieve the anticipated benefits of the acquisition. It is possible that failure to realize the anticipated benefits and operational performance of EQ could lead to an impairment of goodwill or other intangible assets and such impairment may be material to our financial condition or results of operations.

Our acquisition of EQ Holdings, Inc. may expose us to unknown liabilities.

Because we acquired all of EQ's outstanding common shares, our investment in EQ is subject to all of EQ's liabilities. If there are unknown obligations related to the operations of EQ's business, including contingent environmental or other liabilities, our business could be adversely affected. We may learn additional information about EQ's business that adversely affects us, such as unknown liabilities or issues relating to internal controls over financial reporting or that could affect our ability to comply with the Sarbanes-Oxley Act or other applicable laws.

Failure to realize the anticipated benefits and operational performance of acquired operations could lead to an impairment of goodwill or other intangible assets.

We are required to test goodwill and intangible assets with indefinite useful lives at least annually to determine if impairment has occurred. The testing of goodwill and other intangible assets for impairment requires us to make significant estimates about future performance and cash flows, as well as other assumptions. These estimates can be affected by numerous factors, including potential changes in economic, industry or market conditions, changes in laws or regulations, changes in business operations, changes in competition or changes in our stock price and market capitalization. Changes in these factors, or changes in actual performance compared with estimates of our future performance, may affect the fair value of goodwill or other intangible assets, which may result in an impairment charge. As a result of acquisitions in 2014, 2012 and 2010, we have goodwill of $191.8 million and indefinite-lived intangible assets of $49.9 million at December 31, 2015 that must be assessed at least annually for impairment.

We cannot accurately predict the amount and timing of any impairment of assets. Should the value of goodwill or other intangible assets become impaired as a result of a failure to realize the anticipated benefits and operational performance of acquired operations, our financial condition and results of operations could be adversely impacted.

In the event that we undertake future acquisitions, we may not be able to successfully execute our acquisition strategy.

We may experience delays in making acquisitions or be unable to make acquisitions we desire for a number of reasons. Suitable acquisition candidates may not be available at purchase prices that are attractive to us or on terms that are acceptable to us. In pursuing acquisition opportunities, we typically compete with other companies, some of which have greater financial and other resources than we do. We may not have available funds or common stock with a sufficient market price to complete an acquisition. If we are unable to secure sufficient funding for potential acquisitions, we may not be able to complete acquisitions that we otherwise find advantageous.

The timing and number of acquisitions we pursue may cause volatility in our financial results.

We are unable to predict the size, timing and number of acquisitions we may complete, if any. In addition, we may incur expenses associated with sourcing, evaluating and negotiating acquisitions (including those that are not completed), and we also may pay fees and expenses associated with financing acquisitions to investment banks and others. Any of these amounts may be substantial, and together with the size, timing and number of acquisitions we pursue, may negatively impact and cause significant volatility in our financial results and the price of our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The following table describes our principal physical properties and facilities at December 31, 2015 owned or leased by us. We believe that our existing properties are in good condition and suitable for conducting our business.

Location	Segment	Function	Own/Lease
Beatty, Nevada	Environmental Svcs.	Waste treatment and landfill disposal	Lease
Robstown, Texas	Environmental Svcs.	Waste treatment and landfill disposal	Own
Grand View, Idaho	Environmental Svcs.	Waste treatment and landfill disposal	Own
Belleville, Michigan	Environmental Svcs.	Waste treatment and landfill disposal	Own
Blainville, Québec, Canada	Environmental Svcs.	Waste treatment and landfill disposal	Own/Lease
Richland, Washington	Environmental Svcs.	Landfill disposal	Sublease
Detroit, Michigan	Environmental Svcs.	Waste treatment	Own
Canton, Ohio	Environmental Svcs.	Waste treatment	Own
Harvey, Illinois	Environmental Svcs.	Waste treatment	Own
York, Pennsylvania	Environmental Svcs.	Waste treatment	Own
Tulsa, Oklahoma	Environmental Svcs.	Waste treatment	Own
Augusta, Georgia	Environmental Svcs.	Waste treatment	Own
Sulligent, Alabama	Environmental Svcs.	Waste treatment	Own
Tampa, Florida	Environmental Svcs.	Waste treatment	Own
Romulus, Michigan	Environmental Svcs.	Waste treatment	Own
Mt. Airy, North Carolina	Environmental Svcs.	Waste treatment	Own
Taylor, Michigan	Field & Industrial Svcs.	Field and industrial waste management	Own
Bayonne, New Jersey	Field & Industrial Svcs.	Field and industrial waste management	Lease
Atlanta, Georgia	Field & Industrial Svcs.	Field and industrial waste management	Lease
Wrentham, Massachusetts	Field & Industrial Svcs.	Field and industrial waste management	Own
Boise, Idaho	Corporate	Corporate Office	Lease
Livonia, Michigan	Corporate	Regional Office	Lease

In addition to the principal physical properties detailed in the table above, the Company owns or leases a number of smaller (less than 20,000 sq. ft.) properties supporting our Field & Industrial Services segment.

The following table provides additional information for our treatment facilities with onsite landfills including total acreage owned or controlled by us at each facility, estimated amount of permitted airspace available at each facility, the estimated amount of non-permitted airspace and the estimated life at each facility. All estimates are as of December 31, 2015.

Location	Total Acreage	Permitted Airspace (Cubic Yards)	Non-Permitted Airspace (Cubic Yards)	Estimated Life (Years)
Beatty, Nevada(1)	80	399,095	—	2
Robstown, Texas(2)	873	1,177,914	—	6
Grand View, Idaho(3)	1,411	10,655,427	18,100,000	144
Belleville, Michigan(4)	455	12,546,963	—	39
Blainville, Québec, Canada(5)	350	6,613,465	—	27
Richland, Washington(6)	100	645,386	—	40
Total		32,038,250	18,100,000	

(1) Our Beatty, Nevada facility, which began receiving hazardous waste in 1970, is located in the Amargosa Desert approximately 120 miles northwest of Las Vegas, Nevada and approximately 30 miles east of Death Valley, California. We sublease 80 acres from the State of Nevada located within a 400 acre buffer zone owned by the State of Nevada. The Company believes this dedicated buffer zone is a viable location for expansion to accommodate future disposal operations and is actively working with the State of Nevada to expand our operations, which we expect to conclude in 2016. In April 2007, we renewed our lease with the State of Nevada as a year-to-year periodic tenancy until (i) that area reaches full capacity and can no longer accept waste (an estimated life of three years using 2014 volume); (ii) the lease is terminated by us at our option; or (iii) the State terminates the lease due to our breach of the lease terms. The State of Nevada assesses disposal fees to fund a dedicated trust account to pay for future closure and post-closure costs.

(2) Our Robstown, Texas facility began operations in 1973. It is located on 240 acres owned by the Company approximately 10 miles west of Corpus Christi, Texas. We own an additional 633 acres of adjacent land for future expansion. We also own 174 acres of land five miles west of the facility adjacent to a rail line where we have operated a rail transfer station since 2006.

(3) Our Grand View, Idaho facility, purchased in 2001, is located on 1,252 acres of Company-owned land approximately 60 miles southeast of Boise, Idaho in the Owyhee Desert. We own an additional 159 acres approximately two miles east of the facility that provides a clay source for site operations (liner construction and waste treatment). We also own 189 acres where our rail transfer station is located approximately 30 miles northeast of the disposal facility. This site has two enclosed rail-to-truck waste transfer facilities located adjacent to the main line of the Union Pacific Railroad.

(4) Our Belleville, Michigan facility began operations in 1957 and began disposing of waste in the onsite landfill in 1969. The facility is located on 455 acres owned by the Company approximately 30 miles from Detroit, Michigan. We also own 12 acres of land nine miles from the facility adjacent to a rail line where we have operated a rail transfer station since 1998.

(5) Our Blainville, QC, Canada facility has been in operation since 1983 and is located approximately 30 miles northwest of Montreal, Québec, Canada. The facility includes an indoor hazardous and industrial waste treatment and storage facility and a rail transfer station located on 25 acres adjacent to a 325 acre disposal site. The treatment processing facility is on land owned by the Company. The disposal site which is adjacent to the owned treatment processing facility is leased from the Province of Québec with a term through 2018 and one five-year renewal option. The site is permitted to accept up to 875,000 metric tons (962,500 U.S. tons) over the five-year permit period. Of this amount, up to 350,000 metric tons (385,000 U.S. tons) can be accepted as soil. While there are no specific restrictions

on waste soils received from the U.S., non-soil waste received from the U.S. is limited to 350,000 metric tons (385,000 U.S. tons) over the five-year permit period. The Province assesses fees to fund a dedicated government trust account to pay for post-closure costs at the disposal site.

(6) Our Richland, Washington LLRW facility has been in operation since 1965 and is located on 100 acres of land leased by the State of Washington from the federal government on the U.S. Department of Energy Hanford Reservation approximately 35 miles west of Richland, Washington. We sublease this property from the State of Washington. The lease between the State of Washington and the federal government expires in 2063. We renewed our sublease with the State in 2005 for ten years with four ten-year renewal options, giving us control of the property until the year 2055 provided that we meet our obligations and operate in a compliant manner. The facility's intended operating life is equal to the period of the sublease. The State assesses user fees for local economic development, state regulatory agency expenses and a dedicated trust account to pay for long-term care after the facility closes. The State maintains separate, dedicated trust funds for future closure and post-closure costs.

ITEM 3. LEGAL PROCEEDINGS

In the ordinary course of business, we are involved in judicial and administrative proceedings involving federal, state, provincial or local governmental authorities, including regulatory agencies that oversee and enforce compliance with permits. Fines or penalties may be assessed by our regulators for non-compliance. Actions may also be brought by individuals or groups in connection with permitting of planned facilities, modification or alleged violations of existing permits, or alleged damages suffered from exposure to hazardous substances purportedly released from our operated sites, as well as other litigation. We maintain insurance intended to cover property and damage claims asserted as a result of our operations. Periodically, management reviews and may establish reserves for legal and administrative matters, or other fees expected to be incurred in relation to these matters.

We are not currently a party to any material pending legal proceedings and are not aware of any other claims that could, individually or in the aggregate, have a materially adverse effect on our financial position, results of operations or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Common Stock Price

Our common stock is listed on the NASDAQ Global Select Market under the symbol ECOL. As of January 19, 2016 there were approximately 14,897 beneficial owners of our common stock. High and low sales prices for the common stock for each quarter in the last two years are shown below:

	2015		2014	
	High	Low	High	Low
First Quarter	$ 52.42	$ 38.58	$ 38.90	$ 30.84
Second Quarter	$ 51.93	$ 45.30	$ 50.78	$ 35.26
Third Quarter	$ 52.99	$ 43.28	$ 51.60	$ 41.29
Fourth Quarter	$ 48.01	$ 32.76	$ 50.86	$ 38.42

Dividend History

We have paid the following dividends on our common stock ($s in thousands except per share amounts):

	2015		2014	
	Per share	Dollars	Per share	Dollars
First Quarter	$ 0.18	$ 3,894	$ 0.18	$ 3,874
Second Quarter	0.18	3,899	0.18	3,876
Third Quarter	0.18	3,907	0.18	3,890
Fourth Quarter	0.18	3,912	0.18	3,892
Total	$ 0.72	$ 15,612	$ 0.72	$ 15,532

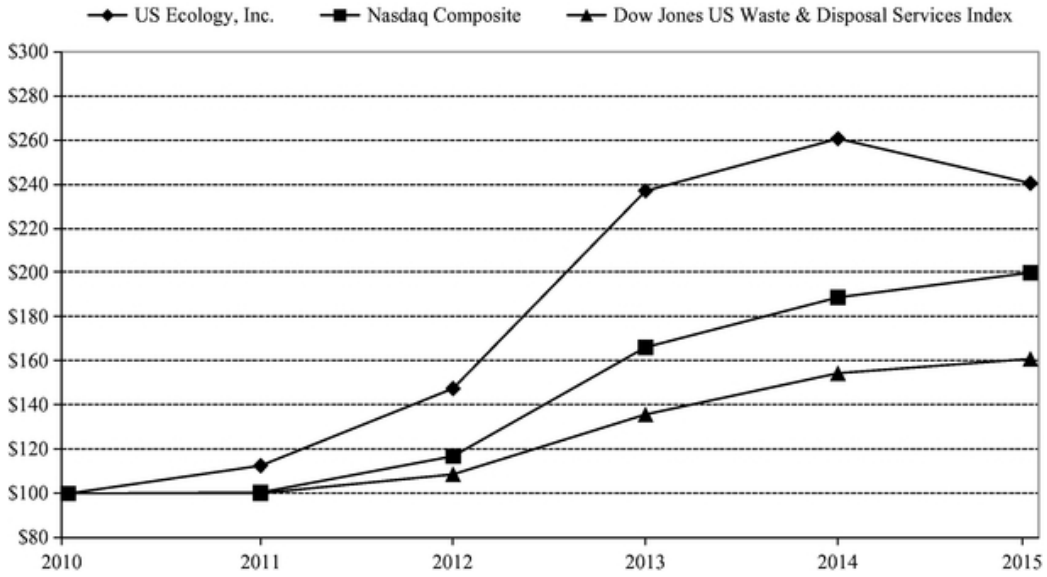
On January 4, 2016, the Company declared a dividend of $0.18 per common share for stockholders of record on January 22, 2016. The dividend was paid from cash on hand on January 29, 2016 in an aggregate amount of $3.9 million.

On June 17, 2014, the Company entered into a new $540.0 million senior secured credit agreement (the "Credit Agreement") with a syndicate of banks comprised of a $415.0 million term loan (the "Term Loan") with a maturity date of June 17, 2021 and a $125.0 million revolving line of credit (the "Revolving Credit Facility") with a maturity date of June 17, 2019. Pursuant to the Credit Agreement, we may only declare quarterly or annual dividends if on the date of declaration, no event of default has occurred and no other event or condition has occurred that would constitute an event of default due to the payment of the dividend. No events of default under the Credit Agreement have occurred to date.

Stock Performance Graph

The following graph compares the five-year cumulative total return on our common stock with the comparable five-year cumulative total returns of the NASDAQ Composite Index and Dow Jones Waste & Disposal Services Index for the period from the end of fiscal 2010 to the end of fiscal 2015. The stock price performance shown below is not necessarily indicative of future performance.

Comparison of Cumulative Total Stockholder Return(1) Among US Ecology, Inc., NASDAQ Composite Index and Dow Jones Waste & Disposal Services Index



Date	US Ecology, Inc.	Nasdaq Composite	Dow Jones US Waste & Disposal Services Index
December 31, 2010	$ 100.00	$ 100.00	$ 100.00
December 31, 2011	$ 112.62	$ 100.53	$ 100.18
December 31, 2012	$ 147.55	$ 116.92	$ 108.70
December 31, 2013	$ 236.95	$ 166.19	$ 135.80
December 31, 2014	$ 260.57	$ 188.78	$ 154.48
December 31, 2015	$ 240.44	$ 199.95	$ 160.95

(1) Total return assuming $100 invested on December 31, 2010 and reinvestment of dividends on the day they were paid.

The performance graph above is being furnished solely to accompany this Annual Report on Form 10-K pursuant to Item 201(e) of Regulation S-K, is not being filed for purposes of Section 18 of the Exchange Act, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Securities Authorized for Issuance Under Equity Compensation Plans

Information with respect to compensation plans under which our equity securities are authorized for issuance is discussed in Item 12 of Part III of this Annual Report on Form 10-K.

Issuer Purchases of Equity Securities

The following table summarizes the purchases of shares of our common stock during the year ended December 31, 2015:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs
January 1 to 31, 2015	—	$ —	—	$ —
February 1 to 28, 2015	—	—	—	—
March 1 to 31, 2015(1)	4,920	51.73	—	—
April 1 to 30, 2015	—	—	—	—
May 1 to 31, 2015	—	—	—	—
June 1 to 30, 2015(1)	147	48.60	—	—
July 1 to 31, 2015	—	—	—	—
August 1 to 31, 2015(1)	1,083	51.52	—	—
September 1 to 30, 2015	—	—	—	—
October 1 to 31, 2015	—	—	—	—
November 1 to 30, 2015	—	—	—	—
December 1 to 31, 2015	—	—	—	—
Total	6,150	$ 51.62	—	$ —

(1) Represents shares surrendered or forfeited in connection with certain employees' tax withholding obligations related to the vesting of shares of restricted stock.

ITEM 6. SELECTED FINANCIAL DATA

This summary should be read in conjunction with the consolidated financial statements and related notes.

$s in thousands, except per share amounts	2015	2014(1)	2013	2012	2011
Revenue	$ 563,070	$ 447,411	$ 201,126	$ 169,138	$ 154,917
Impairment charges	6,700	—	—	—	—
Operating income	71,631	72,450	52,931	40,638	32,365
Foreign currency gain (loss)	(2,196)	(1,499)	(2,327)	1,213	(1,321)
Income tax expense	21,244	22,814	17,996	16,059	11,437
Net income	$ 25,611	$ 38,236	$ 32,151	$ 25,659	$ 18,370
Earnings per share—basic:	$ 1.18	$ 1.78	$ 1.73	$ 1.41	$ 1.01
Earnings per share—diluted:	$ 1.18	$ 1.77	$ 1.72	$ 1.40	$ 1.01
Shares used in earnings per share calculation:					
Basic	21,637	21,537	18,592	18,238	18,198
Diluted	21,733	21,655	18,676	18,281	18,223
Dividends paid per share	$ 0.72	$ 0.72	$ 0.54	$ 0.90	$ 0.72
Total assets	$ 771,987	$ 910,047	$ 300,556	$ 218,694	$ 202,588
Working capital(2)	$ 54,516	$ 76,869	$ 85,356	$ 13,021	$ 8,772
Long-term debt	$ 293,740	$ 384,381	$ —	$ 45,000	$ 40,500
Stockholders' equity	$ 256,135	$ 251,337	$ 231,538	$ 112,022	$ 100,163
Return on invested capital(3)	6.2%	6.0%	17.3%	14.6%	12.0%
Adjusted EBITDA(4)	$ 125,450	$ 108,976	$ 71,186	$ 58,352	$ 49,849

(1) 2014 financial data reflects the acquisition of EQ on June 17, 2014.

(2) Calculated as current assets minus current liabilities.

(3) Calculated as operating income less applicable taxes divided by the sum of stockholders' equity, long-term debt, closure and post-closure obligations and monetized operating leases, less cash and short-term investments.

(4) We define Adjusted EBITDA as net income before interest expense, interest income, income tax expense, depreciation, amortization, stock based compensation, accretion of closure and post-closure liabilities, foreign currency gain/loss, non-cash impairment charges, loss on divestiture and other income/expense, which are not considered part of usual business operations. See "Adjusted EBITDA" under Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of this report for further discussion of Adjusted EBITDA and a reconciliation to the most directly comparable GAAP measure, net income.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

US Ecology, Inc. is a leading North American provider of environmental services to commercial and government entities. The Company addresses the complex waste management needs of its customers, offering treatment, disposal and recycling of hazardous, non-hazardous and radioactive waste, as well as a wide range of complementary field and industrial services. US Ecology's comprehensive knowledge of the waste business, its collection of waste management facilities and focus on safety, environmental compliance, and customer service enables us to effectively meet the needs of our customers and to build long-lasting relationships.

We have fixed facilities and service centers operating in the United States, Canada and Mexico. Our fixed facilities include five RCRA subtitle C hazardous waste landfills and one LLRW landfill located near Beatty, Nevada; Richland, Washington; Robstown, Texas; Grand View, Idaho; Detroit, Michigan and Blainville, Québec, Canada. These facilities generate revenue from fees charged to treat and dispose of waste and from fees charged to perform various field and industrial services for our customers.

On June 17, 2014, the Company acquired 100% of the outstanding shares of EQ Holdings, Inc. and its wholly-owned subsidiaries (collectively "EQ"). EQ is a fully integrated environmental services company providing waste treatment and disposal, wastewater treatment, remediation, recycling, industrial cleaning and maintenance, transportation, total waste management, technical services, and emergency response services to a variety of industries and customers in North America.

On August 4, 2015, we entered into a definitive agreement to sell our Allstate Power Vac, Inc. ("Allstate") subsidiary to a private investor group and completed the divestiture on November 1, 2015. See Note 5 to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for additional information.

Our operations are managed in two reportable segments reflecting our internal management reporting structure and nature of services offered as follows:

Environmental Services—This segment provides a broad range of hazardous material management services including transportation, recycling, treatment and disposal of hazardous and non-hazardous waste at Company-owned landfill, wastewater and other treatment facilities.

Field & Industrial Services—This segment provides packaging and collection of hazardous waste and total waste management solutions at customer sites and through our 10-day transfer facilities. Services include on-site management, waste characterization, transportation and disposal of non-hazardous and hazardous waste. This segment also provides specialty services such as high-pressure cleaning, tank cleaning, decontamination, remediation, transportation, spill cleanup and emergency response and other services to commercial and industrial facilities and to government entities.

As a result of our continued integration of EQ, we have modified and conformed the categories used to evaluate period-to-period changes in our T&D revenue for our Environmental Services segment. Historically, US Ecology divided T&D revenue into groups based on the industry of the *customer*. In order to provide better insight into the underlying drivers of our waste volumes and related T&D revenues, beginning with the third quarter of 2015, we now evaluate period-to-period changes in our T&D revenue for our Environmental Services segment based on the industry of the waste *generator*, based on North American Industry Classification System ("NAICS") codes. We believe the new categorizations provide better insight into our Environmental Services segment T&D revenues. Throughout this Annual Report on Form 10-K, except where noted, prior periods presented have been recast based on the new categorizations.

The composition of the Environmental Services segment T&D revenues by waste generator industry for the years ended December 31, 2015 and 2014 were as follows:

Generator Industry	% of Treatment and Disposal Revenue(1)(2) for the Years Ended December 31, 2015	2014
Broker / TSDF	17%	16%
Refining	17%	13%
Chemical Manufacturing	16%	23%
Metal Manufacturing	12%	12%
Government	8%	6%
General Manufacturing	7%	7%
Utilities	5%	4%
Mining, Exploration and Production	4%	5%
Transportation	2%	4%
Waste Management & Remediation	2%	2%
Other(3)	10%	8%

(1) Excludes all transportation service revenue

(2) Excludes EQ Holdings, Inc. which was acquired on June 17, 2014

(3) Includes retail and wholesale trade, rate regulated, construction and other industries

As a result of our continued integration of EQ, we have modified and conformed how we define "Base Business" and "Event Business." Previously, US Ecology defined Event Business as non-recurring waste cleanup projects regardless of size, with Base Business representing all recurring business. Beginning with the third quarter of 2015, we now define Event Business as non-recurring projects that are expected to equal or exceed 1,000 tons, with Base Business defined as all other business not meeting the definition of Event Business. We believe the new definitions are a better representation of Base and Event Business and provide better insight into our Environmental Services segment T&D revenues. Throughout this Annual Report on Form 10-K, except where noted, prior periods presented have been recast based on the new definitions.

A significant portion of our disposal revenue is attributable to discrete Event Business projects which vary widely in size, duration and unit pricing. For the year ended December 31, 2015, approximately 26% of our T&D revenue, excluding EQ, was derived from Event Business projects. The one-time nature of Event Business, diverse spectrum of waste types received and widely varying unit pricing necessarily creates variability in revenue and earnings. This variability may be influenced by general and industry-specific economic conditions, funding availability, changes in laws and regulations, government enforcement actions or court orders, public controversy, litigation, weather, commercial real estate, closed military bases and other redevelopment project timing, government appropriation and funding cycles and other factors. The types and amounts of waste received from Base Business also vary from quarter to quarter. This variability can also cause significant quarter-to-quarter and year-to-year differences in revenue, gross profit, gross margin, operating income and net income. While we pursue many projects months or years in advance of work performance, clean-up project opportunities routinely arise with little or no prior notice. These market dynamics are inherent to the waste disposal business and are factored into our projections and externally communicated business outlook statements. Our projections combine historical experience with identified sales pipeline opportunities, new or expanded service line projections and prevailing market conditions.

During 2015, Base Business revenue growth, excluding EQ, was flat compared to 2014. Base Business revenue was approximately 74% of total 2015 T&D revenue, up from 68% in 2014. Our business is highly competitive and no assurance can be given that we will maintain these revenue levels or increase our market share.

Depending on project-specific customer needs and competitive economics, transportation services may be offered at or near our cost to help secure new business. For waste transported by rail from the eastern United States and other locations distant from our Grand View, Idaho and Robstown, Texas facilities, transportation-related revenue can account for as much as 75% of total project revenue. While bundling transportation and disposal services reduces overall gross profit as a percentage of total revenue ("gross margin"), this value-added service has allowed us to win multiple projects that management believes we could not have otherwise competed for successfully. Our Company-owned fleet of gondola railcars, which is periodically supplemented with railcars obtained under operating leases, has reduced our transportation expenses by largely eliminating reliance on more costly short-term rentals. These Company-owned railcars also help us to win business during times of demand-driven railcar scarcity.

The increased waste volumes resulting from projects won through this bundled service strategy further drive operating leverage benefits inherent to the disposal business, increasing profitability. While waste treatment and other variable costs are project-specific, the incremental earnings contribution from large and small projects generally increases as overall disposal volumes increase. Based on past experience, management believes that maximizing operating income, net income and earnings per share is a higher priority than maintaining or increasing gross margin. We intend to continue aggressively bidding bundled transportation and disposal services based on this proven strategy.

To maximize utilization of our railcar fleet, we periodically deploy available railcars to transport waste from clean-up sites to disposal facilities operated by other companies. Such transportation services may also be bundled with for-profit logistics and field services support work.

We serve oil refineries, chemical production plants, steel mills, waste brokers/aggregators serving small manufacturers and other industrial customers that are generally affected by the prevailing economic conditions and credit environment. Adverse conditions may cause our customers as well as those they serve to curtail operations, resulting in lower waste production and/or delayed spending on off-site waste shipments, maintenance, waste clean-up projects and other work. Factors that can impact general economic conditions and the level of spending by customers include, but are not limited to, consumer and industrial spending, increases in fuel and energy costs, conditions in the real estate and mortgage markets, labor and healthcare costs, access to credit, consumer confidence and other global economic factors affecting spending behavior. Market forces may also induce customers to reduce or cease operations, declare bankruptcy, liquidate or relocate to other countries, any of which could adversely affect our business. To the extent business is either government funded or driven by government regulations or enforcement actions, we believe it is less susceptible to general economic conditions. Spending by government agencies may be reduced due to declining tax revenues resulting from a weak economy or changes in policy. Disbursement of funds appropriated by Congress may also be delayed for various reasons.

Our results of operations have been affected by certain significant events during the past three fiscal years including, but not limited to:

2015 Events

Full Year of EQ Operations: 2015 includes a full year of operating results for EQ, which was acquired on June 17, 2014. 2014 includes only the operating results during our ownership period from June 17, 2014 to December 31, 2014.

Sale of Allstate Power Vac, Inc. ("Allstate") and Goodwill Impairment: On August 4, 2015, we entered into a definitive agreement to sell our Allstate subsidiary to a private investor group. Allstate represents the majority of the industrial services business we acquired with the acquisition of EQ. As a result of this agreement and management's strategic review, we evaluated the recoverability of the assets associated with our industrial services business. Based on this analysis, we recorded a non-cash goodwill impairment charge of $6.7 million, or $0.31 per diluted share, in the second quarter of 2015. On November 1, 2015, we completed the sale of Allstate for cash proceeds of $58.8 million, subject to post-closing adjustments for working capital. We recognized a pre-tax loss on the divestiture of Allstate, including transaction-related costs, of $542,000 in the fourth quarter of 2015. Cash proceeds from the transaction were used to repay debt. See Note 5 to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for additional information on the sale of Allstate.

2014 Events

Acquisition of EQ Holdings, Inc.: On June 17, 2014, the Company acquired 100% of the outstanding shares of EQ. EQ is a fully integrated environmental services company providing waste treatment and disposal, wastewater treatment, remediation, recycling, industrial cleaning and maintenance, transportation, total waste management, technical services, and emergency response services to a variety of industries and customers in North America. The total purchase price was $460.9 million, net of cash acquired, and was funded through a combination of cash on hand and borrowings under a new $415.0 million term loan. The acquisition of EQ affects the comparability of 2014 with other years, including as follows:

- Revenue and operating income from the legacy EQ business for the period from June 17, 2014 to December 31, 2014 included in the Company's consolidated statements of operations for the year ended December 31, 2014 were $228.2 million and $18.5 million, respectively.

- We incurred $6.4 million of business development expenses during the year ended December 31, 2014 in connection with the EQ acquisition primarily for due diligence and business integration purposes.

- We recorded $252.9 million of intangible assets and $197.6 million of goodwill on our Consolidated Balance Sheet as a result of the acquisition. Acquired finite-lived intangibles will be amortized over their estimated useful life ranging from one to 45 years. Goodwill and indefinite-lived intangibles are tested for impairment at least annually.

2013 Events

Public Common Stock Offering: In December 2013, we sold and issued 2,990,000 shares of our common stock, including 390,000 shares pursuant to the underwriters' option to purchase additional shares, at a price of $34.00 per share. We received net proceeds of $96.4 million after deducting underwriting discounts, commissions and offering expenses. $30.0 million of the net proceeds were used to repay amounts outstanding under our Former Agreement (as defined below) with the remainder used for general corporate purposes.

Results of Operations

Our operating results and percentage of revenues for the years ended December 31, 2015, 2014 and 2013 were as follows:

	Year Ended December 31,						2015 vs. 2014		2014 vs. 2013	
$s in thousands	2015	%	2014	%	2013	%	$ Change	% Change	$ Change	% Change
Revenue										
Environmental Services	$375,846	67%	$319,819	71%	$201,126	100%	$ 56,027	18%	$118,693	59%
Field & Industrial Services	187,224	33%	127,592	29%	—	0%	59,632	47%	127,592	n/m
Total	563,070	100%	447,411	100%	201,126	100%	115,659	26%	246,285	122%
Gross Profit										
Environmental Services	141,097	38%	125,562	39%	78,986	39%	15,535	12%	46,576	59%
Field & Industrial Services	30,313	16%	20,224	16%	—	n/m	10,089	50%	20,224	n/m
Total	171,410	30%	145,786	33%	78,986	39%	25,624	18%	66,800	85%
Selling, General & Administrative Expenses										
Environmental Services	23,649	6%	19,422	6%	11,826	6%	4,227	22%	7,596	64%
Field & Industrial Services	21,064	11%	13,668	11%	—	n/m	7,396	54%	13,668	n/m
Corporate	48,366	n/m	40,246	n/m	14,229	n/m	8,120	20%	26,017	183%
Total	93,079	17%	73,336	16%	26,055	13%	19,743	27%	47,281	181%
Adjusted EBITDA										
Environmental Services	152,815	41%	123,192	39%	84,547	42%	29,623	24%	38,645	46%
Field & Industrial Services	18,640	10%	8,532	7%	—	n/m	10,108	118%	8,532	n/m
Corporate	(46,005)	n/m	(22,748)	n/m	(13,361)	n/m	(23,257)	102%	(9,387)	70%
Total	$125,450	22%	$108,976	24%	$ 71,186	35%	$ 16,474	15%	$ 37,790	53%

The primary financial measure used by management to assess segment performance is Adjusted EBITDA. Adjusted EBITDA is defined as net income before interest expense, interest income, income tax expense, depreciation, amortization, stock based compensation, accretion of closure and post-closure liabilities, foreign currency gain/loss, non-cash impairment charges, loss on divestiture and other income/expense,

which are not considered part of usual business operations. The reconciliation of Adjusted EBITDA to Net Income for the years ended December 31, 2015, 2014 and 2013 is as follows:

	Year Ended December 31,			2015 vs. 2014		2014 vs. 2013	
$s in thousands	2015	2014	2013	$ Change	% Change	$ Change	% Change
Adjusted EBITDA	$ 125,450	$ 108,976	$ 71,186	$ 16,474	15%	$ 37,790	53%
Income tax expense	(21,244)	(22,814)	(17,996)	1,570	–7%	(4,818)	27%
Interest expense	(23,370)	(10,677)	(828)	(12,693)	119%	(9,849)	1189%
Interest income	65	107	19	(42)	–39%	88	463%
Foreign currency loss	(2,196)	(1,499)	(2,327)	(697)	46%	828	–36%
Loss on divestiture	(542)	—	—	(542)	n/m	—	n/m
Other income	1,267	669	352	598	89%	317	90%
Impairment charges	(6,700)	—	—	(6,700)	n/m	—	n/m
Depreciation and amortization of plant and equipment	(27,931)	(24,413)	(14,815)	(3,518)	14%	(9,598)	65%
Amortization of intangibles	(12,307)	(8,207)	(1,461)	(4,100)	50%	(6,746)	462%
Stock-based compensation	(2,297)	(1,250)	(865)	(1,047)	84%	(385)	45%
Accretion and non-cash adjustment of closure and post-closure liabilities	(4,584)	(2,656)	(1,114)	(1,928)	73%	(1,542)	138%
Net Income	$ 25,611	$ 38,236	$ 32,151	$ (12,625)	–33%	$ 6,085	19%

Adjusted EBITDA is a complement to results provided in accordance with accounting principles generally accepted in the United States ("GAAP") and we believe that such information provides additional useful information to analysts, stockholders and other users to understand the Company's operating performance. Since Adjusted EBITDA is not a measurement determined in accordance with GAAP and is thus susceptible to varying calculations, Adjusted EBITDA as presented may not be comparable to other similarly titled measures of other companies. Items excluded from Adjusted EBITDA are significant components in understanding and assessing our financial performance. Adjusted EBITDA should not be considered in isolation or as an alternative to, or substitute for, net income, cash flows generated by operations, investing or financing activities, or other financial statement data presented in the consolidated financial statements as indicators of financial performance or liquidity.

Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or a substitute for analyzing our results as reported under GAAP. Some of the limitations are:

- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect our interest expense, or the requirements necessary to service interest or principal payments on our debt;
- Adjusted EBITDA does not reflect our income tax expenses or the cash requirements to pay our taxes;
- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments; and
- Although depreciation and amortization charges are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements.

2015 Compared to 2014

Revenue

Total revenue increased 26% to $563.1 million in 2015, compared with $447.4 million in 2014. The acquired EQ operations contributed $359.0 million of revenue in 2015, compared with $228.2 million for our period of ownership in 2014. Excluding EQ operations, total revenue decreased 7% to $204.1 million in 2015, compared with $219.2 million in 2014. Revenue from EQ is excluded from percentages of Base and Event Business and waste generator industry information in the following paragraphs.

Environmental Services

Environmental Services segment revenue increased 18% to $375.8 million in 2015, compared to $319.8 million in 2014. The acquired EQ operations contributed $171.7 million of segment revenue in 2015 compared with $100.6 million of segment revenue for our period of ownership in 2014. Excluding EQ operations, segment revenue decreased 7% to $204.1 million in 2015, compared with $219.2 million in 2014. T&D revenue (excluding EQ) decreased 8% in 2015 compared to 2014, primarily as a result of a 23% decrease in project-based Event Business. Transportation service revenue (excluding EQ) increased 2% compared to 2014, reflecting more Event Business projects utilizing our transportation and logistics services. Tons of waste disposed of or processed increased 5% in 2015 compared to 2014. Excluding EQ, tons of waste disposed of or processed decreased 20% in 2015 compared to 2014.

Growth in T&D revenue from recurring Base Business waste generators was flat compared to 2014 and comprised 74% of total T&D revenue in 2015. During 2015, increases in Base Business T&D revenue from the refining and broker/TSDF industries were offset by decreases in T&D revenue from Base Business in the chemical manufacturing, utilities, and mining, exploration and production industries.

T&D revenue from Event Business waste generators decreased 23% in 2015 compared to 2014 and comprised 26% of total T&D revenue in 2015. The decrease in Event Business T&D revenue compared to the prior year primarily reflects lower T&D revenue from the chemical and metal manufacturing, transportation, broker/TSDF, and mining, exploration and production industries, partially offset by higher T&D revenue from the utilities, government and refining industries. The decrease in T&D revenue from the chemical manufacturing industry is primarily attributable to reductions in volume from a large East Coast remedial cleanup project and lower overall industry activity in 2015. The decrease in T&D revenue from the metal manufacturing industry is primarily attributable to lower domestic production of metal related products and services. The decrease in T&D revenue from the mining, exploration and production industry primarily reflects lower industry activity due to lower commodity prices.

The following table summarizes combined Base Business and Event Business T&D revenue growth by waste generator industry for 2015 compared to 2014:

	T&D Revenue Growth(1) 2015 vs. 2014
Utilities	25%
Refining	20%
Government	15%
Other	5%
Waste Management & Remediation	4%
General Manufacturing	2%
Broker / TSDF	1%
Metal Manufacturing	–12%
Mining and E&P	–31%
Chemical Manufacturing	–35%
Transportation	–44%

(1) Excludes EQ Holdings, Inc. which was acquired on June 17, 2014

Field & Industrial Services

Our Field & Industrial Services segment was added subsequent to, and as a result of, our acquisition of EQ on June 17, 2014. This segment includes all of the field and industrial service business of the legacy EQ operations and none of the legacy US Ecology operations. Field & Industrial Services segment revenue was $187.2 million in 2015 compared with $127.6 million for our period of ownership in 2014. The Allstate business, which was divested on November 1, 2015, contributed segment revenue of $59.1 million for our period of ownership in 2015 compared with $37.0 million for our period of ownership in 2014.

Gross Profit

Total gross profit increased 18% to $171.4 million in 2015, up from $145.8 million in 2014. The acquired EQ operations contributed $91.7 million of gross profit in 2015, compared with $57.4 million for our period of ownership in 2014. Excluding EQ operations, total gross profit decreased 10% to $79.7 million in 2015, compared with $88.4 million in 2014. Total gross margin in 2015 was 30%. Excluding EQ operations, total gross margin was 39%.

Environmental Services

Environmental Services segment gross profit increased 12% to $141.1 million in 2015, up from $125.6 million in 2014. The acquired EQ operations contributed $61.4 million of segment gross profit in 2015 compared with $37.2 million of segment gross profit for our period of ownership in 2014. Excluding EQ operations, segment gross profit decreased 10% to $79.7 million in 2015, compared with $88.4 million in 2014. This decrease primarily reflects lower T&D volumes in 2015 compared to 2014. Total segment gross margin in 2015 was 38%. Excluding EQ operations, total segment margin was 39%. Excluding EQ operations, T&D gross margin was 48% in 2015 compared to 49% in 2014.

Field & Industrial Services

Our Field & Industrial Services segment was added in 2014 as a result of our acquisition of EQ on June 17, 2014. This segment includes all of the field and industrial service business of the legacy EQ operations and none of the legacy US Ecology operations. Field & Industrial Services segment gross profit and gross margin were $30.3 million and 16%, respectively, in 2015 compared with $20.2 million and 16%, respectively, for our period of ownership in 2014. The Allstate business, which was divested on

November 1, 2015, contributed segment gross profit of $12.4 million for our period of ownership in 2015 compared with $8.2 million for our period of ownership in 2014.

Selling, General and Administrative Expenses ("SG&A")

Total SG&A increased 27% to $93.1 million in 2015, up from $73.3 million in 2014. The acquired EQ operations contributed $56.6 million of SG&A in 2015, compared with $38.9 million for our period of ownership in 2014. Excluding EQ operations, total SG&A was $36.5 million, or 18% of total revenue in 2015, compared with $34.4 million, or 16% of total revenue, in 2014.

Environmental Services

Environmental Services segment SG&A increased 22% to $23.6 million, or 6% of segment revenue, in 2015, up from $19.4 million, or 6% of segment revenue, in 2014. The acquired EQ operations contributed $12.5 million of segment SG&A in 2015 compared with $7.6 million of segment SG&A for our period of ownership in 2014. Excluding EQ operations, total segment SG&A was $11.1 million, or 5% of segment revenue, in 2015 compared with $11.8 million, or 5% of segment revenue, in 2014.

Field & Industrial Services

Our Field & Industrial Services segment was added in 2014 as a result of our acquisition of EQ on June 17, 2014. This segment includes all of the field and industrial service business of the legacy EQ operations and none of the legacy US Ecology operations. Field & Industrial Services segment SG&A was $21.1 million in 2015 compared with $13.7 million for our period of ownership in 2014. The Allstate business, which was divested on November 1, 2015, contributed segment SG&A of $10.9 million for our period of ownership in 2015 compared with $6.6 million for our period of ownership in 2014.

Corporate

Corporate SG&A increased 20% to $48.4 million in 2015, up from $40.2 million in 2014. The acquired EQ operations contributed $23.0 million of corporate SG&A in 2015 compared with $17.6 million of corporate SG&A for our period of ownership in 2014. Excluding EQ operations, total corporate SG&A was $25.4 million, or 12% of total revenue in 2015, compared with $22.6 million, or 10% of total revenue in 2014, primarily reflecting higher labor costs and professional fees and expenses, partially offset by lower business development expenses in 2015 compared to 2014.

Components of Adjusted EBITDA

Income tax expense

Our effective income tax rate for 2015 was 45.3% compared to 37.4% in 2014. The increase reflects non-deductible goodwill impairment charges, a non-deductible loss on the sale of the Allstate business recorded during 2015 and an increase in our U.S. effective tax rate, primarily driven by a higher overall effective state tax rate. The higher effective state tax rate was driven by changes in apportionment of income and deferred taxes between the various states in which we operate. The increase in the effective tax rate was also partially attributable to a lower proportion of earnings from our Canadian operations in 2015, which are taxed at a lower corporate tax rate. As of December 31, 2015, we had approximately $161,000 in federal net operating loss carry forwards ("NOLs") acquired from EQ. As of December 31, 2015, we had approximately $34.2 million in state and local NOLs for which we maintain a substantial valuation allowance. We maintain a valuation allowance on state and local NOLs when we no longer do business within a state or locality or determine it is unlikely that we will utilize these NOLs in the future. We consider it unlikely that we will utilize the majority of these NOLs in the future.

Interest expense

Interest expense was $23.4 million in 2015 compared with $10.7 million in 2014. The increase is a result of higher outstanding debt levels and the related interest expense on borrowings under our Revolving Credit Facility used to finance the acquisition of EQ in June 2014. Additionally, we recorded $2.4 million of incremental non-cash amortization of deferred financing fees in 2015 primarily as a result of significant debt principal payments during the year.

Foreign currency gain (loss)

We recognized a $2.2 million non-cash foreign currency loss in 2015 compared with a $1.5 million non-cash foreign currency loss in 2014. Foreign currency gains and losses reflect changes in business activity conducted in a currency other than the USD, our functional currency. Our Stablex facility is located in Blainville, Québec, Canada and uses the Canadian dollar ("CAD") as its functional currency. Also, as part of our treasury management strategy we established intercompany loans between our parent company, US Ecology, and Stablex. These intercompany loans are payable by Stablex to US Ecology in CAD requiring us to revalue the outstanding loan balance through our statements of operations based on USD/CAD currency movements from period to period. At December 31, 2015, we had $15.0 million of intercompany loans subject to currency revaluation.

Loss on divestiture

On November 1, 2015, we completed the divestiture of Allstate for cash proceeds of $58.8 million, subject to post-closing adjustments. We recognized a pre-tax loss on the divestiture of Allstate, including transaction-related costs, of $542,000 during the fourth quarter of 2015.

Impairment charges

On August 4, 2015, we entered into a definitive agreement to sell Allstate to a private investor group. Allstate represents the majority of the industrial services business we acquired with the acquisition of EQ. As a result of this agreement and management's strategic review, we evaluated the recoverability of the assets associated with our industrial services business. Based on this analysis, we recorded a non-cash goodwill impairment charge of $6.7 million in the second quarter of 2015. See Note 5 to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for additional information on the sale of Allstate.

Depreciation and amortization of plant and equipment

Depreciation and amortization expense was $27.9 million in 2015, an increase of 14% compared to 2014. The acquired EQ operations contributed $13.9 million of depreciation and amortization expense in 2015 compared with $9.0 million of depreciation and amortization expense for our period of ownership in 2014. Excluding EQ operations, depreciation and amortization expense was $14.0 million in 2015, compared with $15.4 million in 2014.

Amortization of intangibles

Intangible assets amortization expense was $12.3 million in 2015, an increase of 50% compared to 2014. Excluding intangible assets amortization expense of $11.1 million and $6.8 million recorded in 2015 and 2014, respectively, on new intangible assets recorded as a result of the acquisition of EQ, intangible assets amortization expense was $1.2 million in 2015, compared with $1.4 million in 2014.

Stock-based compensation

Stock-based compensation expense increased 84% to $2.3 million in 2015, compared with $1.3 million 2014 as a result of an increase in equity-based awards granted to employees.

Accretion and non-cash adjustment of closure and post-closure liabilities

Accretion and non-cash adjustment of closure and post-closure liabilities increased 73% to $4.6 million in 2015, compared with $2.7 million in 2014. The acquired EQ operations contributed $2.5 million of accretion and non-cash adjustment of closure and post-closure liabilities in 2015 compared with $1.2 million of accretion and non-cash adjustment of closure and post-closure liabilities for our period of ownership in 2014. Excluding EQ operations, accretion and non-cash adjustment of closure and post-closure liabilities was $2.1 million in 2015, compared with $1.5 million in 2014.

2014 Compared to 2013

In the following discussion of 2014 compared to 2013, neither 2014 results nor 2013 results have been recast to reflect the new definitions of Base and Event Business or the new categorization of Environmental Services segment T&D revenue by the NAICS code of the waste generator, as to recast 2013 results would be impracticable. Although 2014 results have been recast in the previous discussion of 2015 compared to 2014, 2014 results have not been recast in the following paragraphs in order to maintain the comparability of 2014 with 2013.

Revenue

Total revenue increased 122% to $447.4 million in 2014, compared with $201.1 million in 2013. The acquired EQ operations contributed $228.2 million of revenue subsequent to the acquisition on June 17, 2014. Excluding EQ operations, total revenue increased 9% to $219.2 million in 2014, compared with $201.1 million in 2013. Revenue from EQ is excluded from percentages of Base and Event Business and customer category information in the following paragraphs.

Environmental Services

Environmental Services segment revenue increased 59% to $319.8 million in 2014, compared to $201.1 million in 2013. The acquired EQ operations contributed $100.6 million of segment revenue subsequent to the acquisition of EQ on June 17, 2014. Excluding EQ operations, segment revenue increased 9% to $219.2 million in 2014, compared with $201.1 million in 2013. T&D revenue (excluding EQ) increased 9% in 2014 compared to 2013, primarily as a result of a 16% increase in project-based Event Business. Transportation service revenue (excluding EQ) increased 12% compared to 2013, reflecting more Event Business projects utilizing our transportation and logistics services.

During 2014, we disposed of or processed 1.2 million tons of waste (excluding EQ), an increase of 12% compared to 1.1 million tons in 2013. Our average selling price for treatment and disposal services (excluding transportation and EQ) in 2014 was 2% lower than our average selling price in 2013.

T&D revenue from recurring Base Business customers increased 5% in 2014 compared to 2013 and comprised 59% of total T&D revenue. As discussed further below, the slight increase in Base Business T&D revenue compared to the prior year primarily reflects higher T&D revenue from our broker, "other industry" and government Base Business customer categories, partially offset by lower T&D revenue from our refinery Base Business customer category. Event Business revenue increased 16% in 2014 compared to 2013 and was 41% of T&D revenue for 2013. As discussed further below, the increase in Event Business T&D revenue compared to the prior year primarily reflects higher T&D revenue from our private clean-up, broker and "other industry" Event Business customer categories, partially offset by lower T&D revenue from our government and refinery Event Business customer categories.

The following table summarizes combined Base Business and Event Business revenue growth by customer category for 2014 as compared to 2013:

	T&D Revenue Growth 2014 vs. 2013
Private clean-up	31%
Other industry	17%
Broker	8%
Rate regulated	1%
Government	–11%
Refinery	–13%

T&D revenue from private clean-up projects increased 31% in 2014 compared to 2013. This increase primarily reflects revenue from an East Coast clean-up project and other smaller remedial projects.

Revenues from our other industry customer category increased 17% in 2014 compared to 2013 primarily as a result of changes in shipments from this broadly diverse industrial customer category.

Our broker business increased 8% in 2014 compared to 2013 primarily as a result of changes in shipments across the broad range of government and industry waste generators directly served by multiple broker customers.

Rate-regulated business at our Richland, Washington LLRW disposal facility increased 1% in 2014 compared to 2013. Our Richland facility operates under a State-approved annual revenue requirement. The increases reflect the timing of revenue recognition for the rate-regulated portion of the business.

Government clean-up business revenue decreased 11% in 2014 compared to 2013 due to reduced shipments from the USACE and the completion of a military base clean-up project in 2013 that that was not replaced in 2014. T&D revenue from the USACE decreased approximately 19% in 2014 compared to 2013 due to project-specific timing at multiple USACE clean-up sites and federal spending reductions.

T&D revenue from our refinery customers decreased 13% in 2014 compared to 2013, primarily reflecting lower landfill disposal volumes.

Field & Industrial Services

Our Field & Industrial Services segment was added in 2014 as a result of our acquisition of EQ on June 17, 2014. Field & Industrial Services segment revenue was $127.6 million for the period subsequent to the acquisition.

Gross Profit

Total gross profit increased 85% to $145.8 million in 2014, up from $79.0 million in 2013. The acquired EQ operations contributed $57.4 million of gross profit subsequent to the acquisition on June 17, 2014. Excluding EQ operations, total gross profit increased 12.0% to $88.4 million in 2014, compared with $79.0 million in 2013. Total gross margin in 2014 was 33%. Excluding EQ operations, total gross margin was 40%.

Environmental Services

Environmental Services segment gross profit increased 59% to $125.6 million in 2014, up from $79.0 million in 2013. The acquired EQ operations contributed $37.2 million of segment gross profit subsequent to the acquisition on June 17, 2014. Excluding EQ operations, segment gross profit increased 12.0% to $88.4 million in 2014, compared with $79.0 million in 2013. This increase primarily reflects higher T&D volumes in 2014 compared to 2013. Total segment gross margin in 2014 was 39%. Excluding EQ operations, total segment margin was 40%. T&D gross margin (excluding EQ) was 49% in 2014.

Field & Industrial Services

Our Field & Industrial Services segment was added in 2014 as a result of our acquisition of EQ on June 17, 2014. Field & Industrial Services segment gross profit was $20.2 million and segment gross margin was 16% for the period subsequent to the acquisition.

Selling, General and Administrative Expenses

Total SG&A increased 181% to $73.3 million in 2014, up from $26.1 million in 2013. The acquired EQ operations contributed $38.9 million of SG&A subsequent to the acquisition on June 17, 2014. Excluding EQ operations, total SG&A was $34.4 million, or 16% of total revenue in 2014, compared with $26.1 million, or 13% of total revenue in 2013.

Environmental Services

Environmental Services segment SG&A increased 64% to $19.4 million in 2014, up from $11.8 million in 2013. The acquired EQ operations contributed $7.6 million of segment SG&A subsequent to the acquisition on June 17, 2014. Excluding EQ operations, total segment SG&A was $11.8 million, or 5% of segment revenue in 2014, compared with $11.8 million, or 6% of segment revenue in 2013.

Field & Industrial Services

Our Field & Industrial Services segment was added in 2014 as a result of our acquisition of EQ on June 17, 2014. Field & Industrial Services segment SG&A was $13.7 million, or 11% of segment revenue, for the period subsequent to the acquisition.

Corporate

Corporate SG&A increased 183% to $40.2 million in 2014, up from $14.2 million in 2013. The acquired EQ operations contributed $17.6 million of corporate SG&A subsequent to the acquisition on June 17, 2014. Excluding EQ operations, total corporate SG&A was $22.6 million, or 10% of total revenue in 2014, compared with $14.2 million, or 7% of total revenue in 2013. 2014 corporate SG&A includes $6.4 million of business development expenses related to the acquisition of EQ. The remaining increase primarily reflects higher labor costs, variable incentive compensation costs and other administrative expenses supporting increased business activity.

Components of Adjusted EBITDA

Income tax expense

Our effective income tax rate for 2014 was 37.4% compared to 35.9% in 2013. The increase reflects non-deductible business development expenses associated with the acquisition of EQ, partially offset by a higher proportion of earnings from our Canadian operations, which are taxed at a lower corporate tax rate. During 2014 we reduced our unrecognized tax benefit by $480,000 due to the expiration of certain statutes of limitations, which had a favorable impact on our 2014 effective tax rate. As of December 31, 2014, we had approximately $1.3 million in federal NOLs acquired from EQ. As of December 31, 2014, we had approximately $21.7 million in state NOLs for which we maintain nearly a full valuation allowance. These state NOLs are located in states where we currently do little or no business or where we do not expect to generate future taxable income. We consider it unlikely that we will utilize these NOLs in the future. Our gross state NOLs were decreased as a result of a change in various state laws impacting how NOLs are determined, which had no impact to our annual effective tax rate since these NOLs were entirely offset by the valuation allowance.

Interest expense

Interest expense was $10.7 million in 2014 compared with $828,000 in 2013. The increase is a result of higher debt levels and the related interest expense on borrowings under our Revolving Credit Facility used to finance the acquisition of EQ.

Foreign currency gain (loss)

We recognized a $1.5 million non-cash foreign currency loss in 2014 compared with a $2.3 million non-cash foreign currency loss in 2013. Foreign currency gains and losses reflect changes in business activity conducted in a currency other than the USD, our functional currency. Our Stablex facility is located in Blainville, Québec, Canada and uses CAD as its functional currency. Also, as part of our treasury management strategy we established intercompany loans between our parent company, US Ecology, and Stablex. These intercompany loans are payable by Stablex to US Ecology in CAD requiring us to revalue the outstanding loan balance through our statements of operations based on USD/CAD currency movements from period to period. At December 31, 2014, we had $20.7 million of intercompany loans subject to currency revaluation.

Depreciation and amortization of plant and equipment

Depreciation and amortization expense was $24.4 million in 2014, an increase of 65% compared to 2013. The acquired EQ operations contributed $9.0 million of depreciation and amortization expense subsequent to the acquisition on June 17, 2014. Excluding EQ operations, depreciation and amortization expense was $15.4 million in 2014, compared with $14.8 million in 2013.

Amortization of intangibles

Intangible assets amortization expense was $8.2 million in 2014, an increase of 462% compared to 2013. Excluding $6.8 million of intangible assets amortization expense on new intangible assets recorded as a result of the acquisition of EQ, intangible assets amortization expense was $1.4 million in 2014, compared with $1.5 million in 2013.

Stock-based compensation

Stock-based compensation expense increased 45% to $1.3 million in 2014, compared with $865,000 in 2013 as a result of an increase in equity-based awards granted to employees.

Accretion and non-cash adjustment of closure and post-closure liabilities

Accretion and non-cash adjustment of closure and post-closure liabilities increased 138% to $2.7 million in 2014, compared with $1.1 million in 2013. The acquired EQ operations contributed $1.2 million of accretion and non-cash adjustment of closure and post-closure liabilities subsequent to the acquisition on June 17, 2014. Excluding EQ operations, accretion and non-cash adjustment of closure and post-closure liabilities was $1.5 million in 2014, compared with $1.1 million in 2013.

Liquidity and Capital Resources

Our primary sources of liquidity are cash and cash equivalents, cash generated from operations and borrowings under the Credit Agreement. At December 31, 2015, we had $6.0 million in cash and cash equivalents immediately available and $117.3 million of borrowing capacity available under our Revolving Credit Facility. We assess our liquidity in terms of our ability to generate cash to fund our operating, investing and financing activities. Our primary ongoing cash requirements are funding operations, capital expenditures, paying interest and required principal payments of our long-term debt, and paying declared dividends pursuant to our dividend policy. We believe future operating cash flows will be sufficient to meet

our future operating, investing and dividend cash needs for the foreseeable future. Furthermore, existing cash balances and availability of additional borrowings under our Credit Agreement provide additional sources of liquidity should they be required.

Operating Activities. In 2015, net cash provided by operating activities was $71.5 million. This primarily reflects net income of $25.6 million, non-cash depreciation, amortization and accretion of $44.8 million, non-cash impairment charges of $6.7 million, a decrease in income taxes receivable of $4.8 million, non-cash amortization of debt issuance costs of $4.4 million, unrealized foreign currency losses of $3.3 million, share-based compensation expense of $2.3 million and a decrease in accounts receivable of $1.6 million, partially offset by a decrease in accounts payable and accrued liabilities of $6.5 million, a decrease in closure and post-closure obligations of $5.7 million, a decrease in deferred revenue of $4.4 million, a decrease in income taxes payable of $3.9 million and a decrease in deferred income taxes of $2.7 million. Impacts on net income are due to the factors discussed above under Results of Operations. The decrease in receivables and deferred revenue is primarily attributable to the timing of the treatment and disposal of waste associated with a significant East Coast clean-up project. The changes in income taxes receivable and payable are primarily attributable to the timing of income tax payments. The decrease in closure and post-closure obligations is primarily attributable to payments made for closure and post-closure activities primarily at our closed landfills.

Days sales outstanding was 68 days as of December 31, 2015, compared to 77 days as of December 31, 2014. The decrease in days sales outstanding is attributable to a decrease in outstanding accounts receivable primarily as a result of the divestiture of Allstate, a significant component of our Field & Industrial Services segment, on November 1, 2015. Due to the higher number of smaller customers as well as a number of state and municipal government customers, Allstate had a longer payment cycle than waste treatment and disposal services provided by our Environmental Services segment.

In 2014, net cash provided by operating activities was $71.4 million. This primarily reflects net income of $38.2 million, non-cash depreciation, amortization and accretion of $35.3 million, unrealized foreign currency losses of $2.4 million, an increase in deferred revenue of $1.9 million and an increase in deferred income taxes of $2.0 million, partially offset by an increase in receivables of $4.4 million, a decrease in accounts payable and accrued liabilities of $2.9 million and an increase in income taxes receivable of $1.8 million. Impacts on net income are due to the factors discussed above under Results of Operations. Non-cash foreign currency losses reflect a weaker CAD relative to the USD in 2014. The increase in deferred revenue and receivables is primarily attributable to the timing of the treatment and disposal of waste associated with a significant east coast clean-up project. The changes in income taxes receivable are primarily attributable to the timing of income tax payments.

In 2013, net cash provided by operating activities was $49.6 million. This primarily reflects net income of $32.1 million, non-cash depreciation, amortization and accretion of $17.4 million, an increase in income taxes payable of $4.1 million, unrealized non-cash foreign currency losses of $2.8 million and share-based compensation expense of $865,000, partially offset by an increase in receivables of $10.4 million and a decrease in deferred income taxes of $2.6 million. Impacts on net income are due to the factors discussed above under Results of Operations. The increase in income taxes payable is primarily attributable to the timing of income tax payments. The non-cash foreign currency loss reflects a weaker CAD relative to the USD in 2013. The increase in receivables is primarily attributable to the timing of the treatment and disposal of waste associated with a large east coast clean-up project.

Investing Activities. In 2015, net cash provided by investing activities was $20.3 million, primarily related to the divestiture of Allstate for $58.7 million, net of cash divested, partially offset by capital expenditures of $39.4 million. Significant capital projects included construction of additional disposal capacity at our Blainville, Quebec, Canada and Robstown, Texas locations and equipment purchases and infrastructure upgrades at all of our corporate and operating facilities.

In 2014, net cash used in investing activities was $488.5 million, primarily related to the purchase of EQ for $460.9 million, net of cash acquired, and capital expenditures of $28.4 million. Significant capital projects included construction of additional disposal capacity at our Blainville, Quebec, Canada location and equipment purchases and infrastructure upgrades at all of our corporate and operating facilities.

In 2013, net cash used in investing activities was $21.2 million, primarily attributable to capital expenditures of $21.4 million. Significant capital projects included the purchase of land for future expansion of our Robstown, Texas operation, construction of additional disposal capacity at our Grand View, Idaho, Beatty, Nevada and Blainville, Quebec, Canada locations, and equipment purchases and infrastructure upgrades at all of our corporate and operating facilities.

Financing Activities. During 2015, net cash used in financing activities was $108.4 million, consisting primarily of $94.6 million of payments on our term loan and $15.6 million of dividend payments to our stockholders.

During 2014, net cash provided by financing activities was $366.8 million, consisting primarily of $414.0 million of net proceeds from our new term loan used to partially finance the acquisition of EQ, offset in part by $19.4 million of term loan repayments, $15.5 million of dividend payments to our stockholders and $14.0 million of deferred financing costs associated with our Credit Agreement.

During 2013, net cash provided by financing activities was $43.7 million, consisting primarily of $96.4 million of net proceeds received from our public common stock offering (discussed further below) and $2.5 million of proceeds from stock option exercises, partially offset by $45.0 million of net repayments under our Former Agreement (defined below) and $10.0 million of dividends paid to our stockholders.

Credit Facility

On June 17, 2014, in connection with the acquisition of EQ, the Company entered into a new $540.0 million senior secured credit agreement (the "Credit Agreement") with a syndicate of banks comprised of a $415.0 million term loan (the "Term Loan") with a maturity date of June 17, 2021 and a $125.0 million revolving line of credit (the "Revolving Credit Facility") with a maturity date of June 17, 2019. Upon entering into the Credit Agreement, the Company terminated its existing credit agreement with Wells Fargo, dated October, 29, 2010, as amended (the "Former Agreement"). Immediately prior to the termination of the Former Agreement, there were no outstanding borrowings under the Former Agreement. No early termination penalties were incurred as a result of the termination of the Former Agreement.

Term Loan

The Term Loan provides an initial commitment amount of $415.0 million, the proceeds of which were used to acquire 100% of the outstanding shares of EQ and pay related transaction fees and expenses. The Term Loan bears interest at a base rate (as defined in the Credit Agreement) plus 2.00% or LIBOR plus 3.00%, at the Company's option. The Term Loan is subject to amortization in equal quarterly installments in an aggregate annual amount equal to 1.00% of the original principal amount of the Term Loan. At December 31, 2015, the effective interest rate on the Term Loan, including the impact of our interest rate swap, was 4.70%. Interest only payments are due either monthly or on the last day of any interest period, as applicable. As set forth in the Credit Agreement, the Company is required to enter into one or more interest rate hedge agreements in amounts sufficient to fix the interest rate on at least 50% of the principal amount of the $415.0 million Term Loan. In October 2014, the Company entered into an interest rate swap agreement with Wells Fargo, effectively fixing the interest rate on $230.0 million, or 76%, of the Term Loan principal outstanding as of December 31, 2015.

Revolving Credit Facility

The Revolving Credit Facility provides up to $125.0 million of revolving credit loans or letters of credit with the use of proceeds restricted solely for working capital and other general corporate purposes. Under the Revolving Credit Facility, revolving loans are available based on a base rate (as defined in the Credit Agreement) or LIBOR, at the Company's option, plus an applicable margin which is determined according to a pricing grid under which the interest rate decreases or increases based on our ratio of funded debt to earnings before interest, taxes, depreciation and amortization ("EBITDA"). The Company is required to pay a commitment fee of 0.50% per annum on the unused portion of the Revolving Credit Facility, with such commitment fee to be reduced based upon the Company's total leverage ratio as defined in the Credit Agreement. The maximum letter of credit capacity under the new revolving credit facility is $50.0 million and the Credit Agreement provides for a letter of credit fee equal to the applicable margin for LIBOR loans under the Revolving Credit Facility. Interest only payments are due either monthly or on the last day of any interest period, as applicable. At December 31, 2015, there were no borrowings outstanding on the Revolving Credit Facility. The availability under the Revolving Credit Facility was $117.3 million with $7.7 million of the Revolving Credit Facility issued in the form of standby letters of credit utilized as collateral for closure and post-closure financial assurance and other assurance obligations.

See Note 15 to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for additional information on the Company's debt.

Public Common Stock Offering

In December 2013, we sold and issued 2,990,000 shares of our common stock, including 390,000 shares pursuant to the underwriters' option to purchase additional shares, at a price of $34.00 per share. We received net proceeds of $96.4 million after deducting underwriting discounts, commissions and offering expenses. $30.0 million of the net proceeds were used to repay amounts outstanding under the Former Agreement with the remainder available for general corporate purposes, including potential future acquisitions.

Contractual Obligations and Guarantees

Contractual Obligations

US Ecology's contractual obligations at December 31, 2015 mature as follows:

	Payments Due by Period				
$s in thousands	Total	2016	2017 - 2018	2019 - 2020	Thereafter
Closure and post-closure obligations(1)	$ 309,698	$ 2,838	$ 4,688	$ 11,098	$ 291,074
Operating lease commitments	17,796	6,609	8,591	2,167	429
Credit agreement obligations(2)	300,994	3,056	6,112	6,112	285,714
Interest expense(3)	73,686	14,375	27,555	25,960	5,796
Total contractual obligations	$ 702,174	$ 26,878	$ 46,946	$ 45,337	$ 583,013

(1) For the purposes of the table above, closure and post-closure obligations are shown on an undiscounted basis and inflated using an estimated annual inflation rate of 2.6%. Cash payments for closure and post-closure obligation extend to the year 2105.

(2) The Term Loan portion of the Credit Agreement with Wells Fargo matures on June 17, 2021 and is subject to amortization in equal quarterly installments in an aggregate annual amount of $3.0 million beginning March 31, 2016.

(3) Interest expense has been calculated using the effective interest rate of 3.75% in effect at December 31, 2015 on the unhedged variable rate portion of the outstanding principal and 5.17% on the fixed rate hedged portion of the outstanding principal beginning December 31, 2014, the effective date of the Company's interest rate swap agreement with Wells Fargo. The interest expense calculation reflects assumed principal reductions consistent with the disclosures in footnote (2) above.

Guarantees

We enter into a wide range of indemnification arrangements, guarantees and assurances in the ordinary course of business and have evaluated agreements that contain guarantees and indemnification clauses. These include tort indemnities, tax indemnities, indemnities against third-party claims arising out of arrangements to provide services to us and indemnities related to the sale of our securities. We also indemnify individuals made party to any suit or proceeding if that individual was acting as an officer or director of US Ecology or was serving at the request of US Ecology or any of its subsidiaries during their tenure as a director or officer. We also provide guarantees and indemnifications for the benefit of our wholly-owned subsidiaries to satisfy performance obligations, including closure and post-closure financial assurances. It is difficult to quantify the maximum potential liability under these indemnification arrangements; however, we are not currently aware of any material liabilities to the Company or any of its subsidiaries arising from these arrangements.

Environmental Matters

We maintain funded trusts agreements, surety bonds and insurance policies for future closure and post-closure obligations at both current and formerly operated disposal facilities. These funded trust agreements, surety bonds and insurance policies are based on management estimates of future closure and post-closure monitoring using engineering evaluations and interpretations of regulatory requirements which are periodically updated. Accounting for closure and post-closure costs includes final disposal cell capping and revegetation, soil and groundwater monitoring and routine maintenance and surveillance required after a site is closed.

We estimate that our undiscounted future closure and post-closure costs for all facilities was approximately $309.7 million at December 31, 2015, with a median payment year of 2060. Our future closure and post-closure estimates are our best estimate of current costs and are updated periodically to reflect current technology, cost of materials and services, applicable laws, regulations, permit conditions or orders and other factors. These current costs are adjusted for anticipated annual inflation, which we assumed to be 2.6% as of December 31, 2015. These future closure and post-closure estimates are discounted to their present value for financial reporting purposes using our credit-adjusted risk-free interest rate, which approximates our incremental long-term borrowing rate in effect at the time the obligation is established or when there are upward revisions to our estimated closure and post-closure costs. At December 31, 2015, our weighted-average credit-adjusted risk-free interest rate was 5.9%. For financial reporting purposes, our recorded closure and post-closure obligations were $71.2 million and $72.9 million as of December 31, 2015 and 2014, respectively.

Through December 31, 2015, we have met our financial assurance requirements through insurance, surety bonds, standby letters of credit and self-funded restricted trusts.

US Operating and Non-Operating Facilities

We cover our closure and post-closure obligations for our U.S. operating facilities through the use of third-party insurance policies, surety bonds and standby letters of credit. Insurance policies covering our closure and post-closure obligations expire in December 2016. Our total policy limits are approximately $74.1 million. At December 31, 2015 our trust accounts had $5.7 million for our closure and post-closure obligations and are identified as Restricted cash and investments on our consolidated balance sheet.

All closure and post-closure funding obligations for our Beatty, Nevada and Richland, Washington facilities revert to the respective State. Volume based fees are collected from our customers and remitted to state controlled trust funds to cover the estimated cost of closure and post-closure obligations.

Stablex

We use commercial surety bonds to cover our closure obligations for our Stablex facility located in Blainville, Québec, Canada. Our lease agreement with the Province of Québec requires that the surety bond be maintained for 25 years after the lease expires in 2023. At December 31, 2015 we had $657,000 in commercial surety bonds dedicated for closure obligations. These bonds were renewed in November and December 2015 and expire in November and December 2016. Post-closure funding obligations for the Stablex landfill revert back to the Province of Québec through a dedicated trust account that is funded based on a per-metric-ton disposed fee by Stablex.

We expect to renew insurance policies and commercial surety bonds in the future. If we are unable to obtain adequate closure, post-closure or environmental liability insurance and/or commercial surety bonds in future years, any partial or completely uninsured claim against us, if successful and of sufficient magnitude, could have a material adverse effect on our financial condition, results of operations or cash flows. Additionally, continued access to casualty and pollution legal liability insurance with sufficient limits, at acceptable terms, is important to obtaining new business. Failure to maintain adequate financial assurance could also result in regulatory action including early closure of facilities. While we believe we will be able to maintain the requisite financial assurance policies at a reasonable cost, premium and collateral requirements may materially increase.

Operation of disposal facilities creates operational, closure and post-closure obligations that could result in unplanned monitoring and corrective action costs. We cannot predict the likelihood or effect of all such costs, new laws or regulations, litigation or other future events affecting our facilities. We do not believe that continuing to satisfy our environmental obligations will have a material adverse effect on our financial condition or results of operations.

Seasonal Effects

Seasonal fluctuations due to weather and budgetary cycles can influence the timing of customer spending for our services. Typically, in the first quarter of each calendar year there is less demand for our services due to reduced construction and business activities related to weather while we experience improvement in our second and third quarters of each calendar year as weather conditions and other business activity improves.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements require us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates included in our critical accounting policies discussed below and those accounting policies and use of estimates discussed in Notes 2 and 3 to the Consolidated Financial Statements located in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K. We base our estimates on historical experience and on various assumptions and other factors we believe to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We make adjustments to judgments and estimates based on current facts and circumstances on an ongoing basis. Historically, actual results have not deviated significantly from those determined using the estimates described below or in Notes 2 and 3 to the Consolidated Financial Statements located in "Part II, Item 8. Financial Statements and Supplementary Data" to this Annual Report on Form 10-K. However, actual amounts could differ materially from those estimated at the time the consolidated financial statements are prepared.

We believe the following critical accounting policies are important to understand our financial condition and results of operations and require management's most difficult, subjective or complex judgments, often as a result of the need to estimate the effect of matters that are inherently uncertain.

Revenue Recognition

We recognize revenue when persuasive evidence of an arrangement exists, delivery and disposal have occurred or services have been rendered, the price is fixed or determinable and collection is reasonably assured. We recognize revenue from three primary sources: 1) waste treatment, recycling and disposal, 2) field and industrial waste management services and 3) waste transportation services.

Waste treatment and disposal revenue results primarily from fees charged to customers for treatment and/or disposal or recycling of specified wastes. Waste treatment and disposal revenue is generally charged on a per-ton or per-yard basis based on contracted prices and is recognized when services are complete.

Field and industrial waste management services revenue results primarily from specialty onsite services such as high-pressure cleaning, tank cleaning, decontamination, remediation, transportation, spill cleanup and emergency response at refineries, chemical plants, steel and automotive plants, and other government, commercial and industrial facilities. These services are provided based on purchase orders or agreements with the customer and include prices based upon daily, hourly or job rates for equipment, materials and personnel. Revenues are recognized over the term of the agreements or as services are performed. Revenue is recognized on contracts with retainage when services have been rendered and collectability is reasonably assured.

Transportation revenue results from delivering customer waste to a disposal facility for treatment and/or disposal or recycling. Transportation services are generally not provided on a stand-alone basis and instead are bundled with other Company services. However, in some instances we provide transportation and logistics services for shipment of waste from clean-up sites to disposal facilities operated by other companies. We account for our bundled arrangements as multiple deliverable arrangements and determine the amount of revenue recognized for each deliverable (unit of accounting) using the relative fair value method. Transportation revenue is recognized when the transported waste is received at the disposal facility. Waste treatment and disposal revenue under bundled arrangements is recognized when services are complete and the waste is disposed in the landfill.

Burial fees collected from customers for each ton or cubic yard of waste disposed in our landfills are paid to the respective local and/or state government entity and are not included in revenue. Revenue and associated costs from waste that has been received but not yet treated and disposed of in our landfills are deferred until disposal occurs.

Our Richland, Washington disposal facility is regulated by the WUTC, which approves our rates for disposal of LLRW. Annual revenue levels are established based on a six-year rate agreement with the WUTC at amounts sufficient to cover the costs of operation and provide us with a reasonable profit. Per-unit rates charged to LLRW customers during the year are based on our evaluation of disposal volume and radioactivity projections submitted to us by waste generators. Our proposed rates are then reviewed and approved by the WUTC. If annual revenue exceeds the approved levels set by the WUTC, we are required to refund excess collections to facility users on a pro-rata basis. The current rate agreement with the WUTC was extended in 2013 and is effective until January 1, 2020.

Disposal Facility Accounting

We amortize landfill and disposal assets and certain related permits over their estimated useful lives. The units-of-consumption method is used to amortize landfill cell construction and development costs and asset retirement costs. Under the units-of-consumption method, we include costs incurred to date as well as future estimated construction costs in the amortization base of the landfill assets. Additionally, where

appropriate, as discussed below, we also include probable expansion airspace that has yet to be permitted in the calculation of the total remaining useful life of the landfill asset. If we determine that expansion capacity should no longer be considered in calculating the total remaining useful life of a landfill asset, we may be required to recognize an asset impairment or incur significantly higher amortization expense over the remaining estimated useful life of the landfill asset. If at any time we make the decision to abandon the expansion effort, the capitalized costs related to the expansion effort would be expensed in the period of abandonment.

Our landfill assets and liabilities fall into the following two categories, each of which require accounting judgments and estimates:

- Landfill assets comprised of capitalized landfill development costs.
- Disposal facility retirement obligations relating to our capping, closure and post-closure liabilities that result in corresponding retirement assets.

Landfill Assets

Landfill assets include the costs of landfill site acquisition, permits and cell design and construction incurred to date. Landfill cells represent individual disposal areas within the overall treatment and disposal site and may be subject to specific permit requirements in addition to the general permit requirements associated with the overall site.

To develop, construct and operate a landfill cell, we must obtain permits from various regulatory agencies at the local, state and federal levels. The permitting process requires an initial site study to determine whether the location is feasible for landfill operations. The initial studies are reviewed by our environmental management group and then submitted to the regulatory agencies for approval. During the development stage we capitalize certain costs that we incur after site selection but before the receipt of all required permits if we believe that it is probable that the landfill cell will be permitted.

Upon receipt of regulatory approval, technical landfill cell designs are prepared. The technical designs, which include the detailed specifications to develop and construct all components of the landfill cell including the types and quantities of materials that will be required, are reviewed by our environmental management group. The technical designs are submitted to the regulatory agencies for approval. Upon approval of the technical designs, the regulatory agencies issue permits to develop and operate the landfill cell.

The types of costs that are detailed in the technical design specifications generally include excavation, natural and synthetic liners, construction of leachate collection systems, installation of groundwater monitoring wells, construction of leachate management facilities and other costs associated with the development of the site. We review the adequacy of our cost estimates at least annually. These development costs, together with any costs incurred to acquire, design and permit the landfill cell, including personnel costs of employees directly associated with the landfill cell design, are recorded to the landfill asset on the balance sheet as incurred.

To match the expense related to the landfill asset with the revenue generated by the landfill operations, we amortize the landfill asset on a units-of-consumption basis over its operating life, typically on a cubic yard or cubic meter of disposal space consumed. The landfill asset is fully amortized at the end of a landfill cell's operating life. The per-unit amortization rate is calculated by dividing the sum of the landfill asset net book value plus estimated future development costs (as described above) for the landfill cell, by the landfill cell's estimated remaining disposal capacity. Amortization rates are influenced by the original cost basis of the landfill cell, including acquisition costs, which in turn is determined by geographic location and market values. We have secured significant landfill assets through business acquisitions and valued them at the time of acquisition based on fair value.

Included in the technical designs are factors that determine the ultimate disposal capacity of the landfill cell. These factors include the area over which the landfill cell will be developed, such as the depth of excavation, the height of the landfill cell elevation and the angle of the side-slope construction. Landfill cell capacity used in the determination of amortization rates of our landfill assets includes both permitted and unpermitted disposal capacity. Unpermitted disposal capacity is included when management believes achieving final regulatory approval is probable based on our analysis of site conditions and interactions with applicable regulatory agencies.

We review the estimates of future development costs and remaining disposal capacity for each landfill cell at least annually. These costs and disposal capacity estimates are developed using input from independent engineers and internal technical and accounting managers and are reviewed and approved by our environmental management group. Any changes in future estimated costs or estimated disposal capacity are reflected prospectively in the landfill cell amortization rates.

We assess our long-lived landfill assets for impairment when an event occurs or circumstances change that indicate the carrying amount may not be recoverable. Examples of events or circumstances that may indicate impairment of any of our landfill assets include, but are not limited to, the following:

- Changes in legislative or regulatory requirements impacting the landfill site permitting process making it more difficult and costly to obtain and/or maintain a landfill permit;

- Actions by neighboring parties, private citizen groups or others to oppose our efforts to obtain, maintain or expand permits, which could result in denial, revocation or suspension of a permit and adversely impact the economic viability of the landfill. As a result of opposition to our obtaining a permit, improved technical information as a project progresses, or changes in the anticipated economics associated with a project, we may decide to reduce the scope of, or abandon, a project, which could result in an asset impairment; and

- Unexpected significant increases in estimated costs, significant reductions in prices we are able to charge our customers or reductions in disposal capacity that affect the ongoing economic viability of the landfill.

Disposal Facility Retirement Obligations

Disposal facility retirement obligations include the cost to close, maintain and monitor landfill cells and support facilities. As individual landfill cells reach capacity, we must cap and close the cells in accordance with the landfill cell permits. These capping and closure requirements are detailed in the technical design of each landfill cell and included as part of our approved regulatory permit. After the entire landfill cell has reached capacity and is certified closed, we must continue to maintain and monitor the landfill cell for a post-closure period, which generally extends for 30 years. Costs associated with closure and post-closure requirements generally include maintenance of the landfill cell and groundwater systems, and other activities that occur after the landfill cell has ceased accepting waste. Costs associated with post-closure monitoring generally include groundwater sampling, analysis and statistical reports, transportation and disposal of landfill leachate, and erosion control costs related to the final cap.

We have a legally enforceable obligation to operate our landfill cells in accordance with the specific requirements, regulations and criteria set forth in our permits. This includes executing the approved closure/post-closure plan and closing/capping the entire landfill cell in accordance with the established requirements, design and criteria contained in the permit. As a result, we record the fair value of our disposal facility retirement obligations as a liability in the period in which the regulatory obligation to retire a specific asset is triggered. For our individual landfill cells, the required closure and post-closure obligations under the terms of our permits and our intended operation of the landfill cell are triggered and recorded when the cell is placed into service and waste is initially disposed in the landfill cell. The fair value is based on the total estimated costs to close the landfill cell and perform post-closure activities once the landfill cell has reached capacity and is no longer accepting waste, discounted using a credit-adjusted

risk-free rate. Retirement obligations are increased each year to reflect the passage of time by accreting the balance at the weighted average credit-adjusted risk-free rate that is used to calculate the recorded liability, with accretion charged to direct operating costs. Actual cash expenditures to perform closure and post-closure activities reduce the retirement obligation liabilities as incurred. After initial measurement, asset retirement obligations are adjusted at the end of each period to reflect changes, if any, in the estimated future cash flows underlying the obligation. Disposal facility retirement assets are capitalized as the related disposal facility retirement obligations are incurred. Disposal facility retirement assets are amortized on a units-of-consumption basis as the disposal capacity is consumed.

Our disposal facility retirement obligations represent the present value of current cost estimates to close, maintain and monitor landfills and support facilities as described above. Cost estimates are developed using input from independent engineers, internal technical and accounting managers, as well as our environmental management group's interpretation of current legal and regulatory requirements, and are intended to approximate fair value. We estimate the timing of future payments based on expected annual disposal airspace consumption and then inflate the current cost estimate by an inflation rate, estimated at December 31, 2015 to be 2.6%. Inflated current costs are then discounted using our credit-adjusted risk-free interest rate, which approximates our incremental borrowing rate in effect at the time the obligation is established or when there are upward revisions to our estimated closure and post-closure costs. Our weighted-average credit-adjusted risk-free interest rate at December 31, 2015 was approximately 5.9%. Final closure and post-closure obligations are currently estimated as being paid through the year 2105. During 2015, we updated several assumptions, including the estimated costs and timing of closing our disposal cells. These updates resulted in a net decrease to our closure/post-closure obligation of $349,000.

We update our estimates of future capping, closure and post-closure costs and of future disposal capacity for each landfill cell on an annual basis. Changes in inflation rates or the estimated costs, timing or extent of the required future activities to close, maintain and monitor landfills and facilities result in both: (i) a current adjustment to the recorded liability and related asset and (ii) a change in accretion and amortization rates which are applied prospectively over the remaining life of the asset. A hypothetical 1% increase in the inflation rate would increase our closure/post-closure obligation by $15.4 million. A hypothetical 10% increase in our cost estimates would increase our closure/post-closure obligation by $7.1 million.

Goodwill and Intangible Assets

As of December 31, 2015, the Company's goodwill balance was $191.8 million. We assess goodwill for impairment during the fourth quarter as of October 1 of each year, and also if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The assessment consists of comparing the fair value of the reporting unit to the carrying value of the net assets assigned to the reporting unit, including goodwill. Some of the factors that could indicate impairment include a significant adverse change in legal factors or in the business climate, an adverse action or assessment by a regulator, or failure to generate sufficient cash flows at the reporting unit. For example, field and industrial services represents an emerging business for the Company and has been the focus of a shift in strategy since the acquisition of EQ. Failure to execute on planned growth initiatives within this business could lead to the impairment of goodwill and intangible assets in future periods.

We determine our reporting units by identifying the components of each operating segment, and then aggregate components having similar economic characteristics based on quantitative and / or qualitative factors. At December 31, 2015, we had 17 reporting units, eight of which had allocated goodwill.

Fair values are generally determined by using both the market approach, applying a multiple of earnings based on guideline for publicly traded companies, and the income approach, discounting projected future

cash flows based on our expectations of the current and future operating environment. The rates used to discount projected future cash flows reflect a weighted average cost of capital based on our industry, capital structure and risk premiums including those reflected in the current market capitalization. In the event the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill test would be performed to measure the amount of impairment loss. In the event that we determine that the value of goodwill has become impaired, we will incur an accounting charge for the amount of impairment during the period in which the determination has been made.

The result of the annual assessment of goodwill undertaken in the fourth quarter of 2015 indicated no goodwill impairment charges were required for any of our reporting units.

We review intangible assets with indefinite useful lives for impairment during the fourth quarter as of October 1 of each year. Fair value is generally determined by considering: (i) the internally developed discounted projected cash flow analysis; (ii) a third-party valuation; and/or (iii) information available regarding the current market environment for similar assets. If the fair value of an asset is determined to be less than the carrying amount of the intangible asset, an impairment in the amount of the difference is recorded in the period in which the annual assessment occurs.

The result of the annual assessment of intangible assets with indefinite useful lives undertaken in the fourth quarter of 2015 indicated no impairment charges were required.

We also review finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of an intangible asset may not be recoverable. In order to assess whether a potential impairment exists, the assets' carrying values are compared with their undiscounted expected future cash flows. Estimating future cash flows requires significant judgment about factors such as general economic conditions and projected growth rates, and our estimates often vary from the cash flows eventually realized. Impairments are measured by comparing the fair value of the asset to its carrying value. Fair value is generally determined by considering: (i) the internally developed discounted projected cash flow analysis; (ii) a third-party valuation; and/or (iii) information available regarding the current market environment for similar assets. If the fair value of an intangible asset is determined to be less than the carrying amount of the intangible asset, an impairment in the amount of the difference is recorded in the period in which the events or changes in circumstances that indicated the carrying value of the intangible assets may not be recoverable occurred.

The result of the assessment of finite-lived intangible assets undertaken in 2015 indicated no impairment charges were required.

On August 4, 2015, we entered into a definitive agreement to sell Allstate to a private investor group. Allstate represents the majority of the industrial services business we acquired with the acquisition of EQ. As a result of this agreement and management's strategic review, we evaluated the recoverability of the assets associated with our industrial services business. Our interim goodwill impairment test which included both Step I and Step II analysis was performed and resulted in a non-cash goodwill impairment charge of $6.7 million being recognized in the second quarter of 2015. See Note 5 to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for additional information on the sale of Allstate.

Other than the impairment charge discussed above, no events or circumstances occurred during 2015 that would indicate that our intangible assets may be impaired, therefore no other impairment tests were performed during 2015 other than the annual assessment of intangible assets with indefinite useful lives conducted in the fourth quarter of every year.

Our acquired permits and licenses generally have renewal terms of approximately 5-10 years. We have a history of renewing these permits and licenses as demonstrated by the fact that each of the sites' treatment permits and licenses have been renewed regularly since the facility began operations. We intend to

continue to renew our permits and licenses as they come up for renewal for the foreseeable future. Costs incurred to renew or extend the term of our permits and licenses are recorded in Selling, general and administrative expenses in our consolidated statements of operations.

Share Based Payments

On May 27, 2015, our stockholders approved the Omnibus Incentive Plan ("Omnibus Plan"), which was approved by our Board of Directors on April 7, 2015. The Omnibus Plan was developed to provide additional incentives through equity ownership in US Ecology and, as a result, encourage employees and directors to contribute to our success. The Omnibus Plan provides, among other things, the ability for the Company to grant restricted stock, performance stock, options, stock appreciation rights, restricted stock units, performance stock units ("PSUs") and other stock-based awards or cash awards to officers, employees, consultants and non-employee directors. Subsequent to the approval of the Omnibus Plan in May 2015, we stopped granting equity awards under our 2008 Stock Option Incentive Plan and our 2006 Restricted Stock Plan ("Previous Plans"), and the Previous Plans will remain in effect solely for the settlement of awards granted under the Previous Plans. No shares that are reserved but unissued under the Previous Plans or that are outstanding under the Previous Plans and reacquired by the Company for any reason will be available for issuance under the Omnibus Plan. The Omnibus Plan expires on April 7, 2025 and authorizes 1,500,000 shares of common stock for grant over the life of the Omnibus Plan.

As of December 31, 2015, we have PSUs outstanding under the Omnibus Plan. Each PSU represents the right to receive, on the settlement date, one share of the Company's common stock. The total number of PSUs each participant is eligible to earn ranges from 0% to 200% of the target number of PSUs granted. The actual number of PSUs that will vest and be settled in shares is determined at the end of a three-year performance period beginning January 1, 2015, based on total stockholder return relative to a set of peer companies and the S&P 600. The fair value of the PSUs is determined using a Monte Carlo simulation. Refer to Note 18 to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for a summary of the assumptions utilized in the Monte Carlo valuation of awards granted during 2015.

As of December 31, 2015, we have stock option awards outstanding under the 1992 Stock Option Plan for Employees ("1992 Employee Plan") and the 2008 Stock Option Incentive Plan ("2008 Stock Option Plan"). Subsequent to the approval of the Omnibus Plan in May 2015, we stopped granting equity awards under the 2008 Stock Option Plan. The 2008 Stock Option Plan will remain in effect solely for the settlement of awards previously granted. In April 2013, the 1992 Employee Plan expired and was cancelled except for options then outstanding.

The determination of fair value of stock option awards on the date of grant using the Black-Scholes model is affected by our stock price and subjective assumptions. These assumptions include, but are not limited to, the expected term of stock options and expected stock price volatility over the term of the awards. Refer to Note 18 to the Consolidated Financial Statements in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for a summary of the assumptions utilized in 2015, 2014 and 2013. Our stock options have characteristics significantly different from those of traded options, and changes in the assumptions can materially affect the fair value estimates.

Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. When actual forfeitures vary from our estimates, we recognize the difference in compensation expense in the period the actual forfeitures occur or when options vest.

Income Taxes

Income taxes are accounted for using an asset and liability approach whereby we recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement and tax basis of assets and liabilities at the applicable tax rates. The effect of a change

in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Deferred tax assets are evaluated for the likelihood of use in future periods. A valuation allowance is recorded against deferred tax assets if, based on the weight of the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The determination of the need for a valuation allowance, if any, requires our judgment and the use of estimates. If we determine that we would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes. As of December 31, 2015, we have deferred tax assets totaling approximately $19.6 million, a valuation allowance of $4.6 million and deferred tax liabilities totaling approximately $97.6 million.

The application of income tax law is inherently complex. Tax laws and regulations are voluminous and at times ambiguous and interpretations of guidance regarding such tax laws and regulations change over time. This requires us to make many subjective assumptions and judgments regarding the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. A liability for uncertain tax positions is recorded in our financial statements on the basis of a two-step process whereby (1) we determine whether it is more likely than not that the tax position taken will be sustained based on the technical merits of the position and (2) for those tax positions that meet the more likely than not recognition threshold, we recognize the largest amount of tax benefit that is greater than 50% likely to be realized upon ultimate settlement with the related tax authority. As facts and circumstances change, we reassess these probabilities and record any changes in the financial statements as appropriate. Changes in our assumptions and judgments can materially affect our financial position, results of operations and cash flows. We recognize interest assessed by taxing authorities or interest associated with uncertain tax positions as a component of interest expense. We recognize any penalties assessed by taxing authorities or penalties associated with uncertain tax positions as a component of selling, general and administrative expenses.

Litigation

We have, in the past, been involved in litigation requiring estimates of timing and loss potential whose timing and ultimate disposition is controlled by the judicial process. As of December 31, 2015, we did not have any ongoing, pending or threatened legal action that management believes, either individually or in the aggregate, would have a material adverse effect on our financial position, results of operations or cash flows. The decision to accrue costs or write off assets is based on the pertinent facts and our evaluation of present circumstances.

Off Balance Sheet Arrangements

We do not have any off balance sheet arrangements or interests in variable interest entities that would require consolidation. US Ecology operates through wholly-owned subsidiaries.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We do not maintain equities, commodities, derivatives, or any other similar instruments for trading purposes. We have minimal interest rate risk on investments or other assets due to our preservation of capital approach to investments. At December 31, 2015, $5.7 million of restricted cash was invested in fixed-income U.S. Treasury and U.S. government agency securities and money market accounts.

We are exposed to changes in interest rates as a result of our borrowings under the Credit Agreement. Under the Credit Agreement, Term Loan borrowings incur interest at a base rate (as defined in the Credit Agreement) or LIBOR, at the Company's option, plus an applicable margin. Revolving loans under the Revolving Credit Facility are available based on a base rate (as defined in the Credit Agreement) or LIBOR, at the Company's option, plus an applicable margin which is determined according to a pricing

grid under which the interest rate decreases or increases based on our ratio of funded debt to EBITDA. On October 29, 2014, the Company entered into an interest rate swap agreement with Wells Fargo with the intention of hedging the Company's interest rate exposure on a portion of the Company's outstanding LIBOR-based variable rate debt. Under the terms of the swap, effective December 31, 2014, the Company will pay to Wells Fargo interest at the fixed effective rate of 5.17% and will receive from Wells Fargo interest at the variable one-month LIBOR rate on an initial notional amount of $250.0 million.

As of December 31, 2015, there were $301.0 million of borrowings outstanding under the Term Loan and no borrowings outstanding under the Revolving Credit Facility. If interest rates were to rise and outstanding balances remain unchanged, we would be subject to higher interest payments on our outstanding debt. Subsequent to the effective date of the interest rate swap on December 31, 2015, we would be subject to higher interest payments on only the unhedged borrowings under the Credit Agreement.

Based on the outstanding indebtedness of $301.0 million under our Credit Agreement at December 31, 2015 and the impact of our interest rate hedge, if market rates used to calculate interest expense were to average 1% higher in the next twelve months, our interest expense would increase by approximately $522,000.

Foreign Currency Risk

We are subject to currency exposures and volatility because of currency fluctuations. The majority of our transactions are in USD; however, our Stablex subsidiary conducts business in both Canada and the United States. In addition, contracts for services Stablex provides to U.S. customers are generally denominated in USD. During 2015, Stablex transacted approximately 52% of its revenue in USD and at any time has cash on deposit in USD and outstanding USD trade receivables and payables related to these transactions. These USD cash, receivable and payable accounts are subject to non-cash foreign currency translation gains or losses. Exchange rate movements also affect the translation of Canadian generated profits and losses into USD.

We established intercompany loans between Stablex and our parent company, US Ecology, as part of a tax and treasury management strategy allowing for repayment of third-party bank debt used to complete the acquisition. These intercompany loans are payable using CAD and are subject to mark-to-market adjustments with movements in the CAD. At December 31, 2015, we had $15.0 million of intercompany loans outstanding between Stablex and US Ecology. During 2015 the CAD weakened as compared to the USD resulting in a $2.4 million non-cash foreign currency translation loss recognized in our consolidated statements of operations related to the intercompany loans. Based on intercompany balances as of December 31, 2015 a $0.01 CAD increase or decrease in currency rate compared to the USD at December 31, 2015 would have generated a non-cash gain or loss of approximately $150,000 for the year ended December 31, 2015.

We had a total pre-tax foreign currency loss of $2.2 million for the year ended December 31, 2015. We currently have no foreign exchange contracts, option contracts or other foreign currency hedging arrangements. Management evaluates our risk position on an ongoing basis to determine whether foreign exchange hedging strategies should be employed.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
US Ecology, Inc.
Boise, Idaho

We have audited the accompanying consolidated balance sheets of US Ecology, Inc. and subsidiaries (the "Company") as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, cash flows, and stockholders' equity for each of the three years in the period ended December 31, 2015. We also have audited the Company's internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Controls over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of US Ecology, Inc. and subsidiaries as of December 31, 2015 and 2014, and

the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of presentation for deferred taxes and debt issuance costs upon the adoption of Accounting Standards Update (ASU) 2015-17 *Income Taxes (Topic 740)—Balance Sheet Classification of Deferred Taxes* and ASU 2015-03 *Interest—Imputation of Interest (Subtopic 835-30)—Simplifying the Presentation of Debt Issuance Costs.*

/s/ DELOITTE & TOUCHE LLP

Boise, Idaho
February 29, 2016

US ECOLOGY, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

	As of December 31,	
	2015	2014 As Adjusted
Assets		
Current Assets:		
Cash and cash equivalents	$ 5,989	$ 22,971
Receivables, net	106,380	135,261
Prepaid expenses and other current assets	8,484	10,351
Income taxes receivable	2,017	6,912
Deferred income taxes	—	2,109
Total current assets	122,870	177,604
Property and equipment, net	210,334	227,684
Restricted cash and investments	5,748	5,729
Intangible assets, net	239,571	278,667
Goodwill	191,823	217,609
Other assets	1,641	2,669
Deferred income taxes	—	85
Total assets	$ 771,987	$ 910,047
Liabilities And Stockholders' Equity		
Current Liabilities:		
Accounts payable	$ 17,169	$ 24,513
Deferred revenue	8,078	13,190
Accrued liabilities	25,634	36,251
Accrued salaries and benefits	11,513	13,322
Income taxes payable	117	4,124
Current portion of closure and post-closure obligations	2,787	5,359
Current portion of long-term debt	3,056	3,976
Total current liabilities	68,354	100,735
Long-term closure and post-closure obligations	68,367	67,511
Long-term debt	290,684	380,405
Other long-term liabilities	5,825	4,336
Deferred income taxes	82,622	105,723
Total liabilities	515,852	658,710
Commitments and contingencies		
Stockholders' Equity:		
Common stock $0.01 par value, 50,000 authorized; 21,744 and 21,632 shares issued, respectively	217	216
Additional paid-in capital	169,873	165,524
Retained earnings	103,300	93,301
Treasury stock, at cost, 5 and 1 shares, respectively	(189)	(18)
Accumulated other comprehensive loss	(17,066)	(7,686)
Total stockholders' equity	256,135	251,337
Total liabilities and stockholders' equity	$ 771,987	$ 910,047

The accompanying notes are an integral part of these financial statements.

US ECOLOGY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

	For the Year Ended December 31,		
	2015	2014	2013
Revenue	$ 563,070	$ 447,411	$ 201,126
Direct operating costs	391,660	301,625	122,140
Gross profit	171,410	145,786	78,986
Selling, general and administrative expenses	93,079	73,336	26,055
Impairment charges	6,700	—	—
Operating income	71,631	72,450	52,931
Other income (expense):			
Interest income	65	107	19
Interest expense	(23,370)	(10,677)	(828)
Foreign currency loss	(2,196)	(1,499)	(2,327)
Loss on divestiture	(542)	—	—
Other	1,267	669	352
Total other income (expense)	(24,776)	(11,400)	(2,784)
Income before income taxes	46,855	61,050	50,147
Income tax expense	21,244	22,814	17,996
Net income	$ 25,611	$ 38,236	$ 32,151
Earnings per share:			
Basic	$ 1.18	$ 1.78	$ 1.73
Diluted	$ 1.18	$ 1.77	$ 1.72
Shares used in earnings per share calculation:			
Basic	21,637	21,537	18,592
Diluted	21,733	21,655	18,676

The accompanying notes are an integral part of these financial statements.

US ECOLOGY, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	For the Year Ended December 31,		
	2015	2014	2013
Net income	$ 25,611	$ 38,236	$ 32,151
Other comprehensive income (loss):			
Foreign currency translation loss	(8,380)	(3,863)	(2,413)
Net changes in interest rate hedge, net of taxes of ($539), ($1,098) and $0, respectively	(1,000)	(2,038)	—
Comprehensive income, net of tax	$ 16,231	$ 32,335	$ 29,738

The accompanying notes are an integral part of these financial statements.

US ECOLOGY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	For the Year Ended December 31,		
	2015	2014	2013
Cash flows from operating activities:			
Net income	$ 25,611	$ 38,236	$ 32,151
Adjustments to reconcile net income to net cash provided by operating activities:			
Impairment charges	6,700	—	—
Depreciation and amortization of property and equipment	27,931	24,413	14,815
Amortization of intangible assets	12,307	8,207	1,461
Accretion of closure and post-closure obligations	4,584	2,656	1,241
Unrealized foreign currency loss	3,271	2,427	2,789
Deferred income taxes	(2,714)	2,035	(2,637)
Share-based compensation expense	2,297	1,250	865
Unrecognized tax benefits	—	(480)	13
Loss on disposition of business	542	—	—
Net loss on disposition of assets	741	421	170
Amortization of debt issuance costs	4,428	1,037	—
Amortization of debt discount	148	74	—
Changes in assets and liabilities (net of effects of business acquisitions and divestitures):			
Receivables	1,565	(4,400)	(10,408)
Income taxes receivable	4,830	(1,798)	—
Other assets	734	(921)	(403)
Accounts payable and accrued liabilities	(6,481)	(2,878)	1,673
Deferred revenue	(4,449)	1,890	5,197
Accrued salaries and benefits	(901)	771	(424)
Income taxes payable	(3,918)	(389)	4,091
Closure and post-closure obligations	(5,679)	(1,182)	(955)
Net cash provided by operating activities	71,547	71,369	49,639
Cash flows from investing activities:			
Proceeds from divestitures (net of cash divested)	58,728	—	—
Purchases of property and equipment	(39,370)	(28,434)	(21,373)
Purchases of restricted cash and investments	(2,075)	(1,060)	(5,249)
Proceeds from sale of restricted cash and investments	2,057	1,023	5,263
Proceeds from sale of short term investments	—	654	—
Proceeds from sale of property and equipment	948	201	168
Business acquisitions (net of cash acquired)	—	(460,874)	—
Net cash provided by (used in) investing activities	20,288	(488,490)	(21,191)
Cash flows from financing activities:			
Payments on long-term debt	(94,623)	(19,384)	(54,500)
Dividends paid	(15,612)	(15,532)	(9,978)
Proceeds from revolving credit facility	10,316	—	—
Payments on revolving credit facility	(10,316)	—	—
Proceeds from exercise of stock options	1,823	1,542	2,461
Proceeds from issuance of long-term debt	—	413,962	9,500
Deferred financing costs paid	—	(14,001)	(235)
Proceeds from public offering (net of issuance costs of $5,229)	—	—	96,431
Other	54	206	(1)
Net cash (used in) provided by financing activities	(108,358)	366,793	43,678
Effect of foreign exchange rate changes on cash	(459)	(641)	(306)
Increase (decrease) in cash and cash equivalents	(16,982)	(50,969)	71,820
Cash and cash equivalents at beginning of year	22,971	73,940	2,120
Cash and cash equivalents at end of year	$ 5,989	$ 22,971	$ 73,940

The accompanying notes are an integral part of these financial statements.

US ECOLOGY, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except share amounts)

	Common Shares Issued	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2012	18,385,262	$ 184	$ 63,969	$ 48,424	$ (1,183)	$ 628	$112,022
Net income	—	—	—	32,151	—	—	32,151
Other comprehensive loss	—	—	—	—	—	(2,413)	(2,413)
Dividend paid	—	—	—	(9,978)	—	—	(9,978)
Tax benefit of equity based awards	—	—	318	—	—	—	318
Share-based compensation	—	—	865	—	—	—	865
Stock option exercises	162,314	1	2,140	—	—	—	2,141
Issuance of restricted common stock from treasury shares	—	—	(864)	—	864	—	—
Issuance of common stock in connection with public offering (net of issuance costs of $5,229)	2,990,000	30	96,402	—	—	—	96,432
Balance at December 31, 2013	21,537,576	215	162,830	70,597	(319)	(1,785)	231,538
Net income	—	—	—	38,236	—	—	38,236
Other comprehensive loss	—	—	—	—	—	(5,901)	(5,901)
Dividend paid	—	—	—	(15,532)	—	—	(15,532)
Tax benefit of equity based awards	—	—	667	—	—	—	667
Share-based compensation	—	—	1,250	—	—	—	1,250
Stock option exercises	93,621	1	1,264	—	—	—	1,265
Repurchase of common stock: 4,860 shares	—	—	—	—	(186)	—	(186)
Issuance of restricted common stock	1,246	—	—	—	—	—	—
Issuance of restricted common stock from treasury shares	—	—	(487)	—	487	—	—
Balance at December 31, 2014	21,632,443	216	165,524	93,301	(18)	(7,686)	251,337
Net income	—	—	—	25,611	—	—	25,611
Other comprehensive loss	—	—	—	—	—	(9,380)	(9,380)
Dividend paid	—	—	—	(15,612)	—	—	(15,612)
Tax benefit of equity based awards	—	—	376	—	—	—	376
Share-based compensation	—	—	2,297	—	—	—	2,297
Stock option exercises	80,112	1	1,822	—	—	—	1,823
Repurchase of common stock: 6,150 shares	—	—	—	—	(317)	—	(317)
Issuance of restricted common stock	31,417	—	—	—	—	—	—
Issuance of restricted common stock from treasury shares	—	—	(146)	—	146	—	—
Balance at December 31, 2015	21,743,972	$ 217	$ 169,873	$103,300	$ (189)	$ (17,066)	$256,135

The accompanying notes are an integral part of these financial statements.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF BUSINESS

US Ecology, Inc. was most recently incorporated as a Delaware corporation in May 1987 as American Ecology Corporation. On February 22, 2010 the Company changed its name from American Ecology Corporation to US Ecology, Inc. US Ecology, Inc., through its subsidiaries, is a leading North American provider of environmental services to commercial and government entities. The Company addresses the complex waste management needs of its customers, offering treatment, disposal and recycling of hazardous and radioactive waste, as well as a wide range of complementary field and industrial services. Headquartered in Boise, Idaho, with operations in the United States, Canada and Mexico, US Ecology, Inc. has been protecting the environment since 1952. Throughout these financial statements words such as "we," "us," "our," "US Ecology" and the "Company" refer to US Ecology, Inc. and its subsidiaries.

On June 17, 2014, the Company acquired 100% of the outstanding shares of EQ Holdings, Inc. and its wholly-owned subsidiaries (collectively "EQ"). The acquisition of EQ significantly expanded the Company's service offerings, specifically in the areas of field and industrial services. As such, we have made changes to the manner in which we manage our business, make operating decisions and assess our performance. Under our new structure, our operations are managed in two reportable segments reflecting our internal reporting structure and nature of services offered: Environmental Services and Field & Industrial Services.

On November 1, 2015, we sold our Allstate Power Vac, Inc. ("Allstate") subsidiary to a private investor group. See Note 5 for additional information.

Our Environmental Services segment provides a broad range of hazardous material management services including the transportation, recycling, treatment and disposal of hazardous and non-hazardous waste at Company-owned landfill, wastewater and other treatment facilities.

Our Field & Industrial Services segment provides packaging and collection of hazardous waste and total waste management solutions at customer sites and through our 10-day storage facilities. Services include on-site management, waste characterization, transportation and disposal of non-hazardous and hazardous waste. This segment also provides specialty services such as high-pressure cleaning, tank cleaning, decontamination, remediation, transportation, spill cleanup and emergency response and other services to commercial and industrial facilities and to government entities.

In these consolidated financial statements, certain amounts in prior periods' consolidated financial statements and certain notes to the consolidated statements have been reclassified to conform with the current period presentation. The Company's consolidated balance sheet as of December 31, 2014 has been revised for purchase price measurement period adjustments related to the acquisition of EQ as disclosed in Note 4. In connection with the adoption of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2015-03, *Interest—Imputation of Interest (Subtopic 835-30), Simplifying the Presentation of Debt Issuance Costs*, we reclassified deferred financing costs associated with our Term Loan from Prepaid expenses and other current assets and Other assets to Long-term debt as disclosed in Notes 2 and 15.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying financial statements are prepared on a consolidated basis. All significant inter-company balances and transactions have been eliminated in consolidation. Our year-end is December 31.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash on deposit, money market accounts or short-term investments with remaining maturities of 90 days or less at the date of acquisition. Cash and cash equivalents totaled $6.0 million and $23.0 million at December 31, 2015 and 2014, respectively. At December 31, 2015 and 2014, we had $2.1 million and $3.5 million, respectively, of cash at our operations outside the United States.

Receivables

Receivables are stated at an amount management expects to collect. Based on management's assessment of the credit history of the customers having outstanding balances and factoring in current economic conditions, management has concluded that potential unidentified losses on balances outstanding at year-end will not be material.

Restricted Cash and Investments

Restricted cash and investments of $5.7 million at both December 31, 2015 and 2014, represent funds held in third-party managed trust accounts as collateral for our financial assurance obligations for post-closure activities at our non-operating facilities. These funds are invested in fixed-income U.S. Treasury and government agency securities and money market accounts. The balances are adjusted monthly to fair market value based on quoted prices in active markets for identical or similar assets.

Revenue Recognition

We recognize revenue when persuasive evidence of an arrangement exists, delivery and disposal have occurred or services have been rendered, the price is fixed or determinable and collection is reasonably assured. We recognize revenue from three primary sources: 1) waste treatment, recycling and disposal, 2) field and industrial waste management services and 3) waste transportation services.

Waste treatment and disposal revenue results primarily from fees charged to customers for treatment and/or disposal or recycling of specified wastes. Waste treatment and disposal revenue is generally charged on a per-ton or per-yard basis based on contracted prices and is recognized when services are complete.

Field and industrial waste management services revenue results primarily from specialty onsite services such as high-pressure cleaning, tank cleaning, decontamination, remediation, transportation, spill cleanup and emergency response at refineries, chemical plants, steel and automotive plants, and other government, commercial and industrial facilities. These services are provided based on purchase orders or agreements with the customer and include prices based upon daily, hourly or job rates for equipment, materials and personnel. Revenues are recognized over the term of the agreements or as services are performed. Revenue is recognized on contracts with retainage when services have been rendered and collectability is reasonably assured.

Transportation revenue results from delivering customer waste to a disposal facility for treatment and/or disposal or recycling. Transportation services are generally not provided on a stand-alone basis and instead are bundled with other Company services. However, in some instances we provide transportation and logistics services for shipment of waste from clean-up sites to disposal facilities operated by other companies. We account for our bundled arrangements as multiple deliverable arrangements and determine the amount of revenue recognized for each deliverable (unit of accounting) using the relative fair value

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

method. Transportation revenue is recognized when the transported waste is received at the disposal facility. Waste treatment and disposal revenue under bundled arrangements is recognized when services are complete and the waste is disposed in the landfill.

Burial fees collected from customers for each ton or cubic yard of waste disposed in our landfills are paid to the respective local and/or state government entity and are not included in revenue. Revenue and associated cost from waste that has been received but not yet treated and disposed of in our landfills are deferred until disposal occurs.

Our Richland, Washington disposal facility is regulated by the Washington Utilities and Transportation Commission ("WUTC"), which approves our rates for disposal of low-level radioactive waste ("LLRW"). Annual revenue levels are established based on a rate agreement with the WUTC at amounts sufficient to cover the costs of operation, including facility maintenance, equipment replacement and related costs, and provide us with a reasonable profit. Per-unit rates charged to LLRW customers during the year are based on our evaluation of disposal volume and radioactivity projections submitted to us by waste generators. Our proposed rates are then reviewed and approved by the WUTC. If annual revenue exceeds the approved levels set by the WUTC, we are required to refund excess collections to facility users on a pro-rata basis. Refundable excess collections are recorded in Accrued liabilities in the consolidated balance sheets. The current rate agreement with the WUTC was extended in 2013 and is effective until January 1, 2020.

Unbilled Receivables

Unbilled receivables are recorded for work performed under contracts that have not yet been invoiced to customers and arise due to the timing of billings. Substantially all unbilled receivables at December 31, 2015, were billed in the following month.

Deferred Revenue

Revenue from waste that has been received but not yet treated or disposed or advance billings prior to treatment and disposal services are deferred until such services are completed.

Property and Equipment

Property and equipment are recorded at cost and depreciated on the straight-line method over estimated useful lives. Replacements and major repairs of property and equipment are capitalized and retirements are made when assets are disposed of or when the useful life has been exhausted. Minor components and parts are expensed as incurred. Repair and maintenance expenses were $13.9 million, $12.2 million and $5.5 million for the years ended December 31, 2015, 2014 and 2013, respectively.

We assume no salvage value for our depreciable fixed assets. The estimated useful lives for significant property and equipment categories are as follows:

	Useful Lives
Vehicles and other equipment	3 to 10 years
Disposal facility and equipment	3 to 20 years
Buildings and improvements	5 to 40 years
Railcars	40 years

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Disposal Cell Accounting

Qualified disposal cell development costs such as personnel and equipment costs incurred to construct new disposal cells are recorded and capitalized at cost. Capitalized cell development costs, net of recorded amortization, are added to estimated future costs of the permitted disposal cell to be incurred over the remaining construction of the cell, to determine the amount to be amortized over the remaining estimated cell life. Estimates of future costs are developed using input from independent engineers and internal technical and accounting managers. We review these estimates at least annually. Amortization is recorded on a unit of consumption basis, typically applying cost as a rate per cubic yard disposed. Disposal facility costs are expected to be fully amortized upon final closure of the facility, as no salvage value applies. Costs associated with ongoing disposal operations are charged to expense as incurred.

We have material financial commitments for closure and post-closure obligations for certain facilities we own or operate. We estimate future cost requirements for closure and post-closure monitoring based on RCRA and conforming state requirements and facility permits. RCRA requires that companies provide the responsible regulatory agency acceptable financial assurance for closure work and subsequent post-closure monitoring of each facility for 30 years following closure. Estimates for final closure and post-closure costs are developed using input from our technical and accounting managers as well as independent engineers and are reviewed by management at least annually. These estimates involve projections of costs that will be incurred after the disposal facility ceases operations, through the required post-closure care period. The present value of the estimated closure and post-closure costs are accreted using the interest method of allocation to direct costs in our consolidated statements of operations so that 100% of the future cost has been incurred at the time of payment.

Business Combinations

We account for business combinations under the acquisition method of accounting. The cost of an acquired company is assigned to the tangible and identifiable intangible assets purchased and the liabilities assumed on the basis of their fair values at the date of acquisition. Any excess of purchase price over the fair value of net tangible and intangible assets acquired is assigned to goodwill. The transaction costs associated with business combinations are expensed as they are incurred.

Goodwill

Goodwill represents the excess of the fair value of the consideration transferred over the fair value of the underlying identifiable assets and liabilities acquired. Goodwill is not amortized, but instead is assessed for impairment annually in the fourth quarter as of October 1 and also if an event occurs or circumstances change that may indicate a possible impairment. In the event that we determine that the value of goodwill has become impaired, we will incur an accounting charge for the amount of impairment during the period in which the determination has been made. See Note 3 for additional information related to the Company's goodwill impairment tests and Note 12 for additional information related to the $6.7 million goodwill impairment charge recorded in the second quarter of 2015. Goodwill was recognized in connection with our acquisitions of EQ in 2014, Dynecol in 2012 and Stablex in 2010.

Intangible Assets

Intangible assets are stated at the fair value assigned in a business combination net of amortization. We amortize our finite-lived intangible assets using the straight-line method over their estimated economic

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

lives ranging from 1 to 45 years. We review intangible assets with indefinite useful lives for impairment during the fourth quarter as of October 1 of each year. We also review both indefinite-lived and finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of an intangible asset may not be recoverable.

Our acquired permits and licenses generally have renewal terms of approximately 5-10 years. We have a history of renewing these permits and licenses as demonstrated by the fact that each of the sites' treatment permits and licenses have been renewed regularly since the facility began operations. We intend to continue to renew our permits and licenses as they come up for renewal for the foreseeable future. Costs incurred to renew or extend the term of our permits and licenses are recorded in Selling, general and administrative expenses in our consolidated statements of operations.

Impairment of Long-Lived Assets

Long-lived assets consist primarily of property and equipment facility development costs and finite-lived intangible assets. The recoverability of long-lived assets is evaluated periodically through analysis of operating results and consideration of other significant events or changes in the business environment. If an operating unit had indications of possible impairment, such as current operating losses, we would evaluate whether impairment exists on the basis of undiscounted expected future cash flows from operations over the remaining amortization period. If an impairment loss were to exist, the carrying amount of the related long-lived assets would be reduced to their estimated fair value based upon discounted cash flows from operations.

Deferred Financing Costs

Deferred financing costs are amortized over the life of our Credit Agreement. Amortization of deferred financing costs is included as a component of interest expense in the consolidated statements of operations. In April 2015, the FASB issued ASU No. 2015-03, *Interest—Imputation of Interest (Subtopic 835-30), Simplifying the Presentation of Debt Issuance Costs*. We elected to adopt this guidance in the fourth quarter of 2015. As of December 31, 2015, we classified $6.4 million of deferred financing costs, net of accumulated amortization, associated with our Term Loan from Prepaid expenses and other current assets and Other assets to Long-term debt. Prior year amounts related to our Term Loan have been reclassified to conform to the current year presentation resulting in an adjustment to Long-term debt of $10.3 million for the year ended December 31, 2014.

Deferred financing costs associated with our Revolving Credit Facility were $2.0 million and $2.6 million, net of accumulated amortization and continue to be recorded in Prepaid expenses and other current assets and Other assets in the consolidated balance sheets as of December 31, 2015 and 2014, respectively.

Derivative Instruments

In order to manage interest rate exposure, we entered into an interest rate swap agreement in October 2014 that effectively converts a portion of our variable-rate debt to a fixed interest rate. Changes in the fair value of the interest rate swap are recorded as a component of accumulated other comprehensive income within stockholders' equity, and are recognized in interest expense in the period in which the payment is settled. The interest rate swap has an effective date of December 31, 2014 in an initial notional amount of $250.0 million. The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign Currency

We have operations in Canada. The functional currency of our Canadian operations is the Canadian dollar ("CAD"). Assets and liabilities are translated to U.S. dollars ("USD") at the exchange rate in effect at the balance sheet date and revenue and expenses at the average exchange rate for the period. Gains and losses from the translation of the consolidated financial statements of our Canadian subsidiary into USD are included in stockholders' equity as a component of Accumulated other comprehensive income. Gains and losses resulting from foreign currency transactions are recognized in the consolidated statements of operations. Recorded balances that are denominated in a currency other than the functional currency are re-measured to the functional currency using the exchange rate at the balance sheet date and gains or losses are recorded in the statements of operations.

Income Taxes

Income taxes are accounted for using an asset and liability approach. This requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement and tax basis of assets and liabilities at the applicable tax rates. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date.

We recognize net deferred tax assets to the extent that we believe these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If we determine that we would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The application of income tax law is inherently complex. Tax laws and regulations are voluminous and at times ambiguous and interpretations of guidance regarding such tax laws and regulations change over time. This requires us to make many subjective assumptions and judgments regarding the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. A liability for uncertain tax positions is recorded in our consolidated financial statements on the basis of a two-step process whereby (1) we determine whether it is more likely than not that the tax position taken will be sustained based on the technical merits of the position and (2) for those tax positions that meet the more likely than not recognition threshold, we recognize the largest amount of tax benefit that is greater than 50% likely to be realized upon ultimate settlement with the related tax authority. As facts and circumstances change, we reassess these probabilities and record any changes in the financial statements as appropriate. Our tax returns are subject to audit by the Internal Revenue Service ("IRS"), various states in the U.S. and the Canadian Revenue Agency.

Insurance

Accrued costs for our self-insured health care coverage were $1.1 million and $2.1 million at December 31, 2015 and 2014, respectively.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Earnings Per Share

Basic earnings per share is calculated based on the weighted-average number of outstanding common shares during the applicable period. Diluted earnings per share is based on the weighted-average number of outstanding common shares plus the weighted-average number of potential outstanding common shares. Potential common shares that would increase earnings per share or decrease loss per share are anti-dilutive and are excluded from earnings per share computations. Earnings per share is computed separately for each period presented.

Treasury Stock

Shares of common stock repurchased by us are recorded at cost as treasury stock and result in a reduction of stockholders' equity in our consolidated balance sheets. Treasury shares are reissued using the weighted average cost method for determining the cost of the shares reissued. The difference between the cost of the shares reissued and the issuance price is added or deducted from additional paid-in capital.

Recently Issued Accounting Pronouncements

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes (Topic 740)*. This ASU requires that deferred tax liabilities and assets be classified as non-current in a classified balance sheet. The guidance is effective for annual and interim periods beginning after December 15, 2016, however, we elected to adopt this guidance prospectively in the fourth quarter of 2015. Other than the current period balance sheet presentation of deferred tax liabilities and assets as non-current, adoption of this guidance did not have a material impact on our consolidated financial statements. Prior year amounts were not retrospectively adjusted.

In April 2015, the FASB issued ASU No. 2015-03, *Interest—Imputation of Interest (Subtopic 835-30), Simplifying the Presentation of Debt Issuance Costs*. This ASU requires an entity to present debt issuance costs related to long-term debt in the balance sheet as a direct deduction from the related debt liability rather than as an asset. The guidance is effective for annual and interim reporting periods beginning after December 15, 2015, however, we elected to adopt this guidance in the fourth quarter of 2015. Prior year amounts related to our Term Loan have been reclassified to conform to the current year presentation resulting in an adjustment to Long-term debt of $10.3 million for the year ended December 31, 2014.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which provides guidance for revenue recognition. The ASU's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The guidance permits the use of either the retrospective or cumulative effect transition method. The ASU also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenues and cash flows from contracts with customers. On July 9, 2015, the FASB decided to delay the effective date of ASU 2014-09 by one year. The new guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is permitted but not before annual periods beginning after December 15, 2016. We are currently assessing the impact the adoption of ASU 2014-09 may have on our consolidated financial statements.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 3. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Listed below are the estimates and assumptions that we consider to be significant in the preparation of our financial statements.

- *Allowance for Doubtful Accounts*—We estimate losses for uncollectible accounts based on the aging of the accounts receivable and an evaluation of the likelihood of success in collecting the receivable.

- *Recovery of Long-Lived Assets*—We evaluate the recovery of our long-lived assets periodically by analyzing our operating results and considering significant events or changes in the business environment.

- *Income Taxes*—We assume the deductibility of certain costs in our income tax filings, estimate our income tax rate and estimate the future recovery of deferred tax assets.

- *Legal and Environmental Accruals*—We estimate the amount of potential exposure we may have with respect to litigation and environmental claims and assessments.

- *Disposal Cell Development and Final Closure/Post-Closure Amortization*—We expense amounts for disposal cell usage and closure and post-closure costs for each cubic yard of waste disposed of at our operating facilities. In determining the amount to expense for each cubic yard of waste disposed, we estimate the cost to develop each disposal cell and the closure and post-closure costs for each disposal cell and facility. The expense for each cubic yard is then calculated based on the remaining permitted capacity and total permitted capacity. Estimates for closure and post-closure costs are developed using input from third-party engineering consultants, and our internal technical and accounting personnel. Management reviews estimates at least annually. Estimates for final disposal cell closure and post-closure costs consider when the costs would actually be paid and, where appropriate, inflation and discount rates.

- *Business Acquisitions*—The Company records assets and liabilities of the acquired business at their fair values. Acquisition-related transaction and restructuring costs are expensed rather than treated as part of the cost of the acquisition. Goodwill represents the excess of the cost of an acquired business over the fair value of the identifiable tangible and intangible assets acquired and liabilities assumed in a business acquisition.

- *Goodwill*—We assess goodwill for impairment during the fourth quarter as of October 1 of each year or sooner if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The assessment consists of comparing the estimated fair value of the reporting unit to the carrying value of the net assets assigned to the reporting unit, including goodwill. Fair values are generally determined by using both the market approach, applying a multiple of earnings based on guideline for publicly traded companies, and the income approach, discounting projected future cash flows based on our expectations of the current and future operating environment. The rates used to discount projected future cash flows reflect a weighted average cost of capital based on our industry, capital structure and risk premiums including those reflected in the current market capitalization.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 3. USE OF ESTIMATES (Continued)

- *Intangible Assets*—We review intangible assets with indefinite useful lives for impairment during the fourth quarter as of October 1 of each year. Fair value is generally determined by considering: (i) the internally developed discounted projected cash flow analysis; (ii) a third-party valuation; and/or (iii) information available regarding the current market environment for similar assets. If the fair value of an asset is determined to be less than the carrying amount of the intangible asset, an impairment in the amount of the difference is recorded in the period in which the annual assessment occurs.

  We also review finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of an intangible asset may not be recoverable. In order to assess whether a potential impairment exists, the assets' carrying values are compared with their undiscounted expected future cash flows. Estimating future cash flows requires significant judgment about factors such as general economic conditions and projected growth rates, and our estimates often vary from the cash flows eventually realized. Impairments are measured by comparing the fair value of the asset to its carrying value. Fair value is generally determined by considering: (i) the internally developed discounted projected cash flow analysis; (ii) a third-party valuation; and/or (iii) information available regarding the current market environment for similar assets. If the fair value of an asset is determined to be less than the carrying amount of the intangible asset, an impairment in the amount of the difference is recorded in the period in which the events or changes in circumstances that indicated the carrying value of the intangible assets may not be recoverable occurred.

Actual results could differ materially from the estimates and assumptions that we use in the preparation of our consolidated financial statements. As it relates to estimates and assumptions in amortization rates and environmental obligations, significant engineering, operations and accounting judgments are required. We review these estimates and assumptions no less than annually. In many circumstances, the ultimate outcome of these estimates and assumptions will not be known for decades into the future. Actual results could differ materially from these estimates and assumptions due to changes in applicable regulations, changes in future operational plans and inherent imprecision associated with estimating environmental impacts far into the future.

NOTE 4. BUSINESS COMBINATIONS

EQ Holdings, Inc.

On June 17, 2014, the Company acquired 100% of the outstanding shares of EQ Holdings, Inc. and its wholly-owned subsidiaries (collectively "EQ"). EQ is a fully integrated environmental services company providing waste treatment and disposal, wastewater treatment, remediation, recycling, industrial cleaning and maintenance, transportation, total waste management, technical services, and emergency response services to a variety of industries and customers in North America. The total purchase price was $460.9 million, net of cash acquired, and was funded through a combination of cash on hand and borrowings under a new $415.0 million term loan.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 4. BUSINESS COMBINATIONS (Continued)

As of June 30, 2015, the Company finalized the purchase accounting for the acquisition of EQ. The following table summarizes the consideration paid for EQ and the fair value estimates of assets acquired and liabilities assumed, recognized at the acquisition date, with purchase price allocation adjustments since the preliminary purchase price allocation as previously disclosed as of December 31, 2014:

	Purchase Price Allocation		
$s in thousands	As Reported in 2014 Form 10-K	Adjustments	As Retrospectively Adjusted
Current assets	$ 111,982	$ 27	$ 112,009
Property and equipment	101,543	—	101,543
Identifiable intangible assets	252,874	—	252,874
Current liabilities	(57,585)	(727)	(58,312)
Other liabilities	(139,331)	263	(139,068)
Total identifiable net assets	269,483	(437)	269,046
Goodwill	197,163	437	197,600
Total purchase price	$ 466,646	$ —	$ 466,646

Purchase price allocation adjustments related primarily to the receipt of additional information regarding the fair values of income taxes payable and receivable, deferred income taxes and residual goodwill.

Goodwill of $197.6 million arising from the acquisition is the result of several factors. EQ has an assembled workforce that serves the U.S. industrial market utilizing state-of-the-art technology to treat a wide range of industrial and hazardous waste. The acquisition of EQ increases our geographic base providing a coast-to-coast presence and an expanded service platform to better serve key North American hazardous waste markets. In addition, the acquisition of EQ provides us with an opportunity to compete for additional waste clean-up project work; expand penetration with national accounts; improve and enhance transportation, logistics, and service offerings with existing customers and attract new customers. $132.4 million of the goodwill recognized was allocated to reporting units in our Environmental Services segment and $65.2 million of the goodwill recognized was allocated to reporting units in our Field & Industrial Services segment. None of the goodwill recognized is expected to be deductible for income tax purposes.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 4. BUSINESS COMBINATIONS (Continued)

The fair value estimate of identifiable intangible assets by major intangible asset class and related weighted average amortization period are as follows:

$s in thousands	Fair Value	Weighted Average Amortization Period (Years)
Customer relationships	$ 98,400	15
Permits and licenses	89,600	45
Permits and licenses, nonamortizing	49,000	—
Tradename	5,481	3
Customer backlog	4,600	10
Developed software	3,443	9
Non-compete agreements	900	1
Internet domain and website	869	19
Database	581	15
Total identifiable intangible assets	$ 252,874	

The following unaudited pro forma financial information presents the combined results of operations as if EQ had been combined with us at the beginning of each of the periods presented. The pro forma financial information includes the accounting effects of the business combination, including the amortization of intangible assets, depreciation of property, plant and equipment, and interest expense. The unaudited pro forma financial information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved if the acquisition had taken place at the beginning of the periods presented, nor should it be taken as indication of our future consolidated results of operations.

	(unaudited)	
$s in thousands, except per share amounts	2014	2013
Pro forma combined:		
Revenue	$ 615,264	$ 539,760
Net income	$ 37,347	$ 29,606
Earnings per share		
Basic	$ 1.73	$ 1.59
Diluted	$ 1.72	$ 1.59

Revenue from EQ included in the Company's consolidated statements of operations was $359.0 million and $228.2 million for the years ended December 31, 2015 and 2014, respectively. Operating income from EQ included in the Company's consolidated statements of operations was $28.5 million and $18.5 million for the years ended December 31, 2015 and 2014, respectively. Acquisition-related costs of $1.2 million and $6.4 million were included in Selling, general and administrative expenses in the Company's consolidated statements of operations for the years ended December 31, 2015 and 2014, respectively.

NOTE 5. DIVESTITURE

On August 4, 2015, we entered into a definitive agreement to sell Allstate to a private investor group for approximately $58.0 million cash, subject to adjustments for working capital and capital expenditures. Allstate represented the majority of the industrial services business and was included in our Field and

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 5. DIVESTITURE (Continued)

Industrial Services segment, which we acquired with the acquisition of EQ. As a result of this agreement and management's strategic review, we evaluated the recoverability of the assets associated with our industrial services business. Based on this analysis, we recorded a non-cash goodwill impairment charge of $6.7 million in the second quarter of 2015.

On November 1, 2015, we completed the divestiture of Allstate for cash proceeds of $58.8 million, subject to post-closing adjustments. For the year ended December 31, 2015, we recognized a pre-tax loss on the divestiture of Allstate, including transaction-related costs, of $542,000, which is included in Other income (expense) in our consolidated statements of operations. The sale of Allstate does not meet the requirements to be reported as a discontinued operation as defined in ASU 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant and Equipment (Topic 360), Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*.

Loss before income taxes from Allstate of $4.9 million and income before income taxes from Allstate of $1.6 million were included in the Company's consolidated statements of operations for the years ended December 31, 2015 and 2014, respectively. Loss before income taxes for the year ended December 31, 2015, includes a non-cash goodwill impairment charge of $6.4 million.

The following table presents the carrying amounts of major classes of assets and liabilities of Allstate classified as held for sale immediately preceding the disposition on November 1, 2015, which are excluded from the Company's consolidated balance sheet at December 31, 2015:

$s in thousands	November 1, 2015
Cash and cash equivalents	$ 46
Receivables, net	25,407
Prepaid expenses and other current assets	1,469
Property and equipment, net	19,760
Intangible assets, net	21,825
Goodwill	13,572
Total assets held for sale	$ 82,079
Accounts payable	7,253
Accrued liabilities	1,784
Accrued salaries and benefits	594
Deferred income taxes	13,601
Total liabilities held for sale	$ 23,232

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 6. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Changes in accumulated other comprehensive income (loss) ("AOCI") consisted of the following:

$s in thousands	Foreign Currency Translation Adjustments	Unrealized Loss on Interest Rate Hedge	Total
Balance at December 31, 2013	$ (1,785)	$ —	$ (1,785)
Other comprehensive loss before reclassifications, net of tax	(3,863)	(2,038)	(5,901)
Balance at December 31, 2014	$ (5,648)	$ (2,038)	$ (7,686)
Other comprehensive loss before reclassifications, net of tax	(8,380)	(3,269)	(11,649)
Amounts reclassified out of AOCI, net of tax(1)	—	2,269	2,269
Other comprehensive loss	(8,380)	(1,000)	(9,380)
Balance at December 31, 2015	$ (14,028)	$ (3,038)	$ (17,066)

(1) Before-tax reclassifications of $3.5 million ($2.3 million after-tax) for the year ended December 31, 2015 were included in Interest expense in the Company's consolidated statements of operations. Amount relates to the Company's interest rate swap which is designated as a cash flow hedge. Changes in fair value of the swap recognized in AOCI are reclassified to interest expense when hedged interest payments on the underlying long-term debt are made. Amounts in AOCI expected to be recognized in interest expense over the next 12 months total approximately $3.5 million ($2.3 million after tax).

NOTE 7. DISCLOSURE OF SUPPLEMENTAL CASH FLOW INFORMATION

$s in thousands	For the Year Ended December 31, 2015	2014	2013
Income taxes and interest paid:			
Income taxes paid, net of receipts	$ 27,252	$ 22,754	$ 16,226
Interest paid	18,587	9,298	703
Non-cash investing and financing activities:			
Closure/Post-closure retirement asset	(349)	7,157	886
Capital expenditures in accounts payable	3,805	6,101	1,561
Restricted stock issuances from treasury shares	127	487	864

NOTE 8. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 8. FAIR VALUE MEASUREMENTS (Continued)

a t fair value are categorized using defined hierarchical levels directly related to the amount of subjectivity associated with the inputs to fair value measurements, as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities;

Level 2—Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable;

Level 3—Unobservable inputs in which little or no market activity exists, requiring an entity to develop its own assumptions that market participants would use to value the asset or liability.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, restricted cash and investments, accounts payable and accrued liabilities, debt and interest rate swap agreements. The estimated fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their carrying value due to the short-term nature of these instruments.

The Company estimates the fair value of its variable-rate debt using Level 2 inputs, such as interest rates, related terms and maturities of similar obligations. At December 31, 2015, the fair value of the Company's variable-rate debt was estimated to be $300.0 million.

The Company's assets and liabilities measured at fair value on a recurring basis at December 31, 2015 and 2014 consisted of the following:

	2015			
$s in thousands	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Assets:				
Fixed-income securities(1)	$ 403	$ 3,573	$ —	$ 3,976
Money market funds(2)	1,772	—	—	1,772
Total	$ 2,175	$ 3,573	$ —	$ 5,748
Liabilities:				
Interest rate swap agreement(3)	$ —	$ 4,676	$ —	$ 4,676
Total	$ —	$ 4,676	$ —	$ 4,676

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 8. FAIR VALUE MEASUREMENTS (Continued)

	2014			
$s in thousands	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Assets:				
Fixed-income securities(1)	$ 400	$ 3,590	$ —	$ 3,990
Money market funds(2)	1,739	—	—	1,739
Total	$ 2,139	$ 3,590	$ —	$ 5,729
Liabilities:				
Interest rate swap agreement(3)	$ —	$ 3,136	$ —	$ 3,136
Total	$ —	$ 3,136	$ —	$ 3,136

(1) We invest a portion of our Restricted cash and investments in fixed-income securities, including U.S. Treasury and U.S. agency securities. We measure the fair value of U.S. Treasury securities using quoted prices for identical assets in active markets. We measure the fair value of U.S. agency securities using observable market activity for similar assets. The fair value of our fixed-income securities approximates our cost basis in the investments.

(2) We invest a portion of our Restricted cash and investments in money market funds. We measure the fair value of these money market fund investments using quoted prices for identical assets in active markets.

(3) In order to manage interest rate exposure, we entered into an interest rate swap agreement in October 2014 that effectively converts a portion of our variable-rate debt to a fixed interest rate. The swap is designated as a cash flow hedge, with gains and losses deferred in other comprehensive income to be recognized as an adjustment to interest expense in the same period that the hedged interest payments affect earnings. The interest rate swap has an effective date of December 31, 2014 with an initial notional amount of $250.0 million. The fair value of the interest rate swap agreement represents the difference in the present value of cash flows calculated at the contracted interest rates and at current market interest rates at the end of the period. We calculate the fair value of the interest rate swap agreement quarterly based on the quoted market price for the same or similar financial instruments. The fair value of the interest rate swap agreement is included in Other long-term liabilities in the Company's consolidated balance sheet as of December 31, 2015 and 2014.

NOTE 9. CONCENTRATIONS AND CREDIT RISK

Major Customers

No customer accounted for more than 10% of total revenue for the years ended December 31, 2015 or 2013. Revenue from a single customer accounted for approximately 10% of total revenue for the year ended December 31, 2014.

No customer accounted for more than 10% of total trade receivables as of December 31, 2015 or 2014.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 9. CONCENTRATIONS AND CREDIT RISK (Continued)

Credit Risk Concentration

We maintain most of our cash and cash equivalents with nationally recognized financial institutions like Wells Fargo Bank, National Association ("Wells Fargo") and Comerica, Inc. Substantially all balances are uninsured and are not used as collateral for other obligations. Concentrations of credit risk on accounts receivable are believed to be limited due to the number, diversification and character of the obligors and our credit evaluation process.

Labor Concentrations

As of December 31, 2015, 11 employees at our Richland, Washington facility were represented by the Paper, Allied-Industrial Chemical & Energy Workers International Union, AFL-CIO, CLC (PACE); 105 employees at our Blainville, Québec, Canada facility were represented by the Communications, Energy and Paperworkers Union of Canada; 154 employees were represented by the Local 324 Operating Engineers Union; and nine employees were represented by the Teamsters and the Operating Engineers Union. As of December 31, 2015, our 1,140 other employees did not belong to a union.

NOTE 10. RECEIVABLES

Receivables as of December 31, 2015 and 2014 consisted of the following:

$s in thousands	2015	2014
Trade	$ 95,055	$ 116,218
Unbilled revenue	11,983	17,857
Other	2,568	1,890
Total receivables	109,606	135,965
Allowance for doubtful accounts	(3,226)	(704)
Receivables, net	$ 106,380	$ 135,261

The allowance for doubtful accounts is a provision for uncollectible accounts receivable and unbilled receivables. The allowance is evaluated and adjusted to reflect our collection history and an analysis of the accounts receivables aging. The allowance is decreased by accounts receivable as they are written off. The allowance is adjusted periodically to reflect actual experience. The change in the allowance during 2015, 2014 and 2013 was as follows:

$s in thousands	Balance at Beginning of Period	Charged (Credited) to Costs and Expenses	Recoveries (Deductions/ Write-offs)	Adjustments	Balance at End of Period
Year ended December 31, 2015	$ 704	$ 2,224	$ 848	$ (550)(1)	$ 3,226
Year ended December 31, 2014	$ 525	$ 1,391	$ (1,211)	$ (1)	$ 704
Year ended December 31, 2013	$ 468	$ 138	$ (70)	$ (11)	$ 525

(1) Adjustment for the year ended December 31, 2015 relates to the sale of Allstate on November 1, 2015. For additional information on the sale of Allstate, see Note 5.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 11. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2015 and 2014 consisted of the following:

$s in thousands	2015	2014
Cell development costs	$ 121,473	$ 120,878
Land and improvements	31,606	33,002
Buildings and improvements	70,990	74,518
Railcars	17,375	17,375
Vehicles and other equipment	92,797	98,877
Construction in progress	20,067	10,831
Total property and equipment	354,308	355,481
Accumulated depreciation and amortization	(143,974)	(127,797)
Property and equipment, net	$ 210,334	$ 227,684

Depreciation and amortization expense was $27.9 million, $24.4 million and $14.8 million for the years ended December 31, 2015, 2014 and 2013, respectively.

NOTE 12. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets as of December 31, 2015, were the result of our acquisitions of EQ in 2014, Dynecol in 2012 and Stablex in 2010. Changes in goodwill for the years ended December 31, 2015 and 2014 were as follows:

$s in thousands	Environmental Services	Field & Industrial Services	Total
Balance at December 31, 2014(1)	$ 152,396	$ 65,213	$ 217,609
Impairment charges(2)	—	(6,700)	(6,700)
Allstate disposition(3)	—	(13,572)	(13,572)
Foreign currency translation and other adjustments	(4,704)	(810)	(5,514)
Balance at December 31, 2015	$ 147,692	$ 44,131	$ 191,823

(1) Balances have been revised to reflect purchase accounting measurement period adjustments related to the acquisition of EQ as disclosed in Note 4.

(2) As disclosed in Notes 5, on August 4, 2015, we entered into a definitive agreement to sell Allstate to a private investor group for approximately $58.0 million cash, subject to adjustments for working capital and capital expenditures. Allstate represented the majority of the industrial services business we acquired with the acquisition of EQ. As a result of this agreement and management's strategic review, we evaluated the recoverability of the assets associated with our industrial services business. Based on this analysis, we recorded a non-cash goodwill impairment charge of $6.7 million in the second quarter of 2015. We calculated the estimated fair value of the industrial services business using a combination of quoted market prices and discounted cash flows.

(3) Amounts relate to sale of Allstate as disclosed in Note 5.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 12. GOODWILL AND INTANGIBLE ASSETS (Continued)

Intangible assets as of December 31, 2015 and 2014 consisted of the following:

	2015			2014		
$s in thousands	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Amortizing intangible assets:						
Permits, licenses and lease	$ 109,652	$ (6,682)	$ 102,970	$ 113,693	$ (4,427)	$ 109,266
Customer relationships	82,021	(9,015)	73,006	103,086	(4,488)	98,598
Technology—formulae and processes	6,560	(1,054)	5,506	7,844	(1,009)	6,835
Customer backlog	3,652	(561)	3,091	4,600	(246)	4,354
Tradename	4,318	(2,210)	2,108	5,481	(979)	4,502
Developed software	2,899	(678)	2,221	3,745	(428)	3,317
Non-compete agreements	732	(732)	—	920	(462)	458
Internet domain and website	540	(44)	496	869	(24)	845
Database	385	(85)	300	667	(72)	595
Total amortizing intangible assets	210,759	(21,061)	189,698	240,905	(12,135)	228,770
Nonamortizing intangible assets:						
Permits and licenses	49,750	—	49,750	49,750	—	49,750
Tradename	123	—	123	147	—	147
Total intangible assets	$ 260,632	$ (21,061)	$ 239,571	$ 290,802	$ (12,135)	$ 278,667

Amortization expense of amortizing intangible assets was $12.3 million, $8.2 million and $1.5 million for the years ended December 31, 2015, 2014 and 2013, respectively. Foreign intangible asset carrying amounts are affected by foreign currency translation. Future amortization expense of amortizing intangible assets is expected to be as follows:

$s in thousands	Expected Amortization
2016	$ 10,428
2017	9,653
2018	8,964
2019	8,964
2020	8,964
Thereafter	142,725
	$ 189,698

NOTE 13. EMPLOYEE BENEFIT PLANS

Defined Contribution Plans

We maintain the US Ecology, Inc., 401(k) Savings and Retirement Plan ("the Plan") for employees who voluntarily contribute a portion of their compensation, thereby deferring income for federal income tax purposes. The Plan covers substantially all of our employees in the United States. Participants may contribute a percentage of salary up to the IRS limitations. The Company contributes a matching

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 13. EMPLOYEE BENEFIT PLANS (Continued)

contribution equal to 55% of participant contributions up to 6% of eligible compensation. The Company contributed matching contributions to the Plan of $2.3 million, $521,000 and $436,000 in 2015, 2014 and 2013, respectively.

During 2014, EQ sponsored a defined contribution 401(k) plan for its nonunion employees. The plan allowed all eligible employees to make elective pretax contributions in an amount not to exceed limits established by the Internal Revenue Service. Additionally, EQ made matching contributions to the plan on behalf of the employee in the amount of 50% of the employee's elected contributions, not to exceed 3% of the employee's compensation. The Company contributed matching contributions to this plan of $649,000, for the post-acquisition period from June 17, 2014 through December 31, 2014. Effective January 1, 2015, the EQ defined contribution 401(k) plan was discontinued and all eligible employees were transitioned to the US Ecology, Inc., 401(k) Savings and Retirement Plan.

We also maintain the Stablex Canada Inc. Simplified Pension Plan ("the SPP"). This defined contribution plan covers substantially all of our employees at our Blainville, Québec facility in Canada. Participants receive a company contribution equal to 5% of their annual salary. The Company contributed $515,000, $510,000 and $415,000 to the SPP in 2015, 2014 and 2013, respectively.

Multi-Employer Defined Benefit Pension Plans

Certain of the Company's wholly-owned subsidiaries acquired in connection with the acquisition of EQ on June 17, 2014 participate in seven multi-employer defined benefit pension plans under the terms of collective bargaining agreements covering most of the subsidiaries' union employees. Contributions are determined in accordance with the provisions of negotiated labor contracts and are generally based on stipulated rates per hours worked. Benefits under these plans are generally based on compensation levels and years of service.

The financial risks of participating in multi-employer plans are different from single employer defined benefit pension plans in the following respects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer discontinues contributions to a plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If a participating employer chooses to stop participating in a plan, a withdrawal liability may be created based on the unfunded vested benefits for all employees in the plan.

Information regarding significant multi-employer pension benefit plans in which the Company participates is shown in the following table:

Name of Plan	Plan Employer ID Number	Plan Number	Pension Protection Act Certified Zone Status 2015	Pension Protection Act Certified Zone Status 2014
Operating Engineers Local 324 Pension Fund	38-1900637	001	Red	Red

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 13. EMPLOYEE BENEFIT PLANS (Continued)

During 2015, the Company contributed $941,000 to the Operating Engineers Local 324 Pension Fund (the "Local 324 Plan") and $461,000 to other multi-employer plans, which are excluded from the table above as they are not individually significant. During the post-acquisition period from June 17, 2014 to December 31, 2014, the Company contributed $530,000 to the Local 324 Pension Plan and $407,000 to other multi-employer plans not individually significant.

Based on information as of April 30, 2015 and 2014, the year end of the Local 324, the Company's contributions made to the Local 324 Plan represented less than 5% of total contributions received by the Local 324 Plan during the 2015 and 2014 plan years.

The certified zone status in the table above is defined by the Department of Labor and the Pension Protection Act of 2006 and represents the level at which the plan is funded. Plans in the red zone are less than 65% funded; plans in the yellow zone are less than 80% funded; and plans in the green zone are at least 80% funded. The certified zone status is as of the Local 324 Plan's year end of April 30, 2015 and 2014.

A financial improvement or rehabilitation plan, as defined under ERISA, was adopted by the Local 324 Plan on March 17, 2011 and the Rehabilitation Period began May 1, 2013.

As of December 31, 2015, 154 employees were employed under union collective bargaining agreements with the Local 324 Operating Engineers union. Our three remaining collective bargaining agreements expire on April 30, 2017, May 31, 2018 and November 30, 2020.

NOTE 14. CLOSURE AND POST-CLOSURE OBLIGATIONS

Our accrued closure and post-closure liability represents the expected future costs, including corrective actions, associated with closure and post-closure of our operating and non-operating disposal facilities. We record the fair value of our closure and post-closure obligations as a liability in the period in which the regulatory obligation to retire a specific asset is triggered. For our individual landfill cells, the required closure and post-closure obligations under the terms of our permits and our intended operation of the landfill cell are triggered and recorded when the cell is placed into service and waste is initially disposed in the landfill cell. The fair value is based on the total estimated costs to close the landfill cell and perform post-closure activities once the landfill cell has reached capacity and is no longer accepting waste. We perform periodic reviews of both non-operating and operating facilities and revise accruals for estimated closure and post-closure, remediation or other costs as necessary. Recorded liabilities are based on our best estimates of current costs and are updated periodically to include the effects of existing technology, presently enacted laws and regulations, inflation and other economic factors.

We do not presently bear significant financial responsibility for closure and/or post-closure care of the disposal facilities located on state-owned land at our Beatty, Nevada site; Provincial-owned land in Blainville, Québec; or state-leased federal land on the Department of Energy Hanford Reservation near Richland, Washington. The States of Nevada and Washington and the Province of Québec collect fees from us based on the waste received on a quarterly or annual basis. Such fees are deposited in dedicated, government-controlled funds to cover the future costs of closure and post-closure care and maintenance. Such fees are periodically reviewed for adequacy by the governmental authorities. We also maintain a surety bond for closure costs associated with the Stablex facility. Our lease agreement with the Province of Québec requires that the surety bond be maintained for 25 years after the lease expires. At December 31, 2015 we had $657,000 in commercial surety bonds dedicated for closure obligations.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 14. CLOSURE AND POST-CLOSURE OBLIGATIONS (Continued)

In accounting for closure and post-closure obligations, which represent our asset retirement obligations, we recognize a liability as part of the fair value of future asset retirement obligations and an associated asset as part of the carrying amount of the underlying asset. This obligation is valued based on our best estimates of current costs and current estimated closure and post-closure costs taking into account current technology, material and service costs, laws and regulations. These cost estimates are increased by an estimated inflation rate, estimated to be 2.6% at December 31, 2015. Inflated current costs are then discounted using our credit-adjusted risk-free interest rate, which approximates our incremental borrowing rate, in effect at the time the obligation is established or when there are upward revisions to our estimated closure and post-closure costs. Our weighted-average credit-adjusted risk-free interest rate at December 31, 2015 approximated 5.9%.

Changes to reported closure and post-closure obligations for the years ended December 31, 2015 and 2014, were as follows:

$s in thousands	2015	2014
Closure and post-closure obligations, beginning of year	$ 72,870	$ 17,468
Liabilities assumed in EQ acquisition	—	47,190
Accretion expense	4,584	2,656
Payments	(5,679)	(1,443)
Adjustments	(349)	7,157
Foreign currency translation	(272)	(158)
Closure and post-closure obligations, end of year	71,154	72,870
Less current portion	(2,787)	(5,359)
Long-term portion	$ 68,367	$ 67,511

Adjustment to the obligations represents changes in the expected timing or amount of cash expenditures based upon actual and estimated cash expenditures. The adjustments in 2015 were primarily attributable to a $945,000 decrease to the obligation for our Grand View, Idaho facility due to changes in the timing of estimated closure activities, partially offset by a $545,000 increase to the obligation for our Belleville, Michigan facility due to changes in estimated closure and post-closure costs. The adjustments in 2014 were primarily attributable to a $7.2 million increase to the obligation for our Grand View, Idaho; Robstown, Texas; and Blainville, Québec, Canada operating facilities, primarily due to increases in our estimated closure costs for newly constructed disposal cells.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 14. CLOSURE AND POST-CLOSURE OBLIGATIONS (Continued)

Changes in the reported closure and post-closure asset, recorded as a component of Property and equipment, net, in the consolidated balance sheet, for the years ended December 31, 2015 and 2014 were as follows:

$s in thousands	2015	2014
Net closure and post-closure asset, beginning of year	$ 24,651	$ 1,832
Asset acquired in EQ acquisition	—	16,555
Additions or adjustments to closure and post-closure asset	(349)	7,157
Amortization of closure and post-closure asset	(836)	(683)
Foreign currency translation	(423)	(210)
Net closure and post-closure asset, end of year	$ 23,043	$ 24,651

NOTE 15. DEBT

Long-term debt consisted of the following:

	December 31,	
$s in thousands	2015	2014
Term loan	$ 300,994	$ 395,616
Unamortized discount and debt issuance costs	(7,254)	(11,235)
Total debt	293,740	384,381
Current portion of long-term debt	(3,056)	(3,976)
Long-term debt	$ 290,684	$ 380,405

In April 2015, the FASB issued ASU No. 2015-03*, Interest—Imputation of Interest (Subtopic 835-30), Simplifying the Presentation of Debt Issuance Costs*. This ASU requires an entity to present debt issuance costs related to long-term debt in the balance sheet as a direct deduction from the related long-term debt liability rather than as an asset. We elected to adopt this guidance in the fourth quarter of 2015. As of December 31, 2015, we classified $6.4 million of deferred financing costs, net of accumulated amortization, associated with our Term Loan from Prepaid expenses and other current assets and Other assets to Long-term debt. Prior year amounts related to our Term Loan have been reclassified to conform to the current year presentation resulting in an adjustment to Long-term debt of $10.3 million for the year ended December 31, 2014.

Deferred financing costs associated with our Revolving Credit Facility were $2.0 million and $2.6 million, net of accumulated amortization and continue to be recorded in Prepaid expenses and other current assets and Other assets in the consolidated balance sheets as of December 31, 2015 and 2014, respectively.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 15. DEBT (Continued)

Future maturities of long-term debt, excluding unamortized net discount, as of December 31, 2015 consist of the following:

$s in thousands	Maturities
2016	$ 3,056
2017	3,056
2018	3,056
2019	3,056
2020	3,056
Thereafter	285,714
	$ 300,994

On June 17, 2014, in connection with the acquisition of EQ, the Company entered into a new $540.0 million senior secured credit agreement (the "Credit Agreement") with a syndicate of banks comprised of a $415.0 million term loan (the "Term Loan") with a maturity date of June 17, 2021 and a $125.0 million revolving line of credit (the "Revolving Credit Facility") with a maturity date of June 17, 2019. Upon entering into the Credit Agreement, the Company terminated its existing credit agreement with Wells Fargo, dated October, 29, 2010, as amended (the "Former Agreement"). Immediately prior to the termination of the Former Agreement, there were no outstanding borrowings under the Former Agreement. No early termination penalties were incurred as a result of the termination of the Former Agreement.

Term Loan

The Term Loan provides an initial commitment amount of $415.0 million, the proceeds of which were used to acquire 100% of the outstanding shares of EQ and pay related transaction fees and expenses. The Term Loan bears interest at a base rate (as defined in the Credit Agreement) plus 2.00% or LIBOR plus 3.00%, at the Company's option. The Term Loan is subject to amortization in equal quarterly installments in an aggregate annual amount equal to 1.00% of the original principal amount of the Term Loan. At December 31, 2015, the effective interest rate on the Term Loan, including the impact of our interest rate swap, was 4.70%. Interest only payments are due either monthly or on the last day of any interest period, as applicable. As set forth in the Credit Agreement, the Company is required to enter into one or more interest rate hedge agreements in amounts sufficient to fix the interest rate on at least 50% of the principal amount of the $415.0 million Term Loan. In October 2014, the Company entered into an interest rate swap agreement with Wells Fargo, effectively fixing the interest rate on $230.0 million, or 76%, of the Term Loan principal outstanding as of December 31, 2015.

Revolving Credit Facility

The Revolving Credit Facility provides up to $125.0 million of revolving credit loans or letters of credit with the use of proceeds restricted solely for working capital and other general corporate purposes. Under the Revolving Credit Facility, revolving loans are available based on a base rate (as defined in the Credit Agreement) or LIBOR, at the Company's option, plus an applicable margin which is determined according to a pricing grid under which the interest rate decreases or increases based on our ratio of funded debt to earnings before interest, taxes, depreciation and amortization ("EBITDA"). The Company is required to pay a commitment fee of 0.50% per annum on the unused portion of the Revolving Credit Facility, with

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 15. DEBT (Continued)

such commitment fee to be reduced based upon the Company's total leverage ratio as defined in the Credit Agreement. The maximum letter of credit capacity under the new revolving credit facility is $50.0 million and the Credit Agreement provides for a letter of credit fee equal to the applicable margin for LIBOR loans under the Revolving Credit Facility. Interest only payments are due either monthly or on the last day of any interest period, as applicable. At December 31, 2015, there were no borrowings outstanding on the Revolving Credit Facility. As of December 31, 2015, the availability under the Revolving Credit Facility was $117.3 million with $7.7 million of the Revolving Credit Facility issued in the form of standby letters of credit utilized as collateral for closure and post-closure financial assurance and other assurance obligations.

Except as set forth below, the Company may prepay the Term Loan or permanently reduce the Revolving Credit Facility commitment under the Credit Agreement at any time without premium or penalty (other than customary "breakage" costs with respect to the early termination of LIBOR loans). Subject to certain exceptions, the Credit Agreement provides for mandatory prepayment upon certain asset dispositions, casualty events and issuances of indebtedness. The Credit Agreement is also subject to mandatory annual prepayments commencing in December 2015 if our total leverage (defined as the ratio of our consolidated funded debt as of the last day of the applicable fiscal year to our adjusted EBITDA for such period) exceeds certain ratios as follows: 50% of our adjusted excess cash flow (as defined in the Credit Agreement and which takes into account certain adjustments) if our total leverage ratio is greater than 2.50 to 1.00, with step-downs to 0% if our total leverage ratio is equal to or less than 2.50 to 1.00.

Pursuant to (i) an unconditional guarantee agreement (the "Guarantee") and (ii) a collateral agreement (the "Collateral Agreement"), each entered into by the Company and its domestic subsidiaries on June 17, 2014, the Company's obligations under the Credit Agreement are jointly and severally and fully and unconditionally guaranteed on a senior basis by all of the Company's existing and certain future domestic subsidiaries and the Credit Agreement is secured by substantially all of the Company's and its domestic subsidiaries' assets except the Company's and its domestic subsidiaries' real property.

The Credit Agreement contains customary restrictive covenants, subject to certain permitted amounts and exceptions, including covenants limiting the ability of the Company to incur additional indebtedness, pay dividends and make other restricted payments, repurchase shares of our outstanding stock and create certain liens. We may only declare quarterly or annual dividends if on the date of declaration, no event of default has occurred and no other event or condition has occurred that would constitute default due to the payment of the dividend.

The Credit Agreement also contains a financial maintenance covenant, which is a maximum Consolidated Senior Secured Leverage Ratio, as defined in the Credit Agreement, and is only applicable to the Revolving Credit Facility. Our Consolidated Senior Secured Leverage Ratio as of the last day of any fiscal quarter, commencing with June 30, 2014, may not exceed the ratios indicated below:

Fiscal Quarters Ending	Maximum Ratio
December 31, 2015 through September 30, 2016	3.75 to 1.00
December 31, 2016 through September 30, 2017	3.50 to 1.00
December 31, 2017 through September 30, 2018	3.25 to 1.00
December 31, 2018 and thereafter	3.00 to 1.00

At December 31, 2015, we were in compliance with all of the financial covenants in the Credit Agreement.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 16. INCOME TAXES

The components of the income tax expense consisted of the following:

$s in thousands	2015	2014	2013
Current:			
U.S. Federal	$ 17,818	$ 13,767	$ 14,769
State	2,830	2,492	2,241
Foreign	3,279	4,521	3,623
Total current	23,927	20,780	20,633
Deferred:			
U.S. Federal	(2,355)	2,721	(2,068)
State	125	(155)	(218)
Foreign	(453)	(532)	(351)
Total deferred	(2,683)	2,034	(2,637)
Income tax expense	$ 21,244	$ 22,814	$ 17,996

A reconciliation between the effective income tax rate and the applicable statutory federal and state income tax rate is as follows:

	2015	2014	2013
Taxes computed at statutory rate	35.0%	35.0%	35.0%
Impairment and loss on divestiture	5.7	—	—
State income taxes (net of federal income tax benefit)	4.0	2.7	2.7
Non-deductible transaction costs	0.3	1.5	—
Foreign rate differential	(1.8)	(2.0)	(2.0)
Other	2.1	0.2	0.2
	45.3%	37.4%	35.9%

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes (Topic 740)*. This update requires that deferred tax liabilities and assets be classified as noncurrent in a classified balance sheet. This update is effective for annual and interim periods beginning after December 15, 2016, however, we elected to early adopt this guidance prospectively in the fourth quarter of 2015. Other than the current period balance sheet presentation of deferred tax liabilities and assets as non-current, adoption of this guidance did not have a material impact on our consolidated financial statements. Prior year amounts were not retrospectively adjusted.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 16. INCOME TAXES (Continued)

The components of the total net deferred tax assets and liabilities as of December 31, 2015 and 2014 consisted of the following:

$s in thousands	2015	2014(1)
Deferred tax assets:		
Net operating loss, foreign tax credit and capital loss carry forwards	$ 5,215	$ 1,955
Accruals, allowances and other	5,021	4,336
Environmental compliance and other site related costs	7,924	7,081
Unrealized foreign exchange gains and losses	2,101	1,180
Unrealized gains and losses on interest rate hedge	1,637	1,098
Total deferred tax assets	21,898	15,650
Less: valuation allowance	(4,645)	(2,518)
Net deferred tax assets	17,253	13,132
Deferred tax liabilities:		
Property and equipment	(23,898)	(29,204)
Intangible assets	(74,451)	(85,859)
Other	(1,526)	(1,598)
Total deferred tax liabilities	(99,875)	(116,661)
Net deferred tax liability	$ (82,622)	$ (103,529)

(1) Balances have been revised to reflect purchase accounting measurement period adjustments related to the acquisition of EQ as disclosed in Note 4.

During 2015, the Company restated the breakout of Property and equipment and Intangible assets within the Deferred tax liabilities section of the components of total net deferred tax assets and liabilities to correct a presentation error related to including Intangible assets deferred tax liabilities within Property and equipment deferred tax liabilities in the Company's previously filed 2014 Form 10-K. These presentation items had no effect on the Company's Consolidated Financial Statements. The Company concluded that these items were not material to the financial statements taken as a whole, but elected to restate previously reported amounts within this footnote for all periods presented. Future filings will reflect these revisions.

U.S. income tax has not been recognized on the excess of the amount for financial reporting over the tax basis of investments in foreign subsidiaries that is indefinitely reinvested outside the United States. This amount becomes taxable upon a repatriation of assets from the subsidiary or a sale or liquidation of the subsidiary. The amount of such temporary differences totaled $29.2 million as of December 31, 2015. Determination of the amount of any unrecognized deferred income tax liability on this temporary difference is not practicable because of the complexities of the hypothetical calculation.

As of December 31, 2015, we have federal net operating loss carry forwards ("NOLs") of approximately $161,000. The NOLs relate to losses incurred by EQ prior to our acquisition of EQ on June 17, 2014 and expire in 2026. U.S. income tax law limits the amount of losses that we can use on an annual basis. We believe it is more likely than not the entire balance of federal NOLs will be utilized.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 16. INCOME TAXES (Continued)

As of December 31, 2015, we have approximately $34.2 million in state and local NOLs for which we maintain a substantial valuation allowance. We have historically recorded a valuation allowance for certain deferred tax assets due to uncertainties regarding future operating results and limitations on utilization of state and local NOLs for tax purposes. State and local NOLs expire between 2019 and 2035. At December 31, 2015 and 2014, we maintained a valuation allowance of approximately $1.9 million and $1.0 million, respectively, for state NOLs that are not expected to be utilizable prior to expiration.

As of December 31, 2015, we have foreign tax credit carry forwards of approximately $1.8 million that expire in 2024. As of December 31, 2015, we have capital loss carry forwards of approximately $2.4 million that expire in 2020. We believe it is more likely than not the foreign tax credit and capital loss carry forwards will not be utilized and therefore maintain a valuation allowance on the entire balance.

The domestic and foreign components of Income (loss) before income taxes consisted of the following:

$s in thousands	2015	2014	2013
Domestic	36,367	46,017	37,958
Foreign	10,488	15,033	12,189
Income before income taxes	$ 46,855	$ 61,050	$ 50,147

The changes to unrecognized tax benefits (excluding related penalties and interest) consisted of the following:

$s in thousands	2015	2014	2013
Unrecognized tax benefits, beginning of year	$ —	$ 438	$ 438
Gross increases in tax positions in prior periods	—	—	—
Gross increases during the current period	—	—	—
Settlements	—	—	—
Lapse of statute of limitations	—	(438)	—
Unrecognized tax benefits, end of year	$ —	$ —	$ 438

Due to the expiration of certain statutes of limitations, during 2014 we reduced our unrecognized tax benefits by $480,000, including accrued interest, which had a favorable impact on our effective tax rate for the year.

We file a consolidated U.S. federal income tax return with the Internal Revenue Service ("IRS") as well as income tax returns in various states, localities and Canada. We may be subject to examinations by the Canada Revenue Agency as well as various state and local taxing jurisdictions for tax years 2011 through 2015. US Ecology, Inc. is currently under IRS examination for the 2012 tax year and also remains subject to examination by the IRS for tax years 2013 through 2015. EQ is currently under IRS examination for the 2012 tax year and also remains subject to examination by the IRS for tax years 2013 through 2015. The Company is indemnified for any EQ pre-acquisition tax years. We are currently not aware of any other examinations by taxing authorities.

NOTE 17. COMMITMENTS AND CONTINGENCIES

Litigation and Regulatory Proceedings

In the ordinary course of business, we are involved in judicial and administrative proceedings involving federal, state, provincial or local governmental authorities, including regulatory agencies that oversee and

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 17. COMMITMENTS AND CONTINGENCIES (Continued)

enforce compliance with permits. Fines or penalties may be assessed by our regulators for non-compliance. Actions may also be brought by individuals or groups in connection with permitting of planned facilities, modification or alleged violations of existing permits, or alleged damages suffered from exposure to hazardous substances purportedly released from our operated sites, as well as other litigation. We maintain insurance intended to cover property and damage claims asserted as a result of our operations. Periodically, management reviews and may establish reserves for legal and administrative matters, or other fees expected to be incurred in relation to these matters.

We are not currently a party to any material pending legal proceedings and are not aware of any other claims that could, individually or in the aggregate, have a materially adverse effect on our financial position, results of operations or cash flows.

Operating Leases

Lease agreements primarily cover railcars, the disposal site at our Stablex facility and corporate office space. Future minimum lease payments on non-cancellable operating leases as of December 31, 2015 are as follows:

$s in thousands	Payments
2016	$ 6,609
2017	5,232
2018	3,359
2019	1,967
2020	200
Thereafter	429
	$ 17,796

Rental expense under operating leases was $8.2 million, $3.9 million and $685,000 for the years ended December 31, 2015, 2014 and 2013, respectively.

NOTE 18. EQUITY

Omnibus Incentive Plan

On May 27, 2015, our stockholders approved the Omnibus Incentive Plan ("Omnibus Plan"), which was approved by our Board of Directors on April 7, 2015. The Omnibus Plan was developed to provide additional incentives through equity ownership in US Ecology and, as a result, encourage employees and directors to contribute to our success. The Omnibus Plan provides, among other things, the ability for the Company to grant restricted stock, performance stock, options, stock appreciation rights, restricted stock units, performance stock units ("PSUs") and other stock-based awards or cash awards to officers, employees, consultants and non-employee directors. Subsequent to the approval of the Omnibus Plan in May 2015, we stopped granting equity awards under our 2008 Stock Option Incentive Plan and our 2006 Restricted Stock Plan ("Previous Plans"), and the Previous Plans will remain in effect solely for the settlement of awards granted under the Previous Plans. No shares that are reserved but unissued under the Previous Plans or that are outstanding under the Previous Plans and reacquired by the Company for any reason will be available for issuance under the Omnibus Plan. The Omnibus Plan expires on April 7, 2025 and authorizes 1,500,000 shares of common stock for grant over the life of the Omnibus Plan. As of December 31, 2015, 1,476,542 shares of common stock remain available for grant under the Omnibus Plan.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 18. EQUITY (Continued)

Performance Stock Units

On May 27, 2015, the Company granted 6,929 PSUs to certain employees. Each PSU represents the right to receive, on the settlement date, one share of the Company's common stock. The total number of PSUs each participant is eligible to earn ranges from 0% to 200% of the target number of PSUs granted. The actual number of PSUs that will vest and be settled in shares is determined at the end of a three-year performance period beginning January 1, 2015, based on total stockholder return relative to a set of peer companies and the S&P 600. The fair value of the PSUs estimated on the grant date using a Monte Carlo simulation was $65.78 per unit. Compensation expense is recorded over the awards' vesting period.

The following table presents the assumptions used in the Monte Carlo simulation to calculate the fair value of the PSUs granted on May 27, 2015:

Stock price on grant date	$46.89
Expected term	2.6 years
Expected volatility	29%
Risk-free interest rate	0.9%
Expected dividend yield	1.5%

Stock Options

We have stock option awards outstanding under the 1992 Stock Option Plan for Employees ("1992 Employee Plan") and the 2008 Stock Option Incentive Plan ("2008 Stock Option Plan"). Subsequent to the approval of the Omnibus Plan in May 2015, we stopped granting equity awards under the 2008 Stock Option Plan. The 2008 Stock Option Plan will remain in effect solely for the settlement of awards previously granted. In April 2013, the 1992 Employee Plan expired and was cancelled except for options then outstanding. Stock options expire ten years from the date of grant and vest over a period ranging from one to three years from the date of grant. Vesting requirements for non-employee directors are contingent on attending a minimum of 75% of regularly scheduled board meetings during the year. Upon the exercise of stock options, common stock is issued from treasury stock or, when depleted, from new stock issuances.

A summary of our stock option activity is as follows:

$s in thousands, except per share amounts	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term (Years)
Outstanding as of December 31, 2014	316,778	$ 27.92		
Granted	120,260	49.97		
Exercised	(82,268)	23.44		
Cancelled, expired or forfeited	(18,353)	47.32		
Outstanding as of December 31, 2015	336,417	$ 35.83	$ 204	7.8
Exercisable as of December 31, 2015	70,801	$ 25.96	$ 742	6.1

The weighted average grant date fair value of all stock options granted during 2015, 2014 and 2013 was $11.83, $9.78 and $5.06 per share, respectively. The total intrinsic value of stock options exercised during 2015, 2014 and 2013 was $2.0 million, $3.5 million and $2.4 million, respectively.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 18. EQUITY (Continued)

The fair value of each stock option is estimated as of the date of grant using the Black-Scholes option-pricing model. Expected volatility is estimated based on an average of actual historical volatility and implied volatility corresponding to the stock option's estimated expected term. We believe this approach to determine volatility is representative of future stock volatility. The expected term of a stock option is estimated based on analysis of stock options already exercised and foreseeable trends or changes in behavior. The risk-free interest rates are based on the U.S. Treasury securities maturities as of each applicable grant date. The dividend yield is based on analysis of actual historical dividend yield.

The significant weighted-average assumptions relating to the valuation of each option grant are as follows:

	2015	2014	2013
Expected life	3.6 years	3.6 years	3.3 years
Expected volatility	35%	36%	36%
Risk-free interest rate	1.2%	0.8%	0.4%
Expected dividend yield	1.6%	2.0%	3.4%

Restricted Stock

We have restricted stock awards outstanding under the 2006 Restricted Stock Plan and the Omnibus Plan. Subsequent to the approval of the Omnibus Plan in May 2015, we stopped granting equity awards under the 2006 Restricted Stock Plan. The 2006 Restricted Stock Plan will remain in effect solely for the settlement of awards previously granted. Generally, restricted stock awards vest annually over a three-year period. Vesting of restricted stock awards to non-employee directors is contingent on the non-employee director attending a minimum of 75% of regularly scheduled board meetings and 75% of the meetings of each committee of which the non-employee director is a member during the year. Upon the vesting of restricted stock awards, common stock is issued from treasury stock or, when depleted, from new stock issuances.

A summary of our restricted stock plan activity is as follows:

	Shares	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2014	52,985	$ 34.92
Granted	38,000	49.06
Vested	(27,182)	35.77
Cancelled, expired or forfeited	(4,390)	47.18
Outstanding as of December 31, 2015	59,413	$ 42.67

The total fair value of restricted stock vested during 2015, 2014 and 2013 was $1.4 million, $975,000 and $299,000, respectively.

Share-Based Compensation Expense

All share-based compensation is measured at the grant date based on the fair value of the award, and is recognized as an expense in earnings over the requisite service period. The components of pre-tax

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 18. EQUITY (Continued)

share-based compensation expense (primarily included in Selling, general and administrative expenses in our consolidated statements of operations) and related tax benefits were as follows:

$s in thousands	2015	2014	2013
Share-based compensation from:			
Stock options	$ 808	$ 442	$ 346
Restricted stock	1,375	808	519
Performance stock units	114	—	—
Total share-based compensation	2,297	1,250	865
Income tax benefit	(1,041)	(467)	(310)
Share-based compensation, net of tax	$ 1,256	$ 783	$ 555

Unrecognized Share-Based Compensation Expense

As of December 31, 2015, there was $3.4 million of unrecognized compensation expense related to unvested share-based awards granted under our share-based award plans. The expense is expected to be recognized over a weighted average remaining vesting period of approximately two years.

Public Common Stock Offering

In December 2013, we sold and issued 2,990,000 shares of our common stock, including 390,000 shares pursuant to the underwriters' option to purchase additional shares, at a price of $34.00 per share. We received net proceeds of $96.4 million after deducting underwriting discounts, commissions and offering expenses. $30.0 million of the net proceeds were used to repay amounts outstanding under the Former Agreement.

NOTE 19. EARNINGS PER SHARE

$s and shares in thousands, except per share amounts	2015		2014		2013	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Net income	$ 25,611	$ 25,611	$ 38,236	$ 38,236	$ 32,151	$ 32,151
Weighted average basic shares outstanding	21,637	21,637	21,537	21,537	18,592	18,592
Dilutive effect of stock options and restricted stock		96		118		84
Weighted average diluted shares outstanding		21,733		21,655		18,676
Earnings per share	$ 1.18	$ 1.18	$ 1.78	$ 1.77	$ 1.73	$ 1.72
Anti-dilutive shares excluded from calculation		192		58		156

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 20. SEGMENT REPORTING

Financial Information by Segment

Our operations are managed in two reportable segments reflecting our internal reporting structure and nature of services offered as follows:

Environmental Services—This segment provides a broad range of hazardous material management services including transportation, recycling, treatment and disposal of hazardous and non-hazardous waste at Company-owned landfill, wastewater and other treatment facilities.

Field & Industrial Services—This segment provides packaging and collection of hazardous waste and total waste management solutions at customer sites and through our 10-day transfer facilities. Services include on-site management, waste characterization, transportation and disposal of non-hazardous and hazardous waste. This segment also provides specialty services such as high-pressure cleaning, tank cleaning, decontamination, remediation, transportation, spill cleanup and emergency response and other services to commercial and industrial facilities and to government entities.

The operations not managed through our two reportable segments are recorded as "Corporate." Corporate selling, general and administrative expenses include typical corporate items such as legal, accounting and other items of a general corporate nature. Income taxes are assigned to Corporate, but all other items are included in the segment where they originated. Inter-company transactions have been eliminated from the segment information and are not significant between segments.

During 2015, the Company restated the Revenue by Service Offering table (for 2014 data, as previous periods are not comparative) to correct a presentation error related to segment revenue and adjusted EBITDA in the Company's previously filed 2014 Annual Report on Form 10-K. These presentation items had no effect on the Company's consolidated financial statements. The Company concluded that these items were not material to the financial statements taken as a whole, but elected to restate previously reported amounts within this footnote for all periods presented. Future filings will reflect these revisions.

Summarized financial information of our reportable segments for the years ended December 31, 2015, 2014 and 2013 is as follows:

	2015			
$s in thousands	Environmental Services	Field & Industrial Services	Corporate	Total
Treatment & Disposal Revenue	$ 300,441	$ —	$ —	$ 300,441
Services Revenue:				
Transportation and Logistics(1)	75,405	28,370	—	103,775
Industrial Cleaning(2)	—	83,712	—	83,712
Technical Services(3)	—	62,858	—	62,858
Remediation(4)	—	6,734	—	6,734
Other(5)	—	5,550	—	5,550
Total Revenue	$ 375,846	$ 187,224	$ —	$ 563,070
Depreciation, amortization and accretion	$ 35,039	$ 9,256	$ 527	$ 44,822
Capital expenditures	$ 30,236	$ 7,100	$ 2,034	$ 39,370
Total assets	$ 591,699	$ 118,989	$ 61,299	$ 771,987

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 20. SEGMENT REPORTING (Continued)

	2014			
$s in thousands	Environmental Services	Field & Industrial Services	Corporate	Total
Treatment & Disposal Revenue	$ 256,994	$ —	$ —	$ 256,994
Services Revenue:				
Transportation and Logistics(1)	62,825	24,117	—	86,942
Industrial Cleaning(2)	—	48,706	—	48,706
Technical Services(3)	—	35,234	—	35,234
Remediation(4)	—	16,410	—	16,410
Other(5)	—	3,125	—	3,125
Total Revenue	$ 319,819	$ 127,592	$ —	$ 447,411
Depreciation, amortization and accretion	$ 28,211	$ 6,762	$ 303	$ 35,276
Capital expenditures	$ 20,128	$ 7,398	$ 908	$ 28,434
Total assets	$ 622,678	$ 215,661	$ 71,708	$ 910,047

	2013			
$s in thousands	Environmental Services	Field & Industrial Services	Corporate	Total
Revenue by Service Offering:				
Treatment & Disposal	$ 165,109	$ —	$ —	$ 165,109
Transportation and Logistics(1)	36,017	—	—	36,017
Total Revenue	$ 201,126	$ —	$ —	$ 201,126
Depreciation, amortization and accretion	$ 17,478	$ —	$ 39	$ 17,517
Capital expenditures	$ 20,989	$ —	$ 384	$ 21,373
Total assets	$ 222,128	$ —	$ 78,428	$ 300,556

(1) Includes such services as collection, transportation and disposal of non-hazardous and hazardous waste. Prior to the acquisition of EQ on June 17, 2014, services within Environmental Services included transportation services.

(2) Includes such services as industrial cleaning and maintenance for refineries, chemical plants, steel and automotive plants, and refinery services such as tank cleaning and temporary storage.

(3) Includes such services as Total Waste Management ("TWM") programs, retail services, laboratory packing, less-than-truck-load ("LTL") service and Household Hazardous Waste ("HHW") collection.

(4) Includes such services as site assessment, onsite treatment, project management and remedial action planning and execution.

(5) Includes such services as emergency response and marine.

The primary financial measure used by management to assess segment performance is Adjusted EBITDA. Adjusted EBITDA is defined as net income before net interest expense, income tax expense, depreciation, amortization, stock based compensation, accretion of closure and post-closure liabilities, foreign currency gain/loss and other income/expense, which are not considered part of usual business operations. Adjusted

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 20. SEGMENT REPORTING (Continued)

EBITDA is a complement to results provided in accordance with accounting principles generally accepted in the United States ("GAAP") and we believe that such information provides additional useful information to analysts, stockholders and other users to understand the Company's operating performance. Since Adjusted EBITDA is not a measurement determined in accordance with GAAP and is thus susceptible to varying calculations, Adjusted EBITDA as presented may not be comparable to other similarly titled measures of other companies. Items excluded from Adjusted EBITDA are significant components in understanding and assessing our financial performance. Adjusted EBITDA should not be considered in isolation or as an alternative to, or substitute for, net income, cash flows generated by operations, investing or financing activities, or other financial statement data presented in the consolidated financial statements as indicators of financial performance or liquidity. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or a substitute for analyzing our results as reported under GAAP. Some of the limitations are:

- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect our interest expense, or the requirements necessary to service interest or principal payments on our debt;
- Adjusted EBITDA does not reflect our income tax expenses or the cash requirements to pay our taxes;
- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments; and
- Although depreciation and amortization charges are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements.

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 20. SEGMENT REPORTING (Continued)

A reconciliation of Adjusted EBITDA to Net Income for the years ended December 31, 2015, 2014 and 2013 is as follows:

$s in thousands	2015	2014	2013
Adjusted EBITDA:			
Environmental Services	$ 152,815	$ 123,192	$ 84,547
Field & Industrial Services	18,640	8,532	—
Corporate	(46,005)	(22,748)	(13,361)
Total	125,450	108,976	71,186
Reconciliation to Net income:			
Income tax expense	(21,244)	(22,814)	(17,996)
Interest expense	(23,370)	(10,677)	(828)
Interest income	65	107	19
Foreign currency loss	(2,196)	(1,499)	(2,327)
Loss on divestiture	(542)	—	—
Other income	1,267	669	352
Impairment charges	(6,700)	—	—
Depreciation and amortization of plant and equipment	(27,931)	(24,413)	(14,815)
Amortization of intangibles	(12,307)	(8,207)	(1,461)
Stock-based compensation	(2,297)	(1,250)	(865)
Accretion and non-cash adjustment of closure & post-closure liabilities	(4,584)	(2,656)	(1,114)
Net income	$ 25,611	$ 38,236	$ 32,151

Revenue and Long-Lived Assets Outside of the United States

We provide services in the United States and Canada. Revenues by geographic location where the underlying services were performed for the years ended December 31, 2015, 2014 and 2013 were as follows:

$s in thousands	2015	2014	2013
United States	$ 521,092	$ 388,084	$ 147,128
Canada	41,978	59,327	53,998
	$ 563,070	$ 447,411	$ 201,126

Long-lived assets, comprised of property and equipment and intangible assets net of accumulated depreciation and amortization, by geographic location as of December 31, 2015 and 2014 are as follows:

$s in thousands	2015	2014
United States	$ 400,320	$ 446,412
Canada	49,585	59,939
	$ 449,905	$ 506,351

US ECOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 21. QUARTERLY FINANCIAL DATA (unaudited)

The unaudited consolidated quarterly results of operations for 2015 and 2014 were as follows:

	Three-Months Ended				
$s and shares in thousands, except per share amounts	Mar. 31,	June 30,	Sept. 30,	Dec. 31,	Year
2015					
Revenue	$ 136,651	$ 139,732	$ 148,414	$ 138,273	$ 563,070
Gross profit	39,844	41,470	45,940	44,156	171,410
Operating income	14,951	12,095	22,433	22,152	71,631
Net income	5,865	2,138	9,904	7,704	25,611
Earnings per share—diluted(1)	$ 0.27	$ 0.10	$ 0.46	$ 0.35	$ 1.18
Weighted average common shares outstanding used in the diluted earnings per share calculation	21,689	21,748	21,749	21,748	21,733
Dividends paid per share	$ 0.18	$ 0.18	$ 0.18	$ 0.18	$ 0.72
2014					
Revenue	$ 53,354	$ 66,019	$ 170,864	$ 157,174	$ 447,411
Gross profit	22,120	25,145	52,308	46,213	145,786
Operating income	15,484	11,018	26,800	19,148	72,450
Net income	9,361	6,865	13,333	8,677	38,236
Earnings per share—diluted(1)	$ 0.43	$ 0.32	$ 0.61	$ 0.40	$ 1.77
Weighted average common shares outstanding used in the diluted earnings per share calculation	21,586	21,667	21,680	21,673	21,655
Dividends paid per share	$ 0.18	$ 0.18	$ 0.18	$ 0.18	$ 0.72

(1) Diluted earnings per common share for each quarter presented above are based on the respective weighted average number of common shares for the respective quarter. The dilutive potential common shares outstanding for each period and the sum of the quarters may not necessarily be equal to the full year diluted earnings per common share amount.

NOTE 22. SUBSEQUENT EVENT

On January 4, 2016 the Company declared a dividend of $0.18 per common share for stockholders of record on January 22, 2016. The dividend was paid from cash on hand on January 29, 2016 in an aggregate amount of $3.9 million.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of the Company's management, including both the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures, as such term is defined under Rule 13a-15e under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of December 31, 2015. Based on that evaluation, the Company's management, including the Chief Executive and Chief Financial Officer, concluded that the Company's disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported as specified in SEC rules and forms and that such information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in the Company's internal control over financial reporting identified in connection with the evaluation of such controls that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Annual Report on Internal Controls over Financial Reporting.

Management is responsible for and maintains a system of internal controls over financial reporting that is designed to provide reasonable assurance that its records and filings accurately reflect the transactions engaged in Section 404 of Sarbanes-Oxley Act of 2002 and related rules issued by the SEC requiring management to issue a report on its internal controls over financial reporting.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal control can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal controls may vary over time.

Management has conducted an assessment of its internal controls over financial reporting as of December 31, 2015 based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission. Based on this assessment, management concluded that our internal controls over financial reporting were effective to provide reasonable assurance regarding the reliability of financial reporting.

Our independent registered public accounting firm, Deloitte and Touche LLP, has audited the effectiveness of internal control over financial reporting as of December 31, 2015, as stated in their report, which is included in Part II, Item 8 of this Annual Report on Form 10-K.

ITEM 9B. OTHER INFORMATION

Employment Agreements

Effective February 25, 2016, the Company entered into new employment agreements with 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 of Operations, Environmental Services and Mario Romero—Executive Vice President of Operations, Field and Industrial Services (each, an "Executive" and collectively the

"Executives"). In each instance the new employment agreement (each, an "Executive Employment Agreement") supersedes and replaces any other employment agreement previously entered into with any such Executive.

The term of employment of each Executive pursuant to the respective Executive Employment Agreement expires on December 31, 2019, with automatic one-year renewal periods unless written notice is provided by either party of its intent not to renew on or before sixty days prior to expiration, including any renewals thereof. Mr. Feeler's Executive Employment Agreement establishes a minimum annual base salary of $485,000 for Mr. Feeler and participation in any cash incentive or bonus plans of the Company which are in effect from time to time. Mr. Welling's Executive Employment Agreement establishes a minimum annual base salary of $340,000 for Mr. Welling and participation in any cash incentive or bonus plans of the Company which are in effect from time to time. The Executive Employment Agreement for each of Messrs. Bell, Gerratt and Romero establishes a minimum annual base salary of $316,500 for each of Messrs. Bell, Gerratt and Romero, and participation in any cash incentive or bonus plans of the Company which are in effect from time to time.

Each Executive Employment Agreement further provides for severance benefits payable to the Executive if his employment is terminated by the Company without cause or by the Executive for good reason in an amount equal to the sum of two year's base salary and two times a target bonus amount ("Severance Payment"). In addition to the Severance Payment, each Executive would be eligible for continued vesting of granted stock options and the continued right to exercise such stock options for the shorter of a period of one year or the original expiration date of such option; continued vesting of restricted stock and restricted stock unit grants for a period of one year; continued vesting of performance stock units for a period of one year; and continued medical, hospitalization, life insurance and disability benefits to which he was entitled at the termination date for twenty-four months following the termination date (or until the Executive receives similar or comparable coverage at a new employer, if shorter).

Upon a change of control of the Company (as defined in the Executive Employment Agreement) and subsequent termination by the Company without cause or by the Executive for good reason within twenty-four months after such change of control, the Executive would be eligible to receive, in lieu of the Severance Payment, a payment equal to two times the sum of (i) his annual base salary and (ii) the greater of (a) any earned but unpaid amount due under any cash incentive plan; (b) the Executive's target bonus amount; and (c) the cash incentive plan payment received (if any) for the fiscal year immediately preceding the cash incentive plan year in which the termination occurs.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information regarding directors and nominees for directors of the Company, including identification of the members of the audit committee and audit committee financial expert, is presented under the headings "Corporate Governance—Committees of the Board of Directors," and "Election of Directors—Nominees For Directors" in the Company's definitive proxy statement for use in connection with the 2015 Annual Meeting of Stockholders (the "Proxy Statement") to be filed within 120 days after the end of the Company's fiscal year ended December 31, 2015. The information contained under these headings is incorporated herein by reference. Information regarding the executive officers of the Company is included in this Annual Report on Form 10-K under Item 1 of Part I as permitted by Instruction 3 to Item 401(b) of Regulation S-K.

We have adopted a code of ethics that applies to our Chief Executive Officer and Chief Financial Officer. This code of ethics is available on our Web site at ***www.usecology.com***. If we make any amendments to this code other than technical, administrative or other non-substantive amendments, or grant any waivers, including implicit waivers, from a provision of this code to our Chief Executive Officer or Chief Financial Officer, we will disclose the nature of the amendment or waiver, its effective date and to whom it applies in a report filed with the SEC.

ITEM 11. EXECUTIVE COMPENSATION

Information concerning executive and director compensation is presented under the heading "Compensation Discussion and Analysis" in the Proxy Statement. The information contained under these headings is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information with respect to security ownership of certain beneficial owners and management is set forth under the heading "Security Ownership of Certain Beneficial Owners and Directors and Officers" in the Proxy Statement. The information contained under these headings is incorporated herein by reference.

The following table provides information as of December 31, 2015, about the common stock that has been issued under all of our equity compensation plans, including the Omnibus Plan, the 1992 Employee Plan, the 2006 Restricted Stock Plan and the 2008 Stock Option Plan. All of these plans have been approved by our stockholders. The Omnibus Plan, approved in May 2015, superseded our existing 2008 Stock Option Incentive Plan and our 2006 Restricted Stock Plan ("Previous Plans"), and the Previous Plans remain in effect solely for the settlement of awards granted under the Previous Plans. The number of securities remaining available for future issuance presented in column (c) in the table below represents securities available under the Omnibus Plan only. No shares that are reserved but unissued under the Previous Plans

or that are outstanding under the Previous Plans and reacquired by the Company for any reason will be available for issuance under the Omnibus Plan.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)(1)	Weighted-average exercise price of outstanding options, warrants and rights (b)(2)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	402,759	$ 35.83	1,476,542
Equity compensation plans not approved by security holders	—	—	—
Total	402,759	$ 35.83	1,476,542

(1) Includes 59,413 shares of unvested restricted stock awards and 6,929 performance stock units outstanding under the Omnibus Plan and 2006 Restricted Stock Plan.

(2) The weighted-average exercise price does not take into account the shares issuable upon vesting of outstanding restricted stock awards, which have no exercise price.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information concerning related transactions is presented under the heading "Certain Relationships and Related Transactions" in the Proxy Statement. The information contained under this heading is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information concerning principal accounting fees and services is presented under the heading "Ratification of Appointment of Independent Registered Public Accounting Firm" in the Proxy Statement. The information contained under this heading is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENTS AND SCHEDULES

(a) The following documents are filed as part of this report:

1) Consolidated Financial Statements: See Index to Consolidated Financial Statements at Item 8 of this Annual Report.

2) Financial Statement Schedules. Schedules have been omitted because they are not required or because the information is included in the financial statements at Item 8 of this Annual Report.

3) Exhibits are incorporated herein by reference or are filed with this Annual Report as set forth in the Index to Exhibits on page 112 hereof.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

US ECOLOGY, INC.

By: /s/ ERIC L. GERRATT

Eric L. Gerratt
Executive Vice President, Chief Financial Officer and Treasurer

Date: February 29, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated as of February 29, 2016.

/s/ JEFFREY R. FEELER

Jeffrey R. Feeler
(Director) President and Chief Executive Officer

/s/ ERIC L. GERRATT

Eric L. Gerratt
Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)

/s/ SIMON G. BELL

Simon G. Bell.
Executive Vice President of Operations, Environmental Services

/s/ STEVEN D. WELLING

Steven D. Welling.
Executive Vice President of Sales and Marketing

/s/ MARIO H. ROMERO

Mario H. Romero
Executive Vice President of Operations, Field & Industrial Services

/s/ STEPHEN A. ROMANO

Stephen A. Romano
(Director)

/s/ JOE F. COLVIN

Joe F. Colvin
(Director)

/s/ DANIEL FOX

Daniel Fox
(Director)

/s/ DAVID M. LUSK

David M. Lusk
(Director)

/s/ KATINA DORTON

Katina Dorton
(Director)

/s/ JOHN T. SAHLBERG

John Sahlberg
(Director)

Exhibit No.	Description	Incorporated by Reference from Registrant's
2.2	Stock Purchase Agreement among EQ Parent Company, Inc., EQ Group, LLC and US Ecology, Inc. dated April 6, 2014	2nd Qtr 2014 Form 10-Q filed 8-11-14
3.1	Restated Certificate of Incorporation	2009 Form 10-K
3.3	Amended and Restated Bylaws	Form 8-K filed 12-11-2007
10.1	Sublease dated July 27, 2005, between the State of Washington and US Ecology Washington, Inc.	Form 8-K filed 7-27-05
10.2	Lease Agreement as amended between American Ecology Corporation and the State of Nevada	2nd Qtr 2007 Form 10-Q filed 8-7-2007
10.3	*Amended and Restated American Ecology Corporation 1992 Employee Stock Option Plan	Proxy Statement dated 4-16-03
10.4	*Management Incentive Plan Effective January 1, 2013	2nd Qtr 2013 Form 10-Q filed 8-1-13
10.5	*2006 Restricted Stock Plan	Proxy Statement dated 3-31-06
10.6	*2008 Stock Option Incentive Plan	Proxy Statement dated 4-10-2008
10.7	*Omnibus Incentive Plan	Proxy Statement dated 4-15-2015
10.8	*Executive Employment Agreement, dated February 25, 2016, between Jeffrey R. Feeler and US Ecology, Inc.	
10.9	Amended and Restated 2005 Non-Employee Director Compensation Plan	2012 Form 10-K
10.10	*Employment Agreement, effective February 25, 2016, between the Company and Eric L. Gerratt	
10.11	*Employment Agreement, effective February 25, 2016, between the Company and Steven D. Welling	
10.12	*Employment Agreement, effective February 25, 2016, between the Company and Simon G. Bell	
10.13	*Employment Agreement, effective February 25, 2016, between the Company and Mario H. Romero	
10.14	*US Ecology, Inc. 2014 Management Incentive Plan (Executive)	1st Qtr 2014 Form 10-Q filed 5-7-14

Exhibit No.	Description	Incorporated by Reference from Registrant's
10.15	Credit Agreement, dated June 17, 2014, by and among US Ecology, Inc., the lenders referred to therein, Wells Fargo Bank, N.A., as administrative agent, Wells Fargo Securities, LLC and Credit Suisse Securities (USA) LLC, as joint lead arrangers and joint bookrunners, and Comerica Bank, as documentation agent	2nd Qtr 2014 Form 10-Q filed 8-11-14
10.16	Guaranty Agreement, dated June 17, 2014, by and among the guarantors from time to time party thereto and Wells Fargo Bank, N.A.	2nd Qtr 2014 Form 10-Q filed 8-11-14
10.17	Collateral Agreement, dated June 17, 2014, by and among US Ecology, Inc., the other grantors from time to time party thereto and Wells Fargo Bank, N.A.	2nd Qtr 2014 Form 10-Q filed 8-11-14
10.18	*Form of Indemnification Agreement between US Ecology, Inc. and each of the Company's Directors and Officers	Form 8-K filed 11-12-2014
12.1	Ratio of Earnings to Fixed Charges	
21	List of Subsidiaries	
23.1	Consent of Deloitte and Touche LLP	
31.1	Certifications of December 31, 2015 Form 10-K by Chief Executive Officer dated February 29, 2016	
31.2	Certifications of December 31, 2015 Form 10-K by Chief Financial Officer dated February 29, 2016	
32.1	Certifications of December 31, 2015 Form 10-K by Chief Executive Officer dated February 29, 2016	
32.2	Certifications of December 31, 2015 Form 10-K by Chief Financial Officer dated February 29, 2016	

Exhibit No.	Description	Incorporated by Reference from Registrant's
101	The following materials from the Annual Report on Form 10-K of US Ecology, Inc. for the fiscal year ended December 31, 2015 formatted in Extensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Stockholders' Equity, and (vi) Notes to the Consolidated Financial Statements	

* Identifies management contracts or compensatory plans or arrangements required to be filed as an exhibit hereto.

Exhibit 10.8

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (this "***Employment Agreement***" or this "***Agreement***") is made and entered into effective as of the 25th day of February, 2016 (the "***Effective Date***"), by and between US ECOLOGY, INC., a Delaware corporation (the "***Company***"), and JEFFREY R. FEELER ("***Executive***"). The Company and Executive are sometimes collectively referred to herein as the "***Parties***," and individually, as a "***Party***."

WHEREAS, immediately prior to the Effective Date, Executive rendered valuable services to the Company in the capacity of President and Chief Executive Officer, pursuant to an Employment Agreement, dated June 1, 2013 (the "***Prior Agreement***"); and

WHEREAS, the Parties desire to enter into this Agreement, to continue Executive's employment, on the terms and conditions hereinafter set forth, to reflect, *inter alia*, Executive's status as President and Chief Executive Officer.

NOW, THEREFORE, in consideration of the premises, the mutual promises, covenants and conditions herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound hereby, agree as follows:

1.0. Employment.

Section 1.01. *Employment*. The Company hereby employs Executive, and Executive hereby accepts employment with the Company, all upon the terms and subject to the conditions set forth in this Employment Agreement, effective as of the Effective Date first set forth above.

Section 1.02. *Term of Employment*. The term of employment of Executive by the Company pursuant to this Employment Agreement shall be for the period commencing on the Effective Date and ending December 31, 2019 (the "***Employment Term***"), or such earlier date that Executive's employment is terminated in accordance with the provisions of this Employment Agreement; provided, however, that the Employment Term shall automatically renew for additional one year periods if neither the Company nor Executive has notified the other in writing of its or his intention not to renew this Employment Agreement on or before 60 days prior to the expiration of the Employment Term (including any renewal(s) thereof).

Section 1.03. *Capacity and Duties*. Executive is and shall be employed in the capacity of President and Chief Executive Officer of the Company and its subsidiaries as the senior executive with overall responsibility for Company performance, and shall have such other duties, responsibilities and authorities as may be assigned to him from time to time by the Board of Directors of the Company (the "***Board***"), which are not materially inconsistent with Executive's positions with the Company. Except as otherwise herein provided, Executive shall devote his entire business time, best efforts and attention to promote and advance the business of the Company and its subsidiaries and to perform diligently and faithfully all the duties, responsibilities and obligations of Executive to be performed by him under this Employment

Agreement. Upon termination of Employee's employment for any reason, unless otherwise requested by the Board, Employee will be deemed to have resigned from the Board (and all other positions held at the Company and its affiliates) voluntarily, without any further action by Employee, as of the end of Employee's employment and Employee, at the Board's request, will execute any documents necessary to reflect his resignation.

Section 1.04. *Place of Employment*. Executive's principal place of work shall be the main corporate office of the Company, currently located in Boise, Idaho; provided, however, that the location of the Company and any of its offices may be moved from time to time in the discretion of the Board.

Section 1.05. *No Other Employment*. During the Term, Executive shall not be employed in any other business activity, whether or not such activity is pursued for gain, profit or other pecuniary advantage; provided, however, that this restriction shall not be construed as preventing Executive from (i) participating in charitable, civic, educational, professional, community or industry affairs; (ii) sitting on one outside board of directors for a public or private company that does not compete with the Company, with the prior concurrence of the Board that the required time commitment with respect to such position is acceptable; and (iii) investing his personal assets in a business which does not compete with the Company or its subsidiaries or with any other company or entity affiliated with the Company, where the form or manner of such investment will not require services on the part of Executive in the operation of the affairs of the business in which such investment is made and in which his participation is solely that of a passive investor or advisor, so long as the activities in clauses (i), (ii) and (iii), above, do not materially interfere with the performance of Executive's duties hereunder or create a potential business conflict or the appearance thereof.

Section 1.06. *Adherence to Standards*. Executive shall comply with the written policies, standards, rules and regulations of the Company from time to time established for all executive officers of the Company consistent with Executive's position and level of authority.

Section 1.07. *Review of Performance*. The Board or designated committee of the Board shall periodically review and evaluate with Executive his performance under this Employment Agreement.

2.0. Compensation.

During the Employment Term, subject to all the terms and conditions of this Employment Agreement and as compensation for all services to be rendered by Executive hereunder, the Company shall pay to or provide Executive with the following:

Section 2.01. *Base Salary*. During the Employment Term, the Company shall pay to Executive an annual base salary ("***Base Salary***") in an amount not less than Four Hundred Eighty-Five Thousand and No/100 Dollars ($485,000.00). Such Base Salary shall be payable in accordance with the regular payroll practices and procedures of the Company.

Section 2.02. *Incentive Pay*. Executive shall be eligible to participate in any cash incentive or bonus plans of the Company which are in effect for executives from time to time, including the annual cash incentive payment opportunity granted to Executive under the Company's Management Incentive Plan ("***MIP***" and together with any other cash incentive or bonus plans of the Company, the "***Cash Incentive Plans***"), subject to the terms and conditions thereof, at a minimum 90% of Base Salary **("*Target Bonus*")** at a 100% of MIP target basis, which such MIP target shall be set annually by the Board. Anything to the contrary in this Agreement notwithstanding, the Company reserves the right to modify or terminate any or all of its Cash Incentive Plans at any time. In the event of any inconsistency between the terms of this Employment Agreement and the terms of any Cash Incentive Plan, the Cash Incentive Plan shall govern and control.

Section 2.03. *Paid Time Off and Other Benefits*. Executive shall be entitled to five weeks Paid Time Off ("***PTO***") per year, and shall have the right, on the same basis as other members of senior management of the Company, to participate in any and all employee benefit plans and programs of the Company, including medical plans, insurance plans and other benefit plans and programs as shall be, from time to time, in effect for executive employees and senior management personnel of the Company. Such participation shall be subject to the terms of the applicable plan documents, generally applicable Company policies and the discretion of the Board or any administrative or other committee provided for in, or contemplated by, each such plan or program. Anything to the contrary in this Agreement notwithstanding, the Company reserves the right to modify or terminate such benefit plans and programs at any time.

Section 2.04. *Expenses*. The Company shall reimburse Executive for all reasonable, ordinary and necessary expenses including, but not limited to, automobile and other business travel and customer and business entertainment expenses incurred by him in connection with his employment in accordance with the Company's expense reimbursement policy; provided, however, Executive shall render to the Company a complete and accurate accounting of all such expenses in accordance with the substantiation requirements of the Internal Revenue Code of 1986, as amended (the "***Code***"). Executive's right to reimbursement hereunder may not be liquidated or exchanged for any other benefit, the amount of expenses eligible for reimbursement hereunder in a calendar year shall not affect the amount of expenses eligible for reimbursement hereunder in any other calendar year, and Executive shall be reimbursed for eligible expenses no later than the close of the calendar year following the year in which Executive incurs the applicable expense.

3.0. Omitted

4.0. Termination of Employment.

Section 4.01. *Termination of Employment*. Executive's employment and this Employment Agreement may be terminated prior to expiration of the Employment Term as follows (with the date of termination of Executive's employment hereunder being referred to hereinafter as the "***Termination Date***"):

(a) By either Party by delivering 60 days' prior written notice of non-renewal as set forth in the Section 1.02 (*Term of Employment*);

(b) Upon no less than 30 days' written notice from the Company to Executive at any time *without* Cause (as hereinafter defined) and other than due to Executive's death or Disability, subject to the provisions of Section 5.02 (*Termination by the Company Without Cause or by the Executive For Good Reason*);

(c) By the Company *for* Cause (as hereinafter defined) immediately upon written notice stating the basis for such termination;

(d) Due to the death or Disability (as hereinafter defined) of Executive;

(e) By Executive at any time *with* or *without* Good Reason (as hereinafter defined) upon 30 days' written notice from Executive to the Company (or such shorter period) to which the Company may agree; and

(f) Upon the mutual agreement of the Company and Executive.

Section 4.02. *Effect of Termination*. In the event of termination of Executive's employment with the Company for any reason, or if Executive is required by the Board, Executive agrees to resign, and shall automatically be deemed to have resigned, from any offices (including any directorship) Executive holds with the Company or any of its subsidiaries effective as of the Termination Date or, if applicable, effective as of a date selected by the Board.

5.0. Payments and Benefits Upon Termination of Employment.

Section 5.01. *Termination by the Company For Cause or by the Executive Without Good Reason.* If Executive's employment and this Employment Agreement are terminated by the Company *for* Cause or by Executive *without* Good Reason, the Company shall pay Executive the Accrued Obligations (as hereinafter defined) (other than, however, any amounts due under any Cash Incentive Plan which shall be forfeited pursuant to the terms of such plan), in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination.

Section 5.02. *Termination by the Company Without Cause or by the Executive For Good Reason*. If Executive's employment and this Employment Agreement are terminated by the Company *without* Cause or if Executive terminates his employment and this Employment Agreement *for* Good Reason, the Company shall pay Executive the Accrued Obligations in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan. In addition, subject to Sections 6.0, 7.0 and 8.0, Executive shall be entitled to receive the following: (i) an amount equal to the sum of two year's Base Salary and two times Target Bonus ("***Severance Payment***") which shall be payable as provided below; (ii) continued vesting of granted stock options and the continued right to exercise such stock options following the Termination Date for the shorter of a period of one year or the original expiration date of such option; (iii) continued vesting of restricted stock and restricted stock unit grants for a period of one year

following the Termination Date (in the case of unvested restricted stock or unvested restricted stock units subject to "cliff" vesting, the number of shares or units in which the Executive shall vest shall be calculated based on a period from the start of the vesting period to the first anniversary of the Termination Date, as a percentage of the total vesting period); (iv) continued vesting of performance stock units for a period of one year following the Terminations Date with payment calculated based on a period from the start of the performance period to the Termination Date, as a percentage of the total performance period); and (v) continued medical, hospitalization, life insurance and disability benefits to which Executive was entitled at the Termination Date (any of which shall, to the extent required to avoid subjecting Executive to an additional tax under Section 409A of the Code or as otherwise determined by the Company in its discretion, be structured so as to require that Executive pay the premiums for such benefits on a timely basis, in which case the Company shall reimburse Executive for such premiums in accordance with Section 8.02 so that Executive is made whole on an after-tax basis) for a period of the lesser of 24 months following the Termination Date or the date Executive receives similar or comparable coverage from a new employer; provided, however, that the Company may unilaterally amend the foregoing clause (v) or eliminate the benefit provided thereunder to the extent it deems necessary to avoid the imposition of excise taxes, penalties or similar charges on the Company or any of its subsidiaries or affiliates, including, without limitation, under Code Section 4980D. All such additional payments and benefits under this Section 5.02 shall be conditional on Executive's timely execution and non-revocation of the Release (as defined in Section 7.0) and Executive's continued compliance with Section 11.0 (**Return of Property**), Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**), and Section 16.0 (**Covenant Not to Compete**). Payment of the Severance Payment shall be made in bi-weekly installments, in accordance with the regular payroll practices and procedures of the Company commencing on the first regularly scheduled payroll date occurring after Executive's Release becomes effective; provided, however, that if the period during which Executive can consider and revoke the Release begins in one calendar year and ends in the subsequent calendar year, then payment of the Severance Payment shall commence on the later of (a) the first regularly scheduled payroll date occurring after Executive's Release becomes effective, and (b) the first regularly scheduled payroll date occurring in the subsequent calendar year. The first such payment shall include any installments of the Severance Payment that would have been made on previous payroll dates but for the requirement that Executive execute a Release. The period, if any, during which Executive and his spouse and children are eligible to continue their coverage under the Company's group health plans pursuant to Section 4980B of the Code ("COBRA") shall run simultaneously with the period specified in clause (iv) (provided that nothing in such clause (iv) shall be deemed to extend such COBRA continuation period beyond the minimum period required by applicable law). For the avoidance of doubt, a termination of employment pursuant to Section 4.01(a) by notice of non-renewal by the Company for any reason other than Cause, shall be deemed a termination of employment by the Company without Cause for purposes of this Section 5.02.

Section 5.03. *Termination Due to Death*. If Executive's employment and this Employment Agreement are terminated due to Executive's death, the Company shall pay the estate of Executive the Accrued Obligations in a single, lump-sum payment within 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan.

Section 5.04. *Termination Due to Disability*. If Executive's employment and this Employment Agreement are terminated due to his Disability, the Company shall pay Executive the Accrued Obligations in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan. In addition, Executive will be eligible to participate in the Company's Long-Term Disability Plan or any other Disability Plans, on a basis no less favorable to Executive than other senior executives of the Company.

Section 5.05. *Retirement*. If Executive's employment and this Employment Agreement are terminated by virtue of Executive's Retirement prior to the expiration of the Employment Term, the Company shall pay Executive the Accrued Obligations in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan.

6.0. Payment and Benefits Upon Change of Control.

Subject to Sections 7.0 and 8.0, upon a Change of Control of the Company (as hereinafter defined) during the Employment Term and subsequent termination from the Company under Section 5.02 within 24 months after such Change of Control (including, for purposes of this Section, a termination for Good Reason), Executive shall receive, in lieu of the Severance Payment, a payment equal to two times the sum of (i) his annual Base Salary; and (ii) the *greater of* (a) any earned but unpaid amount due under any Cash Incentive Plan (as determined by the terms of the Cash Incentive Plan); and (b) the Executive's Target Bonus amount; and (c) the Cash Incentive Plan payment received (if any) for the fiscal year immediately preceding the Cash Incentive Plan year in Subsection (ii)(a) herein (collectively, the "***Change of Control Payment***"). Such Change of Control Payment shall be paid in a single lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days after Executive's Release becomes effective; provided, however, that if the period during which Executive can consider and revoke the Release begins in one calendar year and ends in the subsequent calendar year, then the lump sum will be paid in the subsequent calendar year (and in any event by March 15 of such year), regardless of when Executive's Release becomes effective, and even if payment occurs more than 45 days after Executive's Release becomes effective. However, if a portion of the Change of Control Payment is based on (ii)(a) or (ii)(b) of this Section 6.0, such amount shall be paid according to the terms of the corresponding Cash Incentive Plan. The Executive shall be entitled to the other benefits set forth in Section 5.02 (other than the Severance Payment), except that all unvested stock options and restricted stock shall become fully vested upon the Termination Date under this Section 6.0; provided, however, that if unvested stock options and restricted stock held by the Executive are not continued, substituted for or assumed by the successor company in connection with a Change of Control, such awards shall immediately vest upon the Change of Control. In the event of an inconsistency between this Section 6.0 and Section 5.02, this Section 6.0 shall govern and control.

7.0. Release.

Executive's entitlement to the payments and benefits described in the second sentence of Section 5.02 and in Section 6.0 is subject to and conditioned upon Executive's timely execution, without subsequent revocation, of a release of claims (in a form satisfactory to the Company) in favor of the Company and its subsidiaries and affiliates (the "***Release***"); provided, however, that notwithstanding the foregoing, the Release is not intended to and will not waive the Executive's rights: (i) to indemnification pursuant to any applicable provision of the Company's Bylaws or Certificate of Incorporation, as amended, pursuant to any written indemnification agreement between the Executive and the Company, or pursuant to applicable law; (ii) to vested benefits or payments specifically to be provided to the Executive under this Agreement or any Company employee benefit plans or policies; or (iii) respecting any claims the Executive may have solely by virtue of the Executive's status as a stockholder of the Company. The Release also shall not impose any restrictive covenant on the Executive's conduct post-termination that the Executive had not agreed to prior to the Executive's termination in this Agreement or otherwise) or include claims that an employee cannot lawfully release through execution of a general release of claims.

To be timely, the Release must become effective (i.e., Executive must sign it and any revocation period must expire without Executive revoking the Release) within 60 days, or such shorter period specified in the Release, after Executive's date of termination of employment. If the Release does not become effective within such time period, then Executive shall not be entitled to such payments and benefits. The Company is obligated to provide Executive the Release within 39 calendar days from Termination Date and Executive shall have a minimum of 21 calendar days to review and comment on the Release.

8.0. Compliance With Section 409A.

Section 8.01. *General*. The provisions of this Employment Agreement are intended to comply with the requirements of Section 409A of the Code and any regulations and official guidance promulgated thereunder ("***Section 409A***") or an exemption or exclusion therefrom and, with respect to amounts that are subject to Section 409A, shall in all respects be interpreted and administered in accordance with Section 409A. Any payments that qualify for the "short-term deferral" exception or another exception under Section 409A shall be paid under the applicable exception. Each payment of compensation under this Employment Agreement shall be treated as a separate payment of compensation for purposes of Section 409A and a right to a series of installment payments under this Employment Agreement (including pursuant to Section 5.02) shall be treated as a right to a series of separate and distinct payments. All payments to be made upon a termination of employment under this Employment Agreement may only be made upon a "separation from service" under Section 409A. In no event may Executive, directly or indirectly, designate the calendar year of any payment under this Plan.

Section 8.02. *In-Kind Benefits and Reimbursements*. Notwithstanding anything to the contrary in this Employment Agreement, all reimbursements and in-kind benefits provided hereunder shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (a) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified herein); (b) the amount

of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, except, if such benefits consist of the reimbursement of expenses referred to in Section 105(b) of the Code, a maximum, if provided under the terms of the plan providing such medical benefit, may be imposed on the amount of such reimbursements over some or all of the period in which such benefit is to be provided to Executive as described in Treasury Regulation Section 1.409A-3(i)(1)(iv)(B); (c) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the calendar year in which the expense is incurred, *provided* that reimbursement shall be made only if Executive has submitted an invoice for such expenses at least 10 days before the end of the calendar year following the calendar year in which such expenses were incurred; and (d) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

Section 8.03. *Delay of Payments*. Notwithstanding any other provision of this Employment Agreement to the contrary, if Executive is considered a "specified employee" for purposes of Section 409A (as determined in accordance with the methodology established by the Company as in effect on the date of termination of employment), any payment that constitutes nonqualified deferred compensation within the meaning of Section 409A that is otherwise due to Executive hereunder during the six-month period following Executive's separation from service (as determined in accordance with Section 409A) on account of Executive's separation from service shall be accumulated and paid to Executive on the first business day after the date that is six months following Executive's separation from service (the "***Delayed Payment Date***"). The Executive shall be entitled to interest (at a per annum rate equal to the highest rate of interest applicable to six-month non-callable certificates of deposit with daily compounding offered by the following institutions: Citibank, N.A., Wells Fargo Bank, N.A. or Bank of America, on the date of such separation from service) on any cash payments so delayed from the scheduled date of payment to the Delayed Payment Date. If Executive dies during the postponement period, the amounts and entitlements delayed on account of Section 409A shall be paid to the personal representative of Executive's estate on the first to occur of the Delayed Payment Date or 30 days after the date of Executive's death.

Section 8.04. *Cooperation*. Executive and the Company agree to work together in good faith to consider amendments to this Employment Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

9.0. Limitation on Payments.

In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code and (ii) but for this Section 9.0, would be subject to the excise tax imposed by Section 4999 of the Code, then Executive's severance benefits under the foregoing clause (i) will be either:

(a) delivered in full; or

(b) delivered as to such lesser extent as would result in no portion of such severance benefits being subject to excise tax under Section 4999 of the Code,

Whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of severance benefits, notwithstanding that all or some portion of such severance benefits may be taxable under Section 4999 of the Code. If a reduction in severance and other benefits constituting "parachute payments" is necessary so that benefits are delivered to a lesser extent, reduction shall occur in the following order: (i) reduction of cash payments; (ii) cancellation of awards granted "contingent on a change in ownership or control" (within the meaning of Code Section 280G); (iii) cancellation of accelerated vesting of equity awards; and (iv) reduction of employee benefits; provided that the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code. In the event that acceleration of vesting of equity award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Executive's equity awards. Unless the Company and Executive otherwise agree in writing, any determination required under this Section 9.0 will be made in writing by an independent firm (the "***Firm***") immediately prior to Change of Control, whose determination will be conclusive and binding upon the Executive and the Company for all purposes. For purposes of making the calculations required by this Section 9.0, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section 9.0. The Company will bear all costs the Firm may reasonably incur in connection with any calculations contemplated by this Section.

10.0. Definitions.

In addition to the words and terms elsewhere defined in this Employment Agreement, certain capitalized words and terms used herein shall have the meanings given to them by the definitions and descriptions in this Section 10.0, unless the context or use indicates another or different meaning or intent, and such definition shall be equally applicable to both the singular and plural forms of any of the capitalized words and terms herein defined. The following words and terms are defined terms under this Employment Agreement:

(a) "***Accrued Obligations***" shall include (i) any unpaid Base Salary through the Termination Date and any accrued PTO in accordance with the Company's policy; (ii) reimbursement for any un-reimbursed business expenses incurred through the Termination Date; and (iii) all other payments, benefits or fringe benefits to which Executive may be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant or this Employment Agreement. Accrued Obligations shall also include any cash incentive earned under any Cash Incentive Plan and shall be paid on a pro-rata basis based on days employed during the fiscal year of such plan if any. For the sake of clarity and by way of example only, if the Executive is employed for 270 days of a fiscal year and the management incentive plan in place at the time pays out 100% of target, the Executive would be owed 74% (270/365) of any incentive payments to which he would have been entitled had his employment

not been terminated. Such payments shall be made in accordance with the terms of any Cash Incentive Plan in effect at the time, except that any requirement that the recipient must be an employee at the time of payment shall be waived by the Company under this policy.

(b) A termination for "***Cause***" shall mean a termination of this Employment Agreement by reason of a determination by two-thirds (2/3) of the members of the Board (excluding, for such purposes, Executive, if Executive is a member of the Board) voting that Executive:

(i) Has engaged in willful neglect (other than neglect resulting from his incapacity due to physical or mental illness) or willful misconduct in the performance of his duties for the Company under this Employment Agreement;

(ii) Has engaged in willful conduct the consequences of which are materially adverse to the Company, monetarily or otherwise;

(iii) Has materially breached the terms of this Employment Agreement, and such breach persisted after notice thereof from the Company and a reasonable opportunity to cure; or

(iv) Has been convicted of (or has plead guilty or no contest to) any felony other than a traffic violation.

(c) A "***Change of Control***" shall be deemed to have occurred upon:

(i) The consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company (each, a "***Business Combination***"), unless, following such Business Combination, all or substantially all of the individuals and entities that were the beneficial owners of the combined voting power of the Company's outstanding securities immediately prior to such Business Combination beneficially own, directly or indirectly, at least 60% of the combined voting power of the then-outstanding securities of the entity resulting from such Business Combination in substantially the same proportions as their ownership of the combined voting power of the Company's outstanding securities immediately prior to the Business Combination; provided, however, that a public offering of the Company's securities shall not constitute a Business Combination;

(ii) The sale, transfer, or other disposition of all or substantially all of the Company's assets; or

(iii) Any transaction as a result of which any person is the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 25% of the total voting power represented by the Company's then outstanding voting securities. For purposes of this subparagraph (iii), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act, but shall exclude (x) a trustee or other

fiduciary holding securities under an Executive benefit plan of the Company or of a subsidiary and (y) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company.

(iv) A change in the composition of the Board in any two-year period as a result of which fewer than a majority of the directors are Incumbent Directors. "***Incumbent Directors***" shall mean directors who either (a) are directors of the Company as of the start of the period or (b) are elected, or nominated for election, to the Board with the affirmative votes (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for election as a director without objection to such nomination) of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors of the Company).

(d) "***Disability***" shall be as defined in the Company's Long-Term Disability Plan.

(e) "***Good Reason***" shall mean the occurrence of any of the following without Executive's prior written consent during the Employment Period, which occurrence continues for 10 days after written notice thereof from Executive to the Board:

(i) Any material diminution or adverse change in Executive's position, status, title, authorities or responsibilities, office or duties under this Employment Agreement which represents a demotion from such position, status, title, authorities or responsibilities, office or duties which are materially inconsistent with his position, status, title, authorities or responsibilities, office or duties set forth in this Employment Agreement, or any removal of Executive from, or failure to appoint, elect, reappoint or reelect Executive to, any of his positions, except in connection with the termination of his employment with or without Cause, or as a result of his death or Disability.

(ii) The exclusion of Executive in any incentive, bonus or other compensation plan in which Executive participated at the time that this Employment Agreement is executed, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to the failure to continue such plan, or the failure by the Company to continue Executive's participation therein, or any action by the Company which would directly or indirectly materially reduce his participation therein or reward opportunities thereunder; provided, however, that Executive continues to meet all eligibility requirements thereof. Notwithstanding the foregoing, this provision shall not apply to the exclusion of Executive in any incentive, bonus or other compensation plan in which Executive participated at the time that this Employment Agreement is executed to the extent that such termination is required by law;

(iii) The failure by the Company to include or continue Executive's participation in any material employee benefit plan (including any medical, hospitalization, life insurance or disability benefit plan in which Executive participates or in which other Company executives participate), or any material fringe benefit or prerequisite enjoyed by him unless an equitable arrangement (embodied in an ongoing substitute or alternative plan, if applicable) has been made with respect to the failure to include Executive in such plan, or the failure by the Company to continue Executive's participation therein, or any action by the Company which would directly or indirectly materially reduce his participation therein or reward opportunities thereunder, or the failure by the Company to provide him with the benefits to which he is entitled under this Employment Agreement; provided, however, that Executive continues to meet all eligibility requirements thereof. Notwithstanding the foregoing, this provision shall not apply to the exclusion of Executive in any Executive benefit plan in which Executive participated at the time that this Employment Agreement is executed to the extent that such termination is required by law, or the failure to continue such plan or benefit is applicable to the Company's executive officers and/or Executives generally; or

(iv) Any material breach by the Company of any provision of this Employment Agreement.

(v) The movement of main corporate office of the Company beyond a 50 mile radius from Boise, Idaho or beyond a fifty 50 mile radius the Executive's primary place of employment if not in the corporate office.

Notwithstanding any other provision of this Agreement to the contrary, Executive shall be deemed not to have terminated his employment for Good Reason unless (i) Executive notifies the Board in writing of the condition that Executive believe constitutes Good Reason within 90 days of the initial existence thereof (which notice specifically identifies such condition and the details regarding its existence), (ii) the Company fails to remedy such condition within 10 days after the date on the Board receives such notice (the "***Remedial Period***"), and (iii) Executive terminates employment with the Company (and its subsidiaries and affiliates) within 60 days after the end of the Remedial Period. The failure by Executive to include in the notice any fact or circumstance that contributes to a showing of Good Reason shall not waive any right of Executive hereunder or preclude Executive from asserting such fact or circumstance in enforcing his or her rights hereunder.

(f) "***Retirement***" shall mean retirement upon "normal retirement age" as defined in the Company's 401(k) retirement plan.

11.0. Return of Property.

Executive agrees, upon the termination of his employment with the Company, to return all physical, computerized, electronic or other types of records, documents, proposals, notes, lists, files and any and all other materials, including without limitation, computerized and/or electronic information that refers, relates or otherwise pertains to the Company and/or its subsidiaries, and any and all business dealings of said persons and entities. In addition,

Executive shall return to the Company all property and equipment that Executive has been issued during the course of his employment or which he otherwise currently possesses, including but not limited to, any computers, cellular phones, personal digital assistants, pagers and/or similar items. Executive shall immediately deliver to the Company any such physical, computerized, electronic or other types of records, documents, proposals, notes, lists, files, materials, property and equipment that are in Executive's possession. Executive further agrees that he will immediately forward to the Company any business information regarding the Company and/or its subsidiaries that has been or is inadvertently directed to Executive following his last day of employment with the Company. The provisions of this Section 11.0 are in addition to any other written agreements on this subject that Executive may have with the Company and/or its subsidiaries, and are not meant to and do not excuse any additional obligations that Executive may have under such agreements.

12.0. Notices.

For the purposes of this Employment Agreement, notices and all other communications provided for hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, or by expedited (overnight) courier with established national reputation, shipping prepaid or billed to sender, in either case addressed to the respective addresses last given by each Party to the other (provided that all notices to the Company shall be directed to the attention of the Chief Executive Officer) or to such other address as either Party may have furnished to the other in writing in accordance herewith. All notices and communication shall be deemed to have been received on the date of delivery thereof, or on the second day after deposit thereof with an expedited courier service, except that notice of change of address shall be effective only upon receipt. Notices shall be addressed as follows:

If to the Company:
251E. Front St., Suite 400, Boise, Idaho 83702.

If to the Executive:
251 E. Front Street, Suite 400, Boise, Idaho 83706, or
as on file with the Company's Corporate Secretary

13.0. Life Insurance.

The Company may, at any time after the execution of this Employment Agreement, apply for and procure as owner and for its own benefit, life insurance on Executive, in such amounts and in such form or forms as the Company may determine. The Executive shall, at the request of the Company, submit to such medical examinations, supply such information, and execute such documents as may be required by the insurance company or companies to whom the Company has applied for such insurance.

14.0. Confidentiality.

Executive agrees not to disclose or reveal to any person or entity outside the Company any secret or confidential information concerning any Company product, process, equipment, machinery, design, formula, business, or other activity (collectively, "***Confidential Information***") without prior permission of the Company in writing. Confidential Information shall not include any information which is in the public domain or becomes publicly known through no wrongful act on the part of Executive or breach of this Employment Agreement. Executive acknowledges that the Confidential Information is vital, sensitive, confidential and proprietary to the Company. The obligation to protect the secrecy of such information continues after employment with Company may be terminated. In furtherance of this agreement, Executive acknowledges that all Confidential Information which Executive now possesses, or shall hereafter acquire, concerning and pertaining to the business and secrets of the Company and all inventions or discoveries made or developed, or suggested by or to Executive during said term of employment relating to Company's business shall, at all times and for all purposes, be regarded as acquired and held by Executive in his fiduciary capacity and solely for the benefit of Company.

15.0. Work Product Assignment.

Executive agrees that all inventions, innovations, improvements, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable) which relate to the actual or anticipated business, research and development or existing or future products or services of the Company or of any of its subsidiaries or affiliates, and which are conceived, developed or made by Executive (whether or not during usual business hours and whether or not alone or in conjunction with any other person) while employed by the Company, together with all patent applications, letters patent, trademark, trade name and service mark applications or registrations, copyrights and reissues thereof that may be granted for or upon any of the foregoing (collectively referred to herein as the "***Work Product***"), belong in all instances to the Company or its subsidiaries or affiliates, as applicable, and Executive hereby assigns to the Company all Work Product and all of his interest therein. Executive will promptly perform all actions reasonably requested by the Board (whether during or after his employment with the Company) to establish and confirm the ownership of such Work Product (including, without limitation, the execution and delivery of assignments, consents, powers of attorney and other instruments) by the Company or its subsidiaries or affiliates, as applicable, and to provide reasonable assistance to the Company or any of its subsidiaries and affiliates in connection with the prosecution of any applications for patents, trademarks, trade names, service marks or reissues thereof or in the prosecution or defense of interferences relating to any Work Product.

16.0. Covenant Not to Compete.

Section 16.01. *Acknowledgment of Executive*. Executive acknowledges that his employment with the Company has special, unique and extraordinary value to the Company; that the Company has a lawful interest in protecting its investment in entrusting its Confidential Information to him; and that the Company would be irreparably damaged if Executive were to provide services to any person or entity in violation of this Employment Agreement because in performing such services Executive would inevitably disclose the Company's Confidential

Information to third parties and that the restrictions, prohibitions and other provision of this Section 16.0 are reasonable, fair and equitable in scope, terms, and duration to protect the legitimate business interests of the Company, and are a material inducement to the Company to enter into this Employment Agreement.

Section 16.02. *Non-Competition Covenant*. Without the consent in writing of the Board, Executive will not, during the Employment Agreement and for a period of 12 months after such termination of employment (if by the Company *for* Cause or by Executive *without* Good Reason), acting alone or in conjunction with others, directly or indirectly engage (either as owner, investor, partner, stockholder, employer, employee, consultant, advisor or director) in activities on behalf of any entity or entities engaged in waste processing and disposal services for low-level radioactive-wastes, naturally occurring, accelerator produced, and exempt radioactive materials, and hazardous and PCB wastes. It is agreed that the ownership of not more than five percent (5%) of the equity securities of any company having securities listed on an exchange or regularly traded in the over-the-counter market shall not, of itself, be deemed inconsistent with this Section 16.02.

Section 16.03. *Non-Solicitation of Vendors and Customers*. Without the consent in writing of the Board, after Executive's employment has terminated for any reason, Executive will not, during the Employment Agreement and for a period of 18 months thereafter acting alone or in conjunction with others, either directly or indirectly induce any vendors or customers of the Company to curtail or cancel their business with the Company or any of its subsidiaries.

Section 16.04. *Non-Solicitation of Employees*. Without the consent in writing of the Board, after Executive's employment has terminated for any reason, Executive will not, during the Employment Agreement and for a period of 24 months thereafter, acting alone or in conjunction with others, either directly or indirectly induce, or attempt to influence, any employee of the Company or any of its subsidiaries to terminate his or her employment.

17.0. Remedies.

Section 17.01. *Specific Performance; Costs of Enforcement*. Executive acknowledges that the covenants and agreements, which he has made in this Employment Agreement are reasonable and are required for the reasonable protection of the Company and its business. Executive agrees that the breach of any covenant or agreement contained herein will result in irreparable injury to the Company and that, in addition to all other remedies provided by law or in equity with respect to the breach of any provision of this Employment Agreement, the Company and its successors and assigns will be entitled to enforce the specific performance by Executive of his obligations hereunder and to enjoin him from engaging in any activity in violation hereof and that no claim by Executive against the Company or its successors or assigns will constitute a defense or bar to the specific enforcement of such obligations. Executive agrees that the Company and any successor or assign shall be entitled to recover all costs of enforcing any provision of this Employment Agreement, including, without limitation, reasonable attorneys' fees and costs of litigation. In the event of a breach by Executive of any covenant or agreement contained herein, the running of the restrictive covenant periods (but not of

Executive's obligations hereunder) shall be tolled during the period of the continuance of any actual breach or violation.

Section 17.02. *Remedy for Breach of Restrictive Covenants*. The provisions of Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**), and Section 16.0 (**Covenant Not to Compete**) are separate and distinct commitments independent of each of the other Sections. Accordingly, notwithstanding any other provisions of this Employment Agreement, Executive agrees that damages in the event of a breach or a threatened breach by Executive of Section 14.0 (**Confidentiality**) and Section 16.0 (**Covenant Not to Compete**) would be difficult if not impossible to ascertain and an inadequate remedy, and it is therefore agreed that the Company, in addition to and without limiting any other remedy or right it may have, shall have the right to an immediate injunction or other equitable relief enjoining any such threatened or actual breach, without any requirement to post bond or provide similar security. The existence of this right shall not preclude the Company from pursuing any other rights and remedies at law or in equity that the Company may have, including recovery of damages for any breach of such Sections.

Section 17.03. *Right to Cancel Payments*.

(a) In addition to the remedies set forth above in Sections 17.01 and 17.02, the Company may, at the sole discretion of the Board, cancel, rescind, suspend, withhold or otherwise limit or restrict the Severance Payment under Section 5.02 (*Termination by the Company Without Cause or by the Executive For Good Reason*) (which excludes any other payments made to Executive under Section 2.0 and under Sections 5.0 and 6.0 above), whether vested or not, at any time if:

(i) Executive is not in compliance with all of the provisions of Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**) and Section 16.0 (**Covenant Not to Compete**); and

(ii) Such non-compliance has been finally determined by binding arbitration pursuant to Section 18.0 (**Dispute Resolution**).

(b) As a condition to the receipt of any Severance Payment, Executive shall certify to the Company that he is in compliance with the provisions set forth above.

(c) In the event that Executive fails to comply with the provisions set forth in Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**) and/or Section 16.0 (**Covenant Not to Compete**), as finally determined by binding arbitration pursuant to Section 18.0 (**Dispute Resolution**), prior to or within twelve (12) months after any payment by the Company with respect to any Severance Payment under Section 5.02, such payment may be rescinded by the Company within 12 months thereafter. In the event of such rescission, Executive shall pay to the Company, within 12 months of the Company's rescission of one or more Severance Payments, the amount of any such payment(s) received as a result of the rescinded payment(s), without interest, in such further manner and on such further terms and conditions as may be required by the Company; and the Company shall be entitled to set-off

against the amount of such payment any amount owed to Executive by the Company, other than wages.

(d) Executive acknowledges that the foregoing provisions are fair, equitable and reasonable for the protection of the Company's interests in a stable workforce and the time and expense the Company has incurred to develop its business and its customer and vendor relationships.

18.0. Dispute Resolution.

Except as described above in Section 17.02 (*Remedy for Breach of Restrictive Covenants*):

Section 18.01. *Initial Negotiations*. Company and Executive agree to resolve all disputes arising out of their employment relationship by the following alternative dispute resolution process: (a) the Company and Executive agree to seek a fair and prompt negotiated resolution; but if this is not possible, (b) all disputes shall be resolved by binding arbitration; *provided, however*, that during this process, at the request of either Party, made not later than 60 days after the initial arbitration demand, the Parties agree to attempt to resolve any dispute by non-binding, third-party intervention, including either mediation or evaluation or both but without delaying the arbitration hearing date. BY ENTERING INTO THIS EMPLOYMENT AGREEMENT, BOTH PARTIES GIVE UP THEIR RIGHT TO HAVE THE DISPUTE DECIDED IN COURT BY A JUDGE OR JURY.

Section 18.02. *Mandatory Arbitration*. Any controversy or claim arising out of or connected with Executive's employment at the Company, including but not limited to claims for compensation or severance and claims of wrongful termination, age, sex or other discrimination or civil rights shall be decided by arbitration. In the event the Parties cannot agree on an arbitrator, then the arbitrator shall be selected by the administrator of the American Arbitration Association ("***AAA***") office in Salt Lake City, Utah. The arbitrator shall be an attorney with at least 15 years' experience in employment law in Idaho. Boise, Idaho shall be the site of the arbitration. All statutes of limitation, which would otherwise be applicable, shall apply to any arbitration proceeding hereunder. Any issue about whether a controversy or claim is covered by this Employment Agreement shall be determined by the arbitrator.

Section 18.03. *Arbitration Rules*.

(a) The arbitration shall be conducted in accordance with this Employment Agreement, using as appropriate the AAA Employment Dispute Resolution Rules in effect on the date hereof. The arbitrator shall not be bound by the rules of evidence or of civil procedure, but rather may consider such writings and oral presentations as reasonable business people would use in the conduct of their day-to-day affairs, and may require both Parties to submit some or all of their respective cases by written declaration or such other manner of presentation as the arbitrator may determine to be appropriate. The Parties agree to limit live testimony and cross-examination to the extent necessary to ensure a fair hearing on material issues.

(b) The arbitrator shall take such steps as may be necessary to hold a private hearing within 120 days of the initial request for arbitration and to conclude the hearing within two days; and the arbitrator's written decision shall be made not later than 14 calendar days after the hearing. The Parties agree that they have included these time limits in order to expedite the proceeding, but they are not jurisdictional, and the arbitrator may for good cause allow reasonable extensions or delays, which shall not affect the validity of the award. Both written discovery and depositions shall be allowed. The extent of such discovery will be determined by the Parties and any disagreements concerning the scope and extent of discovery shall be resolved by the arbitrator. The written decision shall contain a brief statement of the claim(s) determined and the award made on each claim. In making the decision and award, the arbitrator shall apply applicable substantive law. The arbitrator may award injunctive relief or any other remedy available from a judge, including consolidation of this arbitration with any other involving common issues of law or fact which may promote judicial economy, and may award attorneys' fees and costs to the prevailing Party, but shall not have the power to award punitive or exemplary damages. The Parties specifically state that the agreement to limit damages was agreed to by the Parties after negotiations.

19.0. Attorneys' Fees.

Section 19.01. *Prevailing Party Entitled to Attorneys' Fees*. In any action at law or in equity to enforce any of the provisions or rights under this Employment Agreement, the unsuccessful Party to such litigation, as determined by the arbitrator in accordance with the dispute resolution provisions set forth above, shall pay the successful Party or Parties all costs, expenses and reasonable attorneys' fees incurred therein by such Party or Parties (including, without limitation, such costs, expenses and fees on appeal), excluding, however, any time spent by Company employees, including in-house legal counsel, and if such successful Party or Parties shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

Section 19.02. *Limitation on Fees*. Notwithstanding the foregoing provision, in no event shall the successful Party or Parties be entitled to recover an amount from the unsuccessful Party for costs, expenses and attorneys' fees that exceeds the unsuccessful Party's or Parties' costs, expenses and attorneys' fees in connection with the action or proceeding.

20.0. Miscellaneous Provisions.

Section 20.01. *Prior Employment Agreements*. Executive represents and warrants that Executive's performance of all the terms of this Employment Agreement and as an Executive of the Company does not, and will not, breach any employment agreement, arrangement or understanding or any agreement, arrangement or understanding to keep in confidence proprietary information acquired by Executive in confidence or in trust prior to Executive's employment by the Company. Executive has not entered into, and shall not enter into, any agreement, arrangement or understanding, either written or oral, which is in conflict with this Employment Agreement or which would be violated by Executive entering into, or carrying out his obligations under, this Employment Agreement. This Employment Agreement supersedes any former oral agreement and any former written agreement heretofore executed

relating generally to the employment of Executive with the Company, including without limitation, the Prior Agreement.

Section 20.02. *Assignment; Binding Effect*. This Employment Agreement may not be assigned by Executive in whole or in part. Notwithstanding the foregoing, this Employment Agreement shall inure to the benefit of and be enforceable by Executive's personal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts would still be payable to him hereunder if he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Employment Agreement to Executive's estate.

Section 20.03. *Headings*. Headings used in this Employment Agreement are for convenience only and shall not be used to interpret or construe its provisions.

Section 20.04. *Waiver*. No provision of this Employment Agreement may be waived or discharged unless such waiver or discharge is agreed to in writing and signed by the Chairman of the Board. No waiver by either Party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Employment Agreement to be performed by such other Party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

Section 20.05. *Amendments*. No amendments or variations of the terms and conditions of this Employment Agreement shall be valid unless the same is in writing and signed by the Parties hereto.

Section 20.06. *Severability*. The invalidity or unenforceability of any provision of this Employment Agreement, whether in whole or in part, shall not in any way affect the validity and/or enforceability of any other provision contained herein. Any invalid or unenforceable provision shall be deemed severable to the extent of any such invalidity or unenforceability. It is expressly understood and agreed that while the Company and Executive consider the restrictions contained in this Employment Agreement reasonable for the purpose of preserving for the Company the good will, other proprietary rights and intangible business value of the Company, if a final judicial determination is made by a court having jurisdiction that the time or territory or any other restriction contained in this Employment Agreement is an unreasonable or otherwise unenforceable restriction against Executive, the provisions of such clause shall not be rendered void but shall be deemed amended to apply as to maximum time and territory and to such other extent as such court may judicially determine or indicate to be reasonable.

Section 20.07. *Governing Law*. This Employment Agreement shall be construed and enforced pursuant to the laws of the State of Idaho.

Section 20.08. *Executive Officer Status*. Executive acknowledges that he may be deemed to be an "executive officer" of the Company for purposes of the Securities Act of 1933, as amended (the "***1933 Act***"), and the Securities Exchange Act of 1934, as amended (the "***1934 Act***") and, if so, he shall comply in all respects with all the rules and regulations under the 1933 Act and the 1934 Act applicable to him in a timely and non-delinquent manner. In order to assist

the Company in complying with its obligations under the 1933 Act and 1934 Act, Executive shall provide to the Company such information about Executive as the Company shall reasonably request including, but not limited to, information relating to personal history and stockholdings. Executive shall report to the Secretary of the Company or other designated officer of the Company all changes in beneficial ownership of any shares of the Company's Common Stock deemed to be beneficially owned by Executive and/or any members of Executive's immediate family. Executive further agrees to comply with all requirements placed on him by the Sarbanes-Oxley Act of 2002, Public Law 107-204.

Section 20.09. *Tax Withholding*. To the extent required by law, the Company shall deduct or withhold from any payments under this Employment Agreement all applicable Federal, state or local income taxes, Social Security, FICA, FUTA and other amounts that the Company determines in good faith are required by law to be withheld.

Section 20.10. *Counterparts*. This Employment Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one document.

Section 20.11. *Exhibits*. Any Exhibits attached hereto are incorporated herein by reference and are an integral part of this Employment Agreement and are deemed incorporated herein by reference.

Section 20.12. *Retention of Counsel*. Executive acknowledges that he has had the opportunity to review this Employment Agreement and the transactions contemplated hereby with his own legal counsel.

[*The remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, this Executive Employment Agreement has been duly executed by the Company and Executive as of the date first above written.

EXECUTIVE:

JEFFREY R. FEELER

COMPANY:

US ECOLOGY, INC.

By:
Name: Joe Colvin
Title: CHAIRMAN OF COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

Exhibit 10.10

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (this "***Employment Agreement***" or this "***Agreement***") is made and entered into effective as of the 25th day of February, 2016 (the "***Effective Date***"), by and between US ECOLOGY, INC., a Delaware corporation (the "***Company***"), and ERIC L. GERRATT ("***Executive***"). The Company and Executive are sometimes collectively referred to herein as the "***Parties***," and individually, as a "***Party***."

WHEREAS, immediately prior to the Effective Date, Executive rendered valuable services to the Company in the capacity of Executive Vice President, Chief Financial Officer and Treasurer, pursuant to an Employment Agreement, dated October 31, 2013 (the "***Prior Agreement***"); and

WHEREAS, the Parties desire to enter into this Agreement, to continue Executive's employment, on the terms and conditions hereinafter set forth, to reflect, *inter alia*, Executive's status as Executive Vice President, Chief Financial Officer and Treasurer.

NOW, THEREFORE, in consideration of the premises, the mutual promises, covenants and conditions herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound hereby, agree as follows:

1.0. Employment.

Section 1.01. *Employment*. The Company hereby employs Executive, and Executive hereby accepts employment with the Company, all upon the terms and subject to the conditions set forth in this Employment Agreement, effective as of the Effective Date first set forth above.

Section 1.02. *Term of Employment*. The term of employment of Executive by the Company pursuant to this Employment Agreement shall be for the period commencing on the Effective Date and ending December 31, 2019 (the "***Employment Term***"), or such earlier date that Executive's employment is terminated in accordance with the provisions of this Employment Agreement; provided, however, that the Employment Term shall automatically renew for additional one year periods if neither the Company nor Executive has notified the other in writing of its or his intention not to renew this Employment Agreement on or before 60 days prior to the expiration of the Employment Term (including any renewal(s) thereof).

Section 1.03. *Capacity and Duties*. Executive is and shall be employed in the capacity of Executive Vice President, Chief Financial Officer and Treasurer of the Company and its subsidiaries and shall have such other duties, responsibilities and authorities as may be assigned to him from time to time by the President and Chief Executive Officer ("CEO") or the Board of Directors of the Company (the "***Board***"), which are not materially inconsistent with Executive's positions with the Company. Except as otherwise herein provided, Executive shall devote his entire business time, best efforts and attention to promote and advance the business of

the Company and its subsidiaries and to perform diligently and faithfully all the duties, responsibilities and obligations of Executive to be performed by him under this Employment Agreement. Upon termination of Employee's employment for any reason, unless otherwise requested by the Board, Employee will be deemed to have resigned from the Board (and all other positions held at the Company and its affiliates) voluntarily, without any further action by Employee, as of the end of Employee's employment and Employee, at the Board's request, will execute any documents necessary to reflect his resignation.

Section 1.04. *Place of Employment*. Executive's principal place of work shall be the main corporate office of the Company, currently located in Boise, Idaho; provided, however, that the location of the Company and any of its offices may be moved from time to time in the discretion of the Board.

Section 1.05. *No Other Employment*. During the Term, Executive shall not be employed in any other business activity, whether or not such activity is pursued for gain, profit or other pecuniary advantage; provided, however, that this restriction shall not be construed as preventing Executive from (i) participating in charitable, civic, educational, professional, community or industry affairs; (ii) sitting on one outside board of directors for a public or private company that does not compete with the Company, with the prior concurrence of the Board that the required time commitment with respect to such position is acceptable; and (iii) investing his personal assets in a business which does not compete with the Company or its subsidiaries or with any other company or entity affiliated with the Company, where the form or manner of such investment will not require services on the part of Executive in the operation of the affairs of the business in which such investment is made and in which his participation is solely that of a passive investor or advisor, so long as the activities in clauses (i), (ii) and (iii), above, do not materially interfere with the performance of Executive's duties hereunder or create a potential business conflict or the appearance thereof.

Section 1.06. *Adherence to Standards*. Executive shall comply with the written policies, standards, rules and regulations of the Company from time to time established for all executive officers of the Company consistent with Executive's position and level of authority.

Section 1.07. *Review of Performance*. The CEO shall periodically review and evaluate with Executive his performance under this Employment Agreement.

2.0. Compensation.

During the Employment Term, subject to all the terms and conditions of this Employment Agreement and as compensation for all services to be rendered by Executive hereunder, the Company shall pay to or provide Executive with the following:

Section 2.01. *Base Salary*. During the Employment Term, the Company shall pay to Executive an annual base salary ("***Base Salary***") in an amount not less than Three Hundred Sixteen Thousand Five Hundred Dollars and No/100 ($316,500.00). Such Base Salary shall be payable in accordance with the regular payroll practices and procedures of the Company.

Section 2.02. *Incentive Pay*. Executive shall be eligible to participate in any cash incentive or bonus plans of the Company which are in effect for executives from time to time, including the annual cash incentive payment opportunity granted to Executive under the Company's Management Incentive Plan ("***MIP***" and together with any other cash incentive or bonus plans of the Company, the "***Cash Incentive Plans***"), subject to the terms and conditions thereof, at a minimum 60% of Base Salary **("*Target Bonus*")** at a 100% of MIP target basis, which such MIP target shall be set annually by the Board. Anything to the contrary in this Agreement notwithstanding, the Company reserves the right to modify or terminate any or all of its Cash Incentive Plans at any time. In the event of any inconsistency between the terms of this Employment Agreement and the terms of any Cash Incentive Plan, the Cash Incentive Plan shall govern and control.

Section 2.03. *Paid Time Off and Other Benefits*. Executive shall be entitled to five weeks Paid Time Off ("***PTO***") per year, and shall have the right, on the same basis as other members of senior management of the Company, to participate in any and all employee benefit plans and programs of the Company, including medical plans, insurance plans and other benefit plans and programs as shall be, from time to time, in effect for executive employees and senior management personnel of the Company. Such participation shall be subject to the terms of the applicable plan documents, generally applicable Company policies and the discretion of the Board or any administrative or other committee provided for in, or contemplated by, each such plan or program. Anything to the contrary in this Agreement notwithstanding, the Company reserves the right to modify or terminate such benefit plans and programs at any time.

Section 2.04. *Expenses*. The Company shall reimburse Executive for all reasonable, ordinary and necessary expenses including, but not limited to, automobile and other business travel and customer and business entertainment expenses incurred by him in connection with his employment in accordance with the Company's expense reimbursement policy; provided, however, Executive shall render to the Company a complete and accurate accounting of all such expenses in accordance with the substantiation requirements of the Internal Revenue Code of 1986, as amended (the "***Code***"). Executive's right to reimbursement hereunder may not be liquidated or exchanged for any other benefit, the amount of expenses eligible for reimbursement hereunder in a calendar year shall not affect the amount of expenses eligible for reimbursement hereunder in any other calendar year, and Executive shall be reimbursed for eligible expenses no later than the close of the calendar year following the year in which Executive incurs the applicable expense.

3.0. Omitted

4.0. Termination of Employment.

Section 4.01. *Termination of Employment*. Executive's employment and this Employment Agreement may be terminated prior to expiration of the Employment Term as follows (with the date of termination of Executive's employment hereunder being referred to hereinafter as the "***Termination Date***"):

(a) By either Party by delivering 60 days' prior written notice of non-renewal as set forth in the Section 1.02 (*Term of Employment*);

(b) Upon no less than 30 days' written notice from the Company to Executive at any time *without* Cause (as hereinafter defined) and other than due to Executive's death or Disability, subject to the provisions of Section 5.02 (*Termination by the Company Without Cause or by the Executive For Good Reason*);

(c) By the Company *for* Cause (as hereinafter defined) immediately upon written notice stating the basis for such termination;

(d) Due to the death or Disability (as hereinafter defined) of Executive;

(e) By Executive at any time *with* or *without* Good Reason (as hereinafter defined) upon 30 days' written notice from Executive to the Company (or such shorter period) to which the Company may agree; and

(f) Upon the mutual agreement of the Company and Executive.

Section 4.02. *Effect of Termination*. In the event of termination of Executive's employment with the Company for any reason, or if Executive is required by the Board, Executive agrees to resign, and shall automatically be deemed to have resigned, from any offices (including any directorship) Executive holds with the Company or any of its subsidiaries effective as of the Termination Date or, if applicable, effective as of a date selected by the Board.

5.0. Payments and Benefits Upon Termination of Employment.

Section 5.01. *Termination by the Company For Cause or by the Executive Without Good Reason*. If Executive's employment and this Employment Agreement are terminated by the Company *for* Cause or by Executive *without* Good Reason, the Company shall pay Executive the Accrued Obligations (as hereinafter defined) (other than, however, any amounts due under any Cash Incentive Plan which shall be forfeited pursuant to the terms of such plan), in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination.

Section 5.02. *Termination by the Company Without Cause or by the Executive For Good Reason*. If Executive's employment and this Employment Agreement are terminated by the Company *without* Cause or if Executive terminates his employment and this Employment Agreement *for* Good Reason, the Company shall pay Executive the Accrued Obligations in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan. In addition, subject to Sections 6.0, 7.0 and 8.0, Executive shall be entitled to receive the following: (i) an amount equal to the sum of two year's Base Salary and two times Target Bonus ("***Severance Payment***") which shall be payable as provided below; (ii) continued vesting of granted stock options and the continued right to exercise such stock options following the Termination Date for the shorter of a period of one year or the original expiration date of such option; (iii) continued vesting of restricted stock and restricted stock unit grants for a period of one year following the Termination Date (in the case of unvested restricted stock or unvested restricted stock units subject to "cliff" vesting, the number of shares or units in which the Executive shall vest shall be calculated based on a period from the start of the vesting period to the first anniversary of the Termination Date, as a percentage of the total vesting period); (iv) continued vesting of performance stock units for a period of one year

following the Terminations Date with payment calculated based on a period from the start of the performance period to the Termination Date, as a percentage of the total performance period); and (v) continued medical, hospitalization, life insurance and disability benefits to which Executive was entitled at the Termination Date (any of which shall, to the extent required to avoid subjecting Executive to an additional tax under Section 409A of the Code or as otherwise determined by the Company in its discretion, be structured so as to require that Executive pay the premiums for such benefits on a timely basis, in which case the Company shall reimburse Executive for such premiums in accordance with Section 8.02 so that Executive is made whole on an after-tax basis) for a period of the lesser of 24 months following the Termination Date or the date Executive receives similar or comparable coverage from a new employer; provided, however, that the Company may unilaterally amend the foregoing clause (v) or eliminate the benefit provided thereunder to the extent it deems necessary to avoid the imposition of excise taxes, penalties or similar charges on the Company or any of its subsidiaries or affiliates, including, without limitation, under Code Section 4980D. All such additional payments and benefits under this Section 5.02 shall be conditional on Executive's timely execution and non-revocation of the Release (as defined in Section 7.0) and Executive's continued compliance with Section 11.0 (**Return of Property**), Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**), and Section 16.0 (**Covenant Not to Compete**). Payment of the Severance Payment shall be made in bi-weekly installments, in accordance with the regular payroll practices and procedures of the Company commencing on the first regularly scheduled payroll date occurring after Executive's Release becomes effective; provided, however, that if the period during which Executive can consider and revoke the Release begins in one calendar year and ends in the subsequent calendar year, then payment of the Severance Payment shall commence on the later of (a) the first regularly scheduled payroll date occurring after Executive's Release becomes effective, and (b) the first regularly scheduled payroll date occurring in the subsequent calendar year. The first such payment shall include any installments of the Severance Payment that would have been made on previous payroll dates but for the requirement that Executive execute a Release. The period, if any, during which Executive and his spouse and children are eligible to continue their coverage under the Company's group health plans pursuant to Section 4980B of the Code ("COBRA") shall run simultaneously with the period specified in clause (iv) (provided that nothing in such clause (iv) shall be deemed to extend such COBRA continuation period beyond the minimum period required by applicable law). For the avoidance of doubt, a termination of employment pursuant to Section 4.01(a) by notice of non-renewal by the Company for any reason other than Cause, shall be deemed a termination of employment by the Company without Cause for purposes of this Section 5.02.

Section 5.03. *Termination Due to Death*. If Executive's employment and this Employment Agreement are terminated due to Executive's death, the Company shall pay the estate of Executive the Accrued Obligations in a single, lump-sum payment within 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan.

Section 5.04. *Termination Due to Disability*. If Executive's employment and this Employment Agreement are terminated due to his Disability, the Company shall pay Executive the Accrued Obligations in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan. In addition, Executive will be eligible to participate in the Company's Long-Term Disability Plan or any other Disability Plans, on a basis no less favorable to Executive than other senior executives of the Company.

Section 5.05. *Retirement*. If Executive's employment and this Employment Agreement are terminated by virtue of Executive's Retirement prior to the expiration of the Employment Term, the Company shall pay Executive the Accrued Obligations in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan.

6.0. Payment and Benefits Upon Change of Control.

Subject to Sections 7.0 and 8.0, upon a Change of Control of the Company (as hereinafter defined) during the Employment Term and subsequent termination from the Company under Section 5.02 within 24 months after such Change of Control (including, for purposes of this Section, a termination for Good Reason), Executive shall receive, in lieu of the Severance Payment, a payment equal to two times the sum of (i) his annual Base Salary; and (ii) the *greater of* (a) any earned but unpaid amount due under any Cash Incentive Plan (as determined by the terms of the Cash Incentive Plan); and (b) the Executive's Target Bonus amount; and (c) the Cash Incentive Plan payment received (if any) for the fiscal year immediately preceding the Cash Incentive Plan year in Subsection (ii)(a) herein (collectively, the "***Change of Control Payment***"). Such Change of Control Payment shall be paid in a single lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days after Executive's Release becomes effective; provided, however, that if the period during which Executive can consider and revoke the Release begins in one calendar year and ends in the subsequent calendar year, then the lump sum will be paid in the subsequent calendar year (and in any event by March 15 of such year), regardless of when Executive's Release becomes effective, and even if payment occurs more than 45 days after Executive's Release becomes effective. However, if a portion of the Change of Control Payment is based on (ii)(a) or (ii)(b) of this Section 6.0, such amount shall be paid according to the terms of the corresponding Cash Incentive Plan. The Executive shall be entitled to the other benefits set forth in Section 5.02 (other than the Severance Payment), except that all unvested stock options and restricted stock shall become fully vested upon the Termination Date under this Section 6.0; provided, however, that if unvested stock options and restricted stock held by the Executive are not continued, substituted for or assumed by the successor company in connection with a Change of Control, such awards shall immediately vest upon the Change of Control. In the event of an inconsistency between this Section 6.0 and Section 5.02, this Section 6.0 shall govern and control.

7.0. Release.

Executive's entitlement to the payments and benefits described in the second sentence of Section 5.02 and in Section 6.0 is subject to and conditioned upon Executive's timely execution, without subsequent revocation, of a release of claims (in a form satisfactory to the Company) in favor of the Company and its subsidiaries and affiliates (the "***Release***"); provided, however, that notwithstanding the foregoing, the Release is not intended to and will not waive the Executive's rights: (i) to indemnification pursuant to any applicable provision of the Company's Bylaws or Certificate of Incorporation, as amended, pursuant to any written indemnification agreement between the Executive and the Company, or pursuant to applicable law; (ii) to vested benefits or payments specifically to be provided to the Executive under this Agreement or any Company employee benefit plans or policies; or (iii) respecting any claims the Executive may have solely by virtue of the Executive's status as a stockholder of the Company. The Release also shall not impose any restrictive covenant on the Executive's conduct post-termination that the Executive had not agreed to prior to the Executive's termination in this Agreement or otherwise) or include claims that an employee cannot lawfully release through execution of a general release of claims.

To be timely, the Release must become effective (i.e., Executive must sign it and any revocation period must expire without Executive revoking the Release) within 60 days, or such shorter period specified in the Release, after Executive's date of termination of employment. If the Release does not become effective within such time period, then Executive shall not be entitled to such payments and benefits. The Company is obligated to provide Executive the Release within 39 calendar days from Termination Date and Executive shall have a minimum of 21 calendar days to review and comment on the Release.

8.0. Compliance With Section 409A.

Section 8.01. *General*. The provisions of this Employment Agreement are intended to comply with the requirements of Section 409A of the Code and any regulations and official guidance promulgated thereunder ("***Section 409A***") or an exemption or exclusion therefrom and, with respect to amounts that are subject to Section 409A, shall in all respects be interpreted and administered in accordance with Section 409A. Any payments that qualify for the "short-term deferral" exception or another exception under Section 409A shall be paid under the applicable exception. Each payment of compensation under this Employment Agreement shall be treated as a separate payment of compensation for purposes of Section 409A and a right to a series of installment payments under this Employment Agreement (including pursuant to Section 5.02) shall be treated as a right to a series of separate and distinct payments. All payments to be made upon a termination of employment under this Employment Agreement may only be made upon a "separation from service" under Section 409A. In no event may Executive, directly or indirectly, designate the calendar year of any payment under this Plan.

Section 8.02. *In-Kind Benefits and Reimbursements*. Notwithstanding anything to the contrary in this Employment Agreement, all reimbursements and in-kind benefits provided hereunder shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (a) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified herein); (b) the amount

of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, except, if such benefits consist of the reimbursement of expenses referred to in Section 105(b) of the Code, a maximum, if provided under the terms of the plan providing such medical benefit, may be imposed on the amount of such reimbursements over some or all of the period in which such benefit is to be provided to Executive as described in Treasury Regulation Section 1.409A-3(i)(1)(iv)(B); (c) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the calendar year in which the expense is incurred, *provided* that reimbursement shall be made only if Executive has submitted an invoice for such expenses at least 10 days before the end of the calendar year following the calendar year in which such expenses were incurred; and (d) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

Section 8.03. *Delay of Payments*. Notwithstanding any other provision of this Employment Agreement to the contrary, if Executive is considered a "specified employee" for purposes of Section 409A (as determined in accordance with the methodology established by the Company as in effect on the date of termination of employment), any payment that constitutes nonqualified deferred compensation within the meaning of Section 409A that is otherwise due to Executive hereunder during the six-month period following Executive's separation from service (as determined in accordance with Section 409A) on account of Executive's separation from service shall be accumulated and paid to Executive on the first business day after the date that is six months following Executive's separation from service (the "***Delayed Payment Date***"). The Executive shall be entitled to interest (at a per annum rate equal to the highest rate of interest applicable to six-month non-callable certificates of deposit with daily compounding offered by the following institutions: Citibank, N.A., Wells Fargo Bank, N.A. or Bank of America, on the date of such separation from service) on any cash payments so delayed from the scheduled date of payment to the Delayed Payment Date. If Executive dies during the postponement period, the amounts and entitlements delayed on account of Section 409A shall be paid to the personal representative of Executive's estate on the first to occur of the Delayed Payment Date or 30 days after the date of Executive's death.

Section 8.04. *Cooperation*. Executive and the Company agree to work together in good faith to consider amendments to this Employment Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

9.0. Limitation on Payments.

In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code and (ii) but for this Section 9.0, would be subject to the excise tax imposed by Section 4999 of the Code, then Executive's severance benefits under the foregoing clause (i) will be either:

(a) delivered in full; or

(b) delivered as to such lesser extent as would result in no portion of such severance benefits being subject to excise tax under Section 4999 of the Code,

Whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of severance benefits, notwithstanding that all or some portion of such severance benefits may be taxable under Section 4999 of the Code. If a reduction in severance and other benefits constituting "parachute payments" is necessary so that benefits are delivered to a lesser extent, reduction shall occur in the following order: (i) reduction of cash payments; (ii) cancellation of awards granted "contingent on a change in ownership or control" (within the meaning of Code Section 280G); (iii) cancellation of accelerated vesting of equity awards; and (iv) reduction of employee benefits; provided that the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code. In the event that acceleration of vesting of equity award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Executive's equity awards. Unless the Company and Executive otherwise agree in writing, any determination required under this Section 9.0 will be made in writing by an independent firm (the "***Firm***") immediately prior to Change of Control, whose determination will be conclusive and binding upon the Executive and the Company for all purposes. For purposes of making the calculations required by this Section 9.0, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section 9.0. The Company will bear all costs the Firm may reasonably incur in connection with any calculations contemplated by this Section.

10.0. Definitions.

In addition to the words and terms elsewhere defined in this Employment Agreement, certain capitalized words and terms used herein shall have the meanings given to them by the definitions and descriptions in this Section 10.0, unless the context or use indicates another or different meaning or intent, and such definition shall be equally applicable to both the singular and plural forms of any of the capitalized words and terms herein defined. The following words and terms are defined terms under this Employment Agreement:

(a) "***Accrued Obligations***" shall include (i) any unpaid Base Salary through the Termination Date and any accrued PTO in accordance with the Company's policy; (ii) reimbursement for any un-reimbursed business expenses incurred through the Termination Date; and (iii) all other payments, benefits or fringe benefits to which Executive may be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant or this Employment Agreement. Accrued Obligations shall also include any cash incentive earned under any Cash Incentive Plan and shall be paid on a pro-rata basis based on days employed during the fiscal year of such plan if any. For the sake of clarity and by way of example only, if the Executive is employed for 270 days of a fiscal year and the management incentive plan in place at the time pays out 100% of target, the Executive would be owed 74% (270/365) of any incentive payments to which he would have been entitled had his employment

not been terminated. Such payments shall be made in accordance with the terms of any Cash Incentive Plan in effect at the time, except that any requirement that the recipient must be an employee at the time of payment shall be waived by the Company under this policy.

(b) A termination for "***Cause***" shall mean a termination of this Employment Agreement by reason of a determination by two-thirds (2/3) of the members of the Board (excluding, for such purposes, Executive, if Executive is a member of the Board) voting that Executive:

(i) Has engaged in willful neglect (other than neglect resulting from his incapacity due to physical or mental illness) or willful misconduct in the performance of his duties for the Company under this Employment Agreement;

(ii) Has engaged in willful conduct the consequences of which are materially adverse to the Company, monetarily or otherwise;

(iii) Has materially breached the terms of this Employment Agreement, and such breach persisted after notice thereof from the Company and a reasonable opportunity to cure; or

(iv) Has been convicted of (or has plead guilty or no contest to) any felony other than a traffic violation.

(c) A "***Change of Control***" shall be deemed to have occurred upon:

(i) The consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company (each, a "***Business Combination***"), unless, following such Business Combination, all or substantially all of the individuals and entities that were the beneficial owners of the combined voting power of the Company's outstanding securities immediately prior to such Business Combination beneficially own, directly or indirectly, at least 60% of the combined voting power of the then-outstanding securities of the entity resulting from such Business Combination in substantially the same proportions as their ownership of the combined voting power of the Company's outstanding securities immediately prior to the Business Combination; provided, however, that a public offering of the Company's securities shall not constitute a Business Combination;

(ii) The sale, transfer, or other disposition of all or substantially all of the Company's assets; or

(iii) Any transaction as a result of which any person is the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 25% of the total voting power represented by the Company's then outstanding voting securities. For purposes of this subparagraph (iii), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act, but shall exclude (x) a trustee or other

fiduciary holding securities under an Executive benefit plan of the Company or of a subsidiary and (y) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company.

(iv) A change in the composition of the Board in any two-year period as a result of which fewer than a majority of the directors are Incumbent Directors. "***Incumbent Directors***" shall mean directors who either (a) are directors of the Company as of the start of the period or (b) are elected, or nominated for election, to the Board with the affirmative votes (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for election as a director without objection to such nomination) of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors of the Company).

(d) "***Disability***" shall be as defined in the Company's Long-Term Disability Plan.

(e) "***Good Reason***" shall mean the occurrence of any of the following without Executive's prior written consent during the Employment Period, which occurrence continues for 10 days after written notice thereof from Executive to the Board:

(i) Any material diminution or adverse change in Executive's position, status, title, authorities or responsibilities, office or duties under this Employment Agreement which represents a demotion from such position, status, title, authorities or responsibilities, office or duties which are materially inconsistent with his position, status, title, authorities or responsibilities, office or duties set forth in this Employment Agreement, or any removal of Executive from, or failure to appoint, elect, reappoint or reelect Executive to, any of his positions, except in connection with the termination of his employment with or without Cause, or as a result of his death or Disability.

(ii) The exclusion of Executive in any incentive, bonus or other compensation plan in which Executive participated at the time that this Employment Agreement is executed, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to the failure to continue such plan, or the failure by the Company to continue Executive's participation therein, or any action by the Company which would directly or indirectly materially reduce his participation therein or reward opportunities thereunder; provided, however, that Executive continues to meet all eligibility requirements thereof. Notwithstanding the foregoing, this provision shall not apply to the exclusion of Executive in any incentive, bonus or other compensation plan in which Executive participated at the time that this Employment Agreement is executed to the extent that such termination is required by law;

(iii) The failure by the Company to include or continue Executive's participation in any material employee benefit plan (including any medical, hospitalization, life insurance or disability benefit plan in which Executive participates or in which other Company executives participate), or any material fringe benefit or prerequisite enjoyed by him unless an equitable arrangement (embodied in an ongoing substitute or alternative plan, if applicable) has been made with respect to the failure to include Executive in such plan, or the failure by the Company to continue Executive's participation therein, or any action by the Company which would directly or indirectly materially reduce his participation therein or reward opportunities thereunder, or the failure by the Company to provide him with the benefits to which he is entitled under this Employment Agreement; provided, however, that Executive continues to meet all eligibility requirements thereof. Notwithstanding the foregoing, this provision shall not apply to the exclusion of Executive in any Executive benefit plan in which Executive participated at the time that this Employment Agreement is executed to the extent that such termination is required by law, or the failure to continue such plan or benefit is applicable to the Company's executive officers and/or Executives generally; or

(iv) Any material breach by the Company of any provision of this Employment Agreement.

(v) The movement of main corporate office of the Company beyond a 50 mile radius from Boise, Idaho or beyond a 50 mile radius the Executive's primary place of employment if not in the corporate office.

Notwithstanding any other provision of this Agreement to the contrary, Executive shall be deemed not to have terminated his employment for Good Reason unless (i) Executive notifies the Board in writing of the condition that Executive believe constitutes Good Reason within 90 days of the initial existence thereof (which notice specifically identifies such condition and the details regarding its existence), (ii) the Company fails to remedy such condition within 10 days after the date on the Board receives such notice (the "***Remedial Period***"), and (iii) Executive terminates employment with the Company (and its subsidiaries and affiliates) within 60 days after the end of the Remedial Period. The failure by Executive to include in the notice any fact or circumstance that contributes to a showing of Good Reason shall not waive any right of Executive hereunder or preclude Executive from asserting such fact or circumstance in enforcing his or her rights hereunder.

(f) "***Retirement***" shall mean retirement upon "normal retirement age" as defined in the Company's 401(k) retirement plan.

11.0. Return of Property.

Executive agrees, upon the termination of his employment with the Company, to return all physical, computerized, electronic or other types of records, documents, proposals, notes, lists, files and any and all other materials, including without limitation, computerized and/or electronic information that refers, relates or otherwise pertains to the Company and/or its subsidiaries, and any and all business dealings of said persons and entities. In addition,

Executive shall return to the Company all property and equipment that Executive has been issued during the course of his employment or which he otherwise currently possesses, including but not limited to, any computers, cellular phones, personal digital assistants, pagers and/or similar items. Executive shall immediately deliver to the Company any such physical, computerized, electronic or other types of records, documents, proposals, notes, lists, files, materials, property and equipment that are in Executive's possession. Executive further agrees that he will immediately forward to the Company any business information regarding the Company and/or its subsidiaries that has been or is inadvertently directed to Executive following his last day of employment with the Company. The provisions of this Section 11.0 are in addition to any other written agreements on this subject that Executive may have with the Company and/or its subsidiaries, and are not meant to and do not excuse any additional obligations that Executive may have under such agreements.

12.0. Notices.

For the purposes of this Employment Agreement, notices and all other communications provided for hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, or by expedited (overnight) courier with established national reputation, shipping prepaid or billed to sender, in either case addressed to the respective addresses last given by each Party to the other (provided that all notices to the Company shall be directed to the attention of the Chief Executive Officer) or to such other address as either Party may have furnished to the other in writing in accordance herewith. All notices and communication shall be deemed to have been received on the date of delivery thereof, or on the second day after deposit thereof with an expedited courier service, except that notice of change of address shall be effective only upon receipt. Notices shall be addressed as follows:

If to the Company:
251E. Front St., Suite 400, Boise, Idaho 83702.

If to the Executive:
251 E. Front Street, Suite 400, Boise, Idaho 83706, or
as on file with the Company's Corporate Secretary

13.0. Life Insurance.

The Company may, at any time after the execution of this Employment Agreement, apply for and procure as owner and for its own benefit, life insurance on Executive, in such amounts and in such form or forms as the Company may determine. The Executive shall, at the request of the Company, submit to such medical examinations, supply such information, and execute such documents as may be required by the insurance company or companies to whom the Company has applied for such insurance.

14.0. Confidentiality.

Executive agrees not to disclose or reveal to any person or entity outside the Company any secret or confidential information concerning any Company product, process, equipment, machinery, design, formula, business, or other activity (collectively, "***Confidential Information***") without prior permission of the Company in writing. Confidential Information shall not include any information which is in the public domain or becomes publicly known through no wrongful act on the part of Executive or breach of this Employment Agreement. Executive acknowledges that the Confidential Information is vital, sensitive, confidential and proprietary to the Company. The obligation to protect the secrecy of such information continues after employment with Company may be terminated. In furtherance of this agreement, Executive acknowledges that all Confidential Information which Executive now possesses, or shall hereafter acquire, concerning and pertaining to the business and secrets of the Company and all inventions or discoveries made or developed, or suggested by or to Executive during said term of employment relating to Company's business shall, at all times and for all purposes, be regarded as acquired and held by Executive in his fiduciary capacity and solely for the benefit of Company.

15.0. Work Product Assignment.

Executive agrees that all inventions, innovations, improvements, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable) which relate to the actual or anticipated business, research and development or existing or future products or services of the Company or of any of its subsidiaries or affiliates, and which are conceived, developed or made by Executive (whether or not during usual business hours and whether or not alone or in conjunction with any other person) while employed by the Company, together with all patent applications, letters patent, trademark, trade name and service mark applications or registrations, copyrights and reissues thereof that may be granted for or upon any of the foregoing (collectively referred to herein as the "***Work Product***"), belong in all instances to the Company or its subsidiaries or affiliates, as applicable, and Executive hereby assigns to the Company all Work Product and all of his interest therein. Executive will promptly perform all actions reasonably requested by the Board (whether during or after his employment with the Company) to establish and confirm the ownership of such Work Product (including, without limitation, the execution and delivery of assignments, consents, powers of attorney and other instruments) by the Company or its subsidiaries or affiliates, as applicable, and to provide reasonable assistance to the Company or any of its subsidiaries and affiliates in connection with the prosecution of any applications for patents, trademarks, trade names, service marks or reissues thereof or in the prosecution or defense of interferences relating to any Work Product.

16.0. Covenant Not to Compete.

Section 16.01. *Acknowledgment of Executive*. Executive acknowledges that his employment with the Company has special, unique and extraordinary value to the Company; that the Company has a lawful interest in protecting its investment in entrusting its Confidential Information to him; and that the Company would be irreparably damaged if Executive were to provide services to any person or entity in violation of this Employment Agreement because in performing such services Executive would inevitably disclose the Company's Confidential

Information to third parties and that the restrictions, prohibitions and other provision of this Section 16.0 are reasonable, fair and equitable in scope, terms, and duration to protect the legitimate business interests of the Company, and are a material inducement to the Company to enter into this Employment Agreement.

Section 16.02. *Non-Competition Covenant*. Without the consent in writing of the Board, Executive will not, during the Employment Agreement and for a period of 12 months after such termination of employment (if by the Company *for* Cause or by Executive *without* Good Reason), acting alone or in conjunction with others, directly or indirectly engage (either as owner, investor, partner, stockholder, employer, employee, consultant, advisor or director) in activities on behalf of any entity or entities engaged in waste processing and disposal services for low-level radioactive-wastes, naturally occurring, accelerator produced, and exempt radioactive materials, and hazardous and PCB wastes. It is agreed that the ownership of not more than five percent (5%) of the equity securities of any company having securities listed on an exchange or regularly traded in the over-the-counter market shall not, of itself, be deemed inconsistent with this Section 16.02.

Section 16.03. *Non-Solicitation of Vendors and Customers*. Without the consent in writing of the Board, after Executive's employment has terminated for any reason, Executive will not, during the Employment Agreement and for a period of 18 months thereafter acting alone or in conjunction with others, either directly or indirectly induce any vendors or customers of the Company to curtail or cancel their business with the Company or any of its subsidiaries.

Section 16.04. *Non-Solicitation of Employees*. Without the consent in writing of the Board, after Executive's employment has terminated for any reason, Executive will not, during the Employment Agreement and for a period of 24 months thereafter, acting alone or in conjunction with others, either directly or indirectly induce, or attempt to influence, any employee of the Company or any of its subsidiaries to terminate his or her employment.

17.0. Remedies.

Section 17.01. *Specific Performance; Costs of Enforcement*. Executive acknowledges that the covenants and agreements, which he has made in this Employment Agreement are reasonable and are required for the reasonable protection of the Company and its business. Executive agrees that the breach of any covenant or agreement contained herein will result in irreparable injury to the Company and that, in addition to all other remedies provided by law or in equity with respect to the breach of any provision of this Employment Agreement, the Company and its successors and assigns will be entitled to enforce the specific performance by Executive of his obligations hereunder and to enjoin him from engaging in any activity in violation hereof and that no claim by Executive against the Company or its successors or assigns will constitute a defense or bar to the specific enforcement of such obligations. Executive agrees that the Company and any successor or assign shall be entitled to recover all costs of enforcing any provision of this Employment Agreement, including, without limitation, reasonable attorneys' fees and costs of litigation. In the event of a breach by Executive of any covenant or agreement contained herein, the running of the restrictive covenant periods (but not of

Executive's obligations hereunder) shall be tolled during the period of the continuance of any actual breach or violation.

Section 17.02. *Remedy for Breach of Restrictive Covenants*. The provisions of Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**), and Section 16.0 (**Covenant Not to Compete**) are separate and distinct commitments independent of each of the other Sections. Accordingly, notwithstanding any other provisions of this Employment Agreement, Executive agrees that damages in the event of a breach or a threatened breach by

Executive of Section 14.0 (**Confidentiality**) and Section 16.0 (**Covenant Not to Compete**) would be difficult if not impossible to ascertain and an inadequate remedy, and it is therefore agreed that the Company, in addition to and without limiting any other remedy or right it may have, shall have the right to an immediate injunction or other equitable relief enjoining any such threatened or actual breach, without any requirement to post bond or provide similar security. The existence of this right shall not preclude the Company from pursuing any other rights and remedies at law or in equity that the Company may have, including recovery of damages for any breach of such Sections.

Section 17.03. *Right to Cancel Payments*.

(a) In addition to the remedies set forth above in Sections 17.01 and 17.02, the Company may, at the sole discretion of the Board, cancel, rescind, suspend, withhold or otherwise limit or restrict the Severance Payment under Section 5.02 (*Termination by the Company Without Cause or by the Executive For Good Reason*) (which excludes any other payments made to Executive under Section 2.0 and under Sections 5.0 and 6.0 above), whether vested or not, at any time if:

(i) Executive is not in compliance with all of the provisions of Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**) and Section 16.0 (**Covenant Not to Compete**); and

(ii) Such non-compliance has been finally determined by binding arbitration pursuant to Section 18.0 (**Dispute Resolution**).

(b) As a condition to the receipt of any Severance Payment, Executive shall certify to the Company that he is in compliance with the provisions set forth above.

(c) In the event that Executive fails to comply with the provisions set forth in Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**) and/or Section 16.0 (**Covenant Not to Compete**), as finally determined by binding arbitration pursuant to Section 18.0 (**Dispute Resolution**), prior to or within twelve (12) months after any payment by the Company with respect to any Severance Payment under Section 5.02, such payment may be rescinded by the Company within 12 months thereafter. In the event of such rescission, Executive shall pay to the Company, within 12 months of the Company's rescission of one or more Severance Payments, the amount of any such payment(s) received as a result of the rescinded payment(s), without interest, in such further manner and on such further terms and conditions as may be required by the Company; and the Company shall be entitled to set-off

against the amount of such payment any amount owed to Executive by the Company, other than wages.

(d) Executive acknowledges that the foregoing provisions are fair, equitable and reasonable for the protection of the Company's interests in a stable workforce and the time and expense the Company has incurred to develop its business and its customer and vendor relationships.

18.0. Dispute Resolution.

Except as described above in Section 17.02 (*Remedy for Breach of Restrictive Covenants*):

Section 18.01. *Initial Negotiations*. Company and Executive agree to resolve all disputes arising out of their employment relationship by the following alternative dispute resolution process: (a) the Company and Executive agree to seek a fair and prompt negotiated resolution; but if this is not possible, (b) all disputes shall be resolved by binding arbitration; *provided, however*, that during this process, at the request of either Party, made not later than 60 days after the initial arbitration demand, the Parties agree to attempt to resolve any dispute by non-binding, third-party intervention, including either mediation or evaluation or both but without delaying the arbitration hearing date. BY ENTERING INTO THIS EMPLOYMENT AGREEMENT, BOTH PARTIES GIVE UP THEIR RIGHT TO HAVE THE DISPUTE DECIDED IN COURT BY A JUDGE OR JURY.

Section 18.02. *Mandatory Arbitration*. Any controversy or claim arising out of or connected with Executive's employment at the Company, including but not limited to claims for compensation or severance and claims of wrongful termination, age, sex or other discrimination or civil rights shall be decided by arbitration. In the event the Parties cannot agree on an arbitrator, then the arbitrator shall be selected by the administrator of the American Arbitration Association ("***AAA***") office in Salt Lake City, Utah. The arbitrator shall be an attorney with at least 15 years' experience in employment law in Idaho. Boise, Idaho shall be the site of the arbitration. All statutes of limitation, which would otherwise be applicable, shall apply to any arbitration proceeding hereunder. Any issue about whether a controversy or claim is covered by this Employment Agreement shall be determined by the arbitrator.

Section 18.03. *Arbitration Rules*.

(a) The arbitration shall be conducted in accordance with this Employment Agreement, using as appropriate the AAA Employment Dispute Resolution Rules in effect on the date hereof. The arbitrator shall not be bound by the rules of evidence or of civil procedure, but rather may consider such writings and oral presentations as reasonable business people would use in the conduct of their day-to-day affairs, and may require both Parties to submit some or all of their respective cases by written declaration or such other manner of presentation as the arbitrator may determine to be appropriate. The Parties agree to limit live testimony and cross-examination to the extent necessary to ensure a fair hearing on material issues.

(b) The arbitrator shall take such steps as may be necessary to hold a private hearing within 120 days of the initial request for arbitration and to conclude the hearing within two days; and the arbitrator's written decision shall be made not later than 14 calendar days after the hearing. The Parties agree that they have included these time limits in order to expedite the proceeding, but they are not jurisdictional, and the arbitrator may for good cause allow reasonable extensions or delays, which shall not affect the validity of the award. Both written discovery and depositions shall be allowed. The extent of such discovery will be determined by the Parties and any disagreements concerning the scope and extent of discovery shall be resolved by the arbitrator. The written decision shall contain a brief statement of the claim(s) determined and the award made on each claim. In making the decision and award, the arbitrator shall apply applicable substantive law. The arbitrator may award injunctive relief or any other remedy available from a judge, including consolidation of this arbitration with any other involving common issues of law or fact which may promote judicial economy, and may award attorneys' fees and costs to the prevailing Party, but shall not have the power to award punitive or exemplary damages. The Parties specifically state that the agreement to limit damages was agreed to by the Parties after negotiations.

19.0. Attorneys' Fees.

Section 19.01. *Prevailing Party Entitled to Attorneys' Fees*. In any action at law or in equity to enforce any of the provisions or rights under this Employment Agreement, the unsuccessful Party to such litigation, as determined by the arbitrator in accordance with the dispute resolution provisions set forth above, shall pay the successful Party or Parties all costs, expenses and reasonable attorneys' fees incurred therein by such Party or Parties (including, without limitation, such costs, expenses and fees on appeal), excluding, however, any time spent by Company employees, including in-house legal counsel, and if such successful Party or Parties shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

Section 19.02. *Limitation on Fees*. Notwithstanding the foregoing provision, in no event shall the successful Party or Parties be entitled to recover an amount from the unsuccessful Party for costs, expenses and attorneys' fees that exceeds the unsuccessful Party's or Parties' costs, expenses and attorneys' fees in connection with the action or proceeding.

20.0. Miscellaneous Provisions.

Section 20.01. *Prior Employment Agreements*. Executive represents and warrants that Executive's performance of all the terms of this Employment Agreement and as an Executive of the Company does not, and will not, breach any employment agreement, arrangement or understanding or any agreement, arrangement or understanding to keep in confidence proprietary information acquired by Executive in confidence or in trust prior to Executive's employment by the Company. Executive has not entered into, and shall not enter into, any agreement, arrangement or understanding, either written or oral, which is in conflict with this Employment Agreement or which would be violated by Executive entering into, or carrying out his obligations under, this Employment Agreement. This Employment Agreement supersedes any former oral agreement and any former written agreement heretofore executed

relating generally to the employment of Executive with the Company, including without limitation, the Prior Agreement.

Section 20.02. *Assignment; Binding Effect*. This Employment Agreement may not be assigned by Executive in whole or in part. Notwithstanding the foregoing, this Employment Agreement shall inure to the benefit of and be enforceable by Executive's personal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts would still be payable to him hereunder if he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Employment Agreement to Executive's estate.

Section 20.03. *Headings*. Headings used in this Employment Agreement are for convenience only and shall not be used to interpret or construe its provisions.

Section 20.04. *Waiver*. No provision of this Employment Agreement may be waived or discharged unless such waiver or discharge is agreed to in writing and signed by the Chairman of the Board. No waiver by either Party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Employment Agreement to be performed by such other Party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

Section 20.05. *Amendments*. No amendments or variations of the terms and conditions of this Employment Agreement shall be valid unless the same is in writing and signed by the Parties hereto.

Section 20.06. *Severability*. The invalidity or unenforceability of any provision of this Employment Agreement, whether in whole or in part, shall not in any way affect the validity and/or enforceability of any other provision contained herein. Any invalid or unenforceable provision shall be deemed severable to the extent of any such invalidity or unenforceability. It is expressly understood and agreed that while the Company and Executive consider the restrictions contained in this Employment Agreement reasonable for the purpose of preserving for the Company the good will, other proprietary rights and intangible business value of the Company, if a final judicial determination is made by a court having jurisdiction that the time or territory or any other restriction contained in this Employment Agreement is an unreasonable or otherwise unenforceable restriction against Executive, the provisions of such clause shall not be rendered void but shall be deemed amended to apply as to maximum time and territory and to such other extent as such court may judicially determine or indicate to be reasonable.

Section 20.07. *Governing Law*. This Employment Agreement shall be construed and enforced pursuant to the laws of the State of Idaho.

Section 20.08. *Executive Officer Status*. Executive acknowledges that he may be deemed to be an "executive officer" of the Company for purposes of the Securities Act of 1933, as amended (the "***1933 Act***"), and the Securities Exchange Act of 1934, as amended (the "***1934 Act***") and, if so, he shall comply in all respects with all the rules and regulations under the 1933 Act and the 1934 Act applicable to him in a timely and non-delinquent manner. In order to assist

the Company in complying with its obligations under the 1933 Act and 1934 Act, Executive shall provide to the Company such information about Executive as the Company shall reasonably request including, but not limited to, information relating to personal history and stockholdings. Executive shall report to the Secretary of the Company or other designated officer of the Company all changes in beneficial ownership of any shares of the Company's Common Stock deemed to be beneficially owned by Executive and/or any members of Executive's immediate family. Executive further agrees to comply with all requirements placed on him by the Sarbanes-Oxley Act of 2002, Public Law 107-204.

Section 20.09. *Tax Withholding*. To the extent required by law, the Company shall deduct or withhold from any payments under this Employment Agreement all applicable Federal, state or local income taxes, Social Security, FICA, FUTA and other amounts that the Company determines in good faith are required by law to be withheld.

Section 20.10. *Counterparts*. This Employment Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one document.

Section 20.11. *Exhibits*. Any Exhibits attached hereto are incorporated herein by reference and are an integral part of this Employment Agreement and are deemed incorporated herein by reference.

Section 20.12. *Retention of Counsel*. Executive acknowledges that he has had the opportunity to review this Employment Agreement and the transactions contemplated hereby with his own legal counsel.

[*The remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, this Executive Employment Agreement has been duly executed by the Company and Executive as of the date first above written.

EXECUTIVE:

ERIC L. GERRATT

COMPANY:

US ECOLOGY, INC.

By:
Name: JEFFREY R. FEELER
Title: PRESIDENT AND CHIEF EXECUTIVE OFFICER

Exhibit 10.11

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (this "***Employment Agreement***" or this "***Agreement***") is made and entered into effective as of the 25th day of February, 2016 (the "***Effective Date***"), by and between US ECOLOGY, INC., a Delaware corporation (the "***Company***"), and STEVEN D. WELLING ("***Executive***"). The Company and Executive are sometimes collectively referred to herein as the "***Parties***," and individually, as a "***Party***."

WHEREAS, immediately prior to the Effective Date, Executive rendered valuable services to the Company in the capacity of Executive Vice President of Sales and Marketing, pursuant to an Employment Agreement, dated October 31, 2013 (the "***Prior Agreement***"); and

WHEREAS, the Parties desire to enter into this Agreement, to continue Executive's employment, on the terms and conditions hereinafter set forth, to reflect, *inter alia*, Executive's status as Executive Vice President of Sales and Marketing.

NOW, THEREFORE, in consideration of the premises, the mutual promises, covenants and conditions herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound hereby, agree as follows:

1.0. Employment.

Section 1.01. *Employment*. The Company hereby employs Executive, and Executive hereby accepts employment with the Company, all upon the terms and subject to the conditions set forth in this Employment Agreement, effective as of the Effective Date first set forth above.

Section 1.02. *Term of Employment*. The term of employment of Executive by the Company pursuant to this Employment Agreement shall be for the period commencing on the Effective Date and ending December 31, 2019 (the "***Employment Term***"), or such earlier date that Executive's employment is terminated in accordance with the provisions of this Employment Agreement; provided, however, that the Employment Term shall automatically renew for additional one year periods if neither the Company nor Executive has notified the other in writing of its or his intention not to renew this Employment Agreement on or before 60 days prior to the expiration of the Employment Term (including any renewal(s) thereof).

Section 1.03. *Capacity and Duties*. Executive is and shall be employed in the capacity of Executive Vice President of Sales and Marketing of the Company and its subsidiaries and shall have such other duties, responsibilities and authorities as may be assigned to him from time to time by the President and Chief Executive Officer ("CEO") or the Board of Directors of the Company (the "***Board***"), which are not materially inconsistent with Executive's positions with the Company. Except as otherwise herein provided, Executive shall devote his entire business time, best efforts and attention to promote and advance the business of the Company and its subsidiaries and to perform diligently and faithfully all the duties, responsibilities and

obligations of Executive to be performed by him under this Employment Agreement. Upon termination of Employee's employment for any reason, unless otherwise requested by the Board, Employee will be deemed to have resigned from the Board (and all other positions held at the Company and its affiliates) voluntarily, without any further action by Employee, as of the end of Employee's employment and Employee, at the Board's request, will execute any documents necessary to reflect his resignation.

Section 1.04. *Place of Employment*. Executive's principal place of work shall be his home office, currently located in El Dorado Hills, California.

Section 1.05. *No Other Employment*. During the Term, Executive shall not be employed in any other business activity, whether or not such activity is pursued for gain, profit or other pecuniary advantage; provided, however, that this restriction shall not be construed as preventing Executive from (i) participating in charitable, civic, educational, professional, community or industry affairs; (ii) sitting on one outside board of directors for a public or private company that does not compete with the Company, with the prior concurrence of the Board that the required time commitment with respect to such position is acceptable; and (iii) investing his personal assets in a business which does not compete with the Company or its subsidiaries or with any other company or entity affiliated with the Company, where the form or manner of such investment will not require services on the part of Executive in the operation of the affairs of the business in which such investment is made and in which his participation is solely that of a passive investor or advisor, so long as the activities in clauses (i), (ii) and (iii), above, do not materially interfere with the performance of Executive's duties hereunder or create a potential business conflict or the appearance thereof.

Section 1.06. *Adherence to Standards*. Executive shall comply with the written policies, standards, rules and regulations of the Company from time to time established for all executive officers of the Company consistent with Executive's position and level of authority.

Section 1.07. *Review of Performance*. The CEO shall periodically review and evaluate with Executive his performance under this Employment Agreement.

2.0. Compensation.

During the Employment Term, subject to all the terms and conditions of this Employment Agreement and as compensation for all services to be rendered by Executive hereunder, the Company shall pay to or provide Executive with the following:

Section 2.01. *Base Salary*. During the Employment Term, the Company shall pay to Executive an annual base salary ("***Base Salary***") in an amount not less than Three Hundred Forty Thousand Dollars and No/100 ($340,000.00). Such Base Salary shall be payable in accordance with the regular payroll practices and procedures of the Company.

Section 2.02. *Incentive Pay*. Executive shall be eligible to participate in any cash incentive or bonus plans of the Company which are in effect for executives from time to time, including the annual cash incentive payment opportunity granted to Executive under the

Company's Management Incentive Plan ("***MIP***" and together with any other cash incentive or bonus plans of the Company, the "***Cash Incentive Plans***"), subject to the terms and conditions thereof, at a minimum 65% of Base Salary **("*Target Bonus*")** at a 100% of MIP target basis, which such MIP target shall be set annually by the Board. Anything to the contrary in this Agreement notwithstanding, the Company reserves the right to modify or terminate any or all of its Cash Incentive Plans at any time. In the event of any inconsistency between the terms of this Employment Agreement and the terms of any Cash Incentive Plan, the Cash Incentive Plan shall govern and control.

Section 2.03. *Paid Time Off and Other Benefits*. Executive shall be entitled to five weeks Paid Time Off ("***PTO***") per year, and shall have the right, on the same basis as other members of senior management of the Company, to participate in any and all employee benefit plans and programs of the Company, including medical plans, insurance plans and other benefit plans and programs as shall be, from time to time, in effect for executive employees and senior management personnel of the Company. Such participation shall be subject to the terms of the applicable plan documents, generally applicable Company policies and the discretion of the Board or any administrative or other committee provided for in, or contemplated by, each such plan or program. Anything to the contrary in this Agreement notwithstanding, the Company reserves the right to modify or terminate such benefit plans and programs at any time.

Section 2.04. *Expenses*. The Company shall reimburse Executive for all reasonable, ordinary and necessary expenses including, but not limited to, automobile and other business travel and customer and business entertainment expenses incurred by him in connection with his employment in accordance with the Company's expense reimbursement policy; provided, however, Executive shall render to the Company a complete and accurate accounting of all such expenses in accordance with the substantiation requirements of the Internal Revenue Code of 1986, as amended (the "***Code***"). Executive's right to reimbursement hereunder may not be liquidated or exchanged for any other benefit, the amount of expenses eligible for reimbursement hereunder in a calendar year shall not affect the amount of expenses eligible for reimbursement hereunder in any other calendar year, and Executive shall be reimbursed for eligible expenses no later than the close of the calendar year following the year in which Executive incurs the applicable expense.

3.0. Omitted

4.0. Termination of Employment.

Section 4.01. *Termination of Employment*. Executive's employment and this Employment Agreement may be terminated prior to expiration of the Employment Term as follows (with the date of termination of Executive's employment hereunder being referred to hereinafter as the "***Termination Date***"):

(a) By either Party by delivering 60 days' prior written notice of non-renewal as set forth in the Section 1.02 (*Term of Employment*);

(b) Upon no less than 30 days' written notice from the Company to Executive at any time *without* Cause (as hereinafter defined) and other than due to Executive's

death or Disability, subject to the provisions of Section 5.02 (*Termination by the Company Without Cause or by the Executive For Good Reason*);

(c) By the Company *for* Cause (as hereinafter defined) immediately upon written notice stating the basis for such termination;

(d) Due to the death or Disability (as hereinafter defined) of Executive;

(e) By Executive at any time *with* or *without* Good Reason (as hereinafter defined) upon 30 days' written notice from Executive to the Company (or such shorter period) to which the Company may agree; and

(f) Upon the mutual agreement of the Company and Executive.

Section 4.02. *Effect of Termination*. In the event of termination of Executive's employment with the Company for any reason, or if Executive is required by the Board, Executive agrees to resign, and shall automatically be deemed to have resigned, from any offices (including any directorship) Executive holds with the Company or any of its subsidiaries effective as of the Termination Date or, if applicable, effective as of a date selected by the Board.

5.0. Payments and Benefits Upon Termination of Employment.

Section 5.01. *Termination by the Company For Cause or by the Executive Without Good Reason*. If Executive's employment and this Employment Agreement are terminated by the Company *for* Cause or by Executive *without* Good Reason, the Company shall pay Executive the Accrued Obligations (as hereinafter defined) (other than, however, any amounts due under any Cash Incentive Plan which shall be forfeited pursuant to the terms of such plan), in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination.

Section 5.02. *Termination by the Company Without Cause or by the Executive For Good Reason*. If Executive's employment and this Employment Agreement are terminated by the Company *without* Cause or if Executive terminates his employment and this Employment Agreement *for* Good Reason, the Company shall pay Executive the Accrued Obligations in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan. In addition, subject to Sections 6.0, 7.0 and 8.0, Executive shall be entitled to receive the following: (i) an amount equal to the sum of two year's Base Salary and two times Target Bonus ("***Severance Payment***") which shall be payable as provided below; (ii) continued vesting of granted stock options and the continued right to exercise such stock options following the Termination Date for the shorter of a period of one year or the original expiration date of such option; (iii) continued vesting of restricted stock and restricted stock unit grants for a period of one year following the Termination Date (in the case of unvested restricted stock or unvested restricted stock units subject to "cliff" vesting, the number of shares or units in which the Executive shall vest shall be calculated based on a period from the start of the vesting period to the first

anniversary of the Termination Date, as a percentage of the total vesting period); (iv) continued vesting of performance stock units for a period of one year following the Terminations Date with payment calculated based on a period from the start of the performance period to the Termination Date, as a percentage of the total performance period); and (v) continued medical, hospitalization, life insurance and disability benefits to which Executive was entitled at the Termination Date (any of which shall, to the extent required to avoid subjecting Executive to an additional tax under Section 409A of the Code or as otherwise determined by the Company in its discretion, be structured so as to require that Executive pay the premiums for such benefits on a timely basis, in which case the Company shall reimburse Executive for such premiums in accordance with Section 8.02 so that Executive is made whole on an after-tax basis) for a period of the lesser of 24 months following the Termination Date or the date Executive receives similar or comparable coverage from a new employer; provided, however, that the Company may unilaterally amend the foregoing clause (v) or eliminate the benefit provided thereunder to the extent it deems necessary to avoid the imposition of excise taxes, penalties or similar charges on the Company or any of its subsidiaries or affiliates, including, without limitation, under Code Section 4980D. All such additional payments and benefits under this Section 5.02 shall be conditional on Executive's timely execution and non-revocation of the Release (as defined in Section 7.0) and Executive's continued compliance with Section 11.0 (**Return of Property**), Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**), and Section 16.0 (**Covenant Not to Compete**). Payment of the Severance Payment shall be made in bi-weekly installments, in accordance with the regular payroll practices and procedures of the Company commencing on the first regularly scheduled payroll date occurring after Executive's Release becomes effective; provided, however, that if the period during which Executive can consider and revoke the Release begins in one calendar year and ends in the subsequent calendar year, then payment of the Severance Payment shall commence on the later of (a) the first regularly scheduled payroll date occurring after Executive's Release becomes effective, and (b) the first regularly scheduled payroll date occurring in the subsequent calendar year. The first such payment shall include any installments of the Severance Payment that would have been made on previous payroll dates but for the requirement that Executive execute a Release. The period, if any, during which Executive and his spouse and children are eligible to continue their coverage under the Company's group health plans pursuant to Section 4980B of the Code ("COBRA") shall run simultaneously with the period specified in clause (iv) (provided that nothing in such clause (iv) shall be deemed to extend such COBRA continuation period beyond the minimum period required by applicable law). For the avoidance of doubt, a termination of employment pursuant to Section 4.01(a) by notice of non-renewal by the Company for any reason other than Cause, shall be deemed a termination of employment by the Company without Cause for purposes of this Section 5.02.

Section 5.03. *Termination Due to Death*. If Executive's employment and this Employment Agreement are terminated due to Executive's death, the Company shall pay the estate of Executive the Accrued Obligations in a single, lump-sum payment within 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan.

Section 5.04. *Termination Due to Disability*. If Executive's employment and this Employment Agreement are terminated due to his Disability, the Company shall pay Executive

the Accrued Obligations in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan. In addition, Executive will be eligible to participate in the Company's Long-Term Disability Plan or any other Disability Plans, on a basis no less favorable to Executive than other senior executives of the Company.

Section 5.05. *Retirement*. If Executive's employment and this Employment Agreement are terminated by virtue of Executive's Retirement prior to the expiration of the Employment Term, the Company shall pay Executive the Accrued Obligations in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan.

6.0. Payment and Benefits Upon Change of Control.

Subject to Sections 7.0 and 8.0, upon a Change of Control of the Company (as hereinafter defined) during the Employment Term and subsequent termination from the Company under Section 5.02 within 24 months after such Change of Control (including, for purposes of this Section, a termination for Good Reason), Executive shall receive, in lieu of the Severance Payment, a payment equal to two times the sum of (i) his annual Base Salary; and (ii) the *greater of* (a) any earned but unpaid amount due under any Cash Incentive Plan (as determined by the terms of the Cash Incentive Plan); and (b) the Executive's Target Bonus amount; and (c) the Cash Incentive Plan payment received (if any) for the fiscal year immediately preceding the Cash Incentive Plan year in Subsection (ii)(a) herein (collectively, the "***Change of Control Payment***"). Such Change of Control Payment shall be paid in a single lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days after Executive's Release becomes effective; provided, however, that if the period during which Executive can consider and revoke the Release begins in one calendar year and ends in the subsequent calendar year, then the lump sum will be paid in the subsequent calendar year (and in any event by March 15 of such year), regardless of when Executive's Release becomes effective, and even if payment occurs more than 45 days after Executive's Release becomes effective. However, if a portion of the Change of Control Payment is based on (ii)(a) or (ii)(b) of this Section 6.0, such amount shall be paid according to the terms of the corresponding Cash Incentive Plan. The Executive shall be entitled to the other benefits set forth in Section 5.02 (other than the Severance Payment), except that all unvested stock options and restricted stock shall become fully vested upon the Termination Date under this Section 6.0; provided, however, that if unvested stock options and restricted stock held by the Executive are not continued, substituted for or assumed by the successor company in connection with a Change of Control, such awards shall immediately vest upon the Change of Control. In the event of an inconsistency between this Section 6.0 and Section 5.02, this Section 6.0 shall govern and control.

7.0. Release.

Executive's entitlement to the payments and benefits described in the second sentence of Section 5.02 and in Section 6.0 is subject to and conditioned upon Executive's timely execution,

without subsequent revocation, of a release of claims (in a form satisfactory to the Company) in favor of the Company and its subsidiaries and affiliates (the "***Release***"); provided, however, that notwithstanding the foregoing, the Release is not intended to and will not waive the Executive's rights: (i) to indemnification pursuant to any applicable provision of the Company's Bylaws or Certificate of Incorporation, as amended, pursuant to any written indemnification agreement between the Executive and the Company, or pursuant to applicable law; (ii) to vested benefits or payments specifically to be provided to the Executive under this Agreement or any Company employee benefit plans or policies; or (iii) respecting any claims the Executive may have solely by virtue of the Executive's status as a stockholder of the Company. The Release also shall not impose any restrictive covenant on the Executive's conduct post-termination that the Executive had not agreed to prior to the Executive's termination in this Agreement or otherwise) or include claims that an employee cannot lawfully release through execution of a general release of claims.

To be timely, the Release must become effective (i.e., Executive must sign it and any revocation period must expire without Executive revoking the Release) within 60 days, or such shorter period specified in the Release, after Executive's date of termination of employment. If the Release does not become effective within such time period, then Executive shall not be entitled to such payments and benefits. The Company is obligated to provide Executive the Release within 39 calendar days from Termination Date and Executive shall have a minimum of 21 calendar days to review and comment on the Release.

8.0. Compliance With Section 409A.

Section 8.01. *General*. The provisions of this Employment Agreement are intended to comply with the requirements of Section 409A of the Code and any regulations and official guidance promulgated thereunder ("***Section 409A***") or an exemption or exclusion therefrom and, with respect to amounts that are subject to Section 409A, shall in all respects be interpreted and administered in accordance with Section 409A. Any payments that qualify for the "short-term deferral" exception or another exception under Section 409A shall be paid under the applicable exception. Each payment of compensation under this Employment Agreement shall be treated as a separate payment of compensation for purposes of Section 409A and a right to a series of installment payments under this Employment Agreement (including pursuant to Section 5.02) shall be treated as a right to a series of separate and distinct payments. All payments to be made upon a termination of employment under this Employment Agreement may only be made upon a "separation from service" under Section 409A. In no event may Executive, directly or indirectly, designate the calendar year of any payment under this Plan.

Section 8.02. *In-Kind Benefits and Reimbursements*. Notwithstanding anything to the contrary in this Employment Agreement, all reimbursements and in-kind benefits provided hereunder shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (a) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified herein); (b) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, except, if such benefits consist of the reimbursement of expenses referred to in Section 105(b) of the Code, a maximum, if provided under the terms of the plan providing

such medical benefit, may be imposed on the amount of such reimbursements over some or all of the period in which such benefit is to be provided to Executive as described in Treasury Regulation Section 1.409A-3(i)(1)(iv)(B); (c) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the calendar year in which the expense is incurred, *provided* that reimbursement shall be made only if Executive has submitted an invoice for such expenses at least 10 days before the end of the calendar year following the calendar year in which such expenses were incurred; and (d) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

Section 8.03. *Delay of Payments*. Notwithstanding any other provision of this Employment Agreement to the contrary, if Executive is considered a "specified employee" for purposes of Section 409A (as determined in accordance with the methodology established by the Company as in effect on the date of termination of employment), any payment that constitutes nonqualified deferred compensation within the meaning of Section 409A that is otherwise due to Executive hereunder during the six-month period following Executive's separation from service (as determined in accordance with Section 409A) on account of Executive's separation from service shall be accumulated and paid to Executive on the first business day after the date that is six months following Executive's separation from service (the "***Delayed Payment Date***"). The Executive shall be entitled to interest (at a per annum rate equal to the highest rate of interest applicable to six-month non-callable certificates of deposit with daily compounding offered by the following institutions: Citibank, N.A., Wells Fargo Bank, N.A. or Bank of America, on the date of such separation from service) on any cash payments so delayed from the scheduled date of payment to the Delayed Payment Date. If Executive dies during the postponement period, the amounts and entitlements delayed on account of Section 409A shall be paid to the personal representative of Executive's estate on the first to occur of the Delayed Payment Date or 30 days after the date of Executive's death.

Section 8.04. *Cooperation*. Executive and the Company agree to work together in good faith to consider amendments to this Employment Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

9.0. Limitation on Payments.

In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code and (ii) but for this Section 9.0, would be subject to the excise tax imposed by Section 4999 of the Code, then Executive's severance benefits under the foregoing clause (i) will be either:

(a) delivered in full; or

(b) delivered as to such lesser extent as would result in no portion of such severance benefits being subject to excise tax under Section 4999 of the Code,

Whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of severance benefits, notwithstanding that all or some portion of such severance benefits may be taxable under Section 4999 of the Code. If a reduction in severance and other benefits constituting "parachute payments" is necessary so that benefits are delivered to a lesser extent, reduction shall occur in the following order: (i) reduction of cash payments; (ii) cancellation of awards granted "contingent on a change in ownership or control" (within the meaning of Code Section 280G); (iii) cancellation of accelerated vesting of equity awards; and (iv) reduction of employee benefits; provided that the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code. In the event that acceleration of vesting of equity award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Executive's equity awards. Unless the Company and Executive otherwise agree in writing, any determination required under this Section 9.0 will be made in writing by an independent firm (the "***Firm***") immediately prior to Change of Control, whose determination will be conclusive and binding upon the Executive and the Company for all purposes. For purposes of making the calculations required by this Section 9.0, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section 9.0. The Company will bear all costs the Firm may reasonably incur in connection with any calculations contemplated by this Section.

10.0. Definitions.

In addition to the words and terms elsewhere defined in this Employment Agreement, certain capitalized words and terms used herein shall have the meanings given to them by the definitions and descriptions in this Section 10.0, unless the context or use indicates another or different meaning or intent, and such definition shall be equally applicable to both the singular and plural forms of any of the capitalized words and terms herein defined. The following words and terms are defined terms under this Employment Agreement:

(a) "***Accrued Obligations***" shall include (i) any unpaid Base Salary through the Termination Date and any accrued PTO in accordance with the Company's policy; (ii) reimbursement for any un-reimbursed business expenses incurred through the Termination Date; and (iii) all other payments, benefits or fringe benefits to which Executive may be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant or this Employment Agreement. Accrued Obligations shall also include any cash incentive earned under any Cash Incentive Plan and shall be paid on a pro-rata basis based on days employed during the fiscal year of such plan if any. For the sake of clarity and by way of example only, if the Executive is employed for 270 days of a fiscal year and the management incentive plan in place at the time pays out 100% of target, the Executive would be owed 74% (270/365) of any incentive payments to which he would have been entitled had his employment not been terminated. Such payments shall be made in accordance with the terms of any Cash Incentive Plan in effect at the time, except that any requirement that the recipient must be an employee at the time of payment shall be waived by the Company under this policy.

(b) A termination for "***Cause***" shall mean a termination of this Employment Agreement by reason of a determination by two-thirds (2/3) of the members of the Board (excluding, for such purposes, Executive, if Executive is a member of the Board) voting that Executive:

(i) Has engaged in willful neglect (other than neglect resulting from his incapacity due to physical or mental illness) or willful misconduct in the performance of his duties for the Company under this Employment Agreement;

(ii) Has engaged in willful conduct the consequences of which are materially adverse to the Company, monetarily or otherwise;

(iii) Has materially breached the terms of this Employment Agreement, and such breach persisted after notice thereof from the Company and a reasonable opportunity to cure; or

(iv) Has been convicted of (or has plead guilty or no contest to) any felony other than a traffic violation.

(c) A "***Change of Control***" shall be deemed to have occurred upon:

(i) The consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company (each, a "***Business Combination***"), unless, following such Business Combination, all or substantially all of the individuals and entities that were the beneficial owners of the combined voting power of the Company's outstanding securities immediately prior to such Business Combination beneficially own, directly or indirectly, at least 60% of the combined voting power of the then-outstanding securities of the entity resulting from such Business Combination in substantially the same proportions as their ownership of the combined voting power of the Company's outstanding securities immediately prior to the Business Combination; provided, however, that a public offering of the Company's securities shall not constitute a Business Combination;

(ii) The sale, transfer, or other disposition of all or substantially all of the Company's assets; or

(iii) Any transaction as a result of which any person is the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 25% of the total voting power represented by the Company's then outstanding voting securities. For purposes of this subparagraph (iii), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act, but shall exclude (x) a trustee or other fiduciary holding securities under an Executive benefit plan of the Company or of a subsidiary and (y) a corporation owned directly or indirectly by the stockholders of the

Company in substantially the same proportions as their ownership of the common stock of the Company.

(iv) A change in the composition of the Board in any two-year period as a result of which fewer than a majority of the directors are Incumbent Directors. "***Incumbent Directors***" shall mean directors who either (a) are directors of the Company as of the start of the period or (b) are elected, or nominated for election, to the Board with the affirmative votes (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for election as a director without objection to such nomination) of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors of the Company).

(d) "***Disability***" shall be as defined in the Company's Long-Term Disability Plan.

(e) "***Good Reason***" shall mean the occurrence of any of the following without Executive's prior written consent during the Employment Period, which occurrence continues for 10 days after written notice thereof from Executive to the Board:

(i) Any material diminution or adverse change in Executive's position, status, title, authorities or responsibilities, office or duties under this Employment Agreement which represents a demotion from such position, status, title, authorities or responsibilities, office or duties which are materially inconsistent with his position, status, title, authorities or responsibilities, office or duties set forth in this Employment Agreement, or any removal of Executive from, or failure to appoint, elect, reappoint or reelect Executive to, any of his positions, except in connection with the termination of his employment with or without Cause, or as a result of his death or Disability.

(ii) The exclusion of Executive in any incentive, bonus or other compensation plan in which Executive participated at the time that this Employment Agreement is executed, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to the failure to continue such plan, or the failure by the Company to continue Executive's participation therein, or any action by the Company which would directly or indirectly materially reduce his participation therein or reward opportunities thereunder; provided, however, that Executive continues to meet all eligibility requirements thereof. Notwithstanding the foregoing, this provision shall not apply to the exclusion of Executive in any incentive, bonus or other compensation plan in which Executive participated at the time that this Employment Agreement is executed to the extent that such termination is required by law;

(iii) The failure by the Company to include or continue Executive's participation in any material employee benefit plan (including any medical,

hospitalization, life insurance or disability benefit plan in which Executive participates or in which other Company executives participate), or any material fringe benefit or prerequisite enjoyed by him unless an equitable arrangement (embodied in an ongoing substitute or alternative plan, if applicable) has been made with respect to the failure to include Executive in such plan, or the failure by the Company to continue Executive's participation therein, or any action by the Company which would directly or indirectly materially reduce his participation therein or reward opportunities thereunder, or the failure by the Company to provide him with the benefits to which he is entitled under this Employment Agreement; provided, however, that Executive continues to meet all eligibility requirements thereof. Notwithstanding the foregoing, this provision shall not apply to the exclusion of Executive in any Executive benefit plan in which Executive participated at the time that this Employment Agreement is executed to the extent that such termination is required by law, or the failure to continue such plan or benefit is applicable to the Company's executive officers and/or Executives generally; or

(iv) Any material breach by the Company of any provision of this Employment Agreement.

(v) The movement of main corporate office of the Company beyond a 50 mile radius from Boise, Idaho or beyond a 50 mile radius the Executive's primary place of employment if not in the corporate office.

Notwithstanding any other provision of this Agreement to the contrary, Executive shall be deemed not to have terminated his employment for Good Reason unless (i) Executive notifies the Board in writing of the condition that Executive believe constitutes Good Reason within 90 days of the initial existence thereof (which notice specifically identifies such condition and the details regarding its existence), (ii) the Company fails to remedy such condition within 10 days after the date on the Board receives such notice (the "***Remedial Period***"), and (iii) Executive terminates employment with the Company (and its subsidiaries and affiliates) within 60 days after the end of the Remedial Period. The failure by Executive to include in the notice any fact or circumstance that contributes to a showing of Good Reason shall not waive any right of Executive hereunder or preclude Executive from asserting such fact or circumstance in enforcing his or her rights hereunder.

(f) "***Retirement***" shall mean retirement upon "normal retirement age" as defined in the Company's 401(k) retirement plan.

11.0. Return of Property.

Executive agrees, upon the termination of his employment with the Company, to return all physical, computerized, electronic or other types of records, documents, proposals, notes, lists, files and any and all other materials, including without limitation, computerized and/or electronic information that refers, relates or otherwise pertains to the Company and/or its subsidiaries, and any and all business dealings of said persons and entities. In addition, Executive shall return to the Company all property and equipment that Executive has been issued during the course of his employment or which he otherwise currently possesses, including but

not limited to, any computers, cellular phones, personal digital assistants, pagers and/or similar items. Executive shall immediately deliver to the Company any such physical, computerized, electronic or other types of records, documents, proposals, notes, lists, files, materials, property and equipment that are in Executive's possession. Executive further agrees that he will immediately forward to the Company any business information regarding the Company and/or its subsidiaries that has been or is inadvertently directed to Executive following his last day of employment with the Company. The provisions of this Section 11.0 are in addition to any other written agreements on this subject that Executive may have with the Company and/or its subsidiaries, and are not meant to and do not excuse any additional obligations that Executive may have under such agreements.

12.0. Notices.

For the purposes of this Employment Agreement, notices and all other communications provided for hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, or by expedited (overnight) courier with established national reputation, shipping prepaid or billed to sender, in either case addressed to the respective addresses last given by each Party to the other (provided that all notices to the Company shall be directed to the attention of the Chief Executive Officer) or to such other address as either Party may have furnished to the other in writing in accordance herewith. All notices and communication shall be deemed to have been received on the date of delivery thereof, or on the second day after deposit thereof with an expedited courier service, except that notice of change of address shall be effective only upon receipt. Notices shall be addressed as follows:

If to the Company:
251 E. Front St., Suite 400, Boise, Idaho 83702.

If to the Executive:
251 E. Front Street, Suite 400, Boise, Idaho 83706, or
as on file with the Company's Corporate Secretary

13.0. Life Insurance.

The Company may, at any time after the execution of this Employment Agreement, apply for and procure as owner and for its own benefit, life insurance on Executive, in such amounts and in such form or forms as the Company may determine. The Executive shall, at the request of the Company, submit to such medical examinations, supply such information, and execute such documents as may be required by the insurance company or companies to whom the Company has applied for such insurance.

14.0. Confidentiality.

Executive agrees not to disclose or reveal to any person or entity outside the Company any secret or confidential information concerning any Company product, process, equipment, machinery, design, formula, business, or other activity (collectively, "***Confidential***

Information") without prior permission of the Company in writing. Confidential Information shall not include any information which is in the public domain or becomes publicly known through no wrongful act on the part of Executive or breach of this Employment Agreement. Executive acknowledges that the Confidential Information is vital, sensitive, confidential and proprietary to the Company. The obligation to protect the secrecy of such information continues after employment with Company may be terminated. In furtherance of this agreement, Executive acknowledges that all Confidential Information which Executive now possesses, or shall hereafter acquire, concerning and pertaining to the business and secrets of the Company and all inventions or discoveries made or developed, or suggested by or to Executive during said term of employment relating to Company's business shall, at all times and for all purposes, be regarded as acquired and held by Executive in his fiduciary capacity and solely for the benefit of Company.

15.0. Work Product Assignment.

Executive agrees that all inventions, innovations, improvements, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable) which relate to the actual or anticipated business, research and development or existing or future products or services of the Company or of any of its subsidiaries or affiliates, and which are conceived, developed or made by Executive (whether or not during usual business hours and whether or not alone or in conjunction with any other person) while employed by the Company, together with all patent applications, letters patent, trademark, trade name and service mark applications or registrations, copyrights and reissues thereof that may be granted for or upon any of the foregoing (collectively referred to herein as the "***Work Product***"), belong in all instances to the Company or its subsidiaries or affiliates, as applicable, and Executive hereby assigns to the Company all Work Product and all of his interest therein. Executive will promptly perform all actions reasonably requested by the Board (whether during or after his employment with the Company) to establish and confirm the ownership of such Work Product (including, without limitation, the execution and delivery of assignments, consents, powers of attorney and other instruments) by the Company or its subsidiaries or affiliates, as applicable, and to provide reasonable assistance to the Company or any of its subsidiaries and affiliates in connection with the prosecution of any applications for patents, trademarks, trade names, service marks or reissues thereof or in the prosecution or defense of interferences relating to any Work Product.

16.0. Covenant Not to Compete.

Section 16.01. *Acknowledgment of Executive*. Executive acknowledges that his employment with the Company has special, unique and extraordinary value to the Company; that the Company has a lawful interest in protecting its investment in entrusting its Confidential Information to him; and that the Company would be irreparably damaged if Executive were to provide services to any person or entity in violation of this Employment Agreement because in performing such services Executive would inevitably disclose the Company's Confidential Information to third parties and that the restrictions, prohibitions and other provision of this Section 16.0 are reasonable, fair and equitable in scope, terms, and duration to protect the

legitimate business interests of the Company, and are a material inducement to the Company to enter into this Employment Agreement.

Section 16.02. *Non-Competition Covenant*. Without the consent in writing of the Board, Executive will not, during the Employment Agreement and for a period of 12 months after such termination of employment (if by the Company *for* Cause or by Executive *without* Good Reason), acting alone or in conjunction with others, directly or indirectly engage (either as owner, investor, partner, stockholder, employer, employee, consultant, advisor or director) in activities on behalf of any entity or entities engaged in waste processing and disposal services for low-level radioactive-wastes, naturally occurring, accelerator produced, and exempt radioactive materials, and hazardous and PCB wastes. It is agreed that the ownership of not more than five percent (5%) of the equity securities of any company having securities listed on an exchange or regularly traded in the over-the-counter market shall not, of itself, be deemed inconsistent with this Section 16.02.

Section 16.03. *Non-Solicitation of Vendors and Customers*. Without the consent in writing of the Board, after Executive's employment has terminated for any reason, Executive will not, during the Employment Agreement and for a period of 18 months thereafter acting alone or in conjunction with others, either directly or indirectly induce any vendors or customers of the Company to curtail or cancel their business with the Company or any of its subsidiaries.

Section 16.04. *Non-Solicitation of Employees*. Without the consent in writing of the Board, after Executive's employment has terminated for any reason, Executive will not, during the Employment Agreement and for a period of 24 months thereafter, acting alone or in conjunction with others, either directly or indirectly induce, or attempt to influence, any employee of the Company or any of its subsidiaries to terminate his or her employment.

17.0. Remedies.

Section 17.01. *Specific Performance; Costs of Enforcement*. Executive acknowledges that the covenants and agreements, which he has made in this Employment Agreement are reasonable and are required for the reasonable protection of the Company and its business. Executive agrees that the breach of any covenant or agreement contained herein will result in irreparable injury to the Company and that, in addition to all other remedies provided by law or in equity with respect to the breach of any provision of this Employment Agreement, the Company and its successors and assigns will be entitled to enforce the specific performance by Executive of his obligations hereunder and to enjoin him from engaging in any activity in violation hereof and that no claim by Executive against the Company or its successors or assigns will constitute a defense or bar to the specific enforcement of such obligations. Executive agrees that the Company and any successor or assign shall be entitled to recover all costs of enforcing any provision of this Employment Agreement, including, without limitation, reasonable attorneys' fees and costs of litigation. In the event of a breach by Executive of any covenant or agreement contained herein, the running of the restrictive covenant periods (but not of Executive's obligations hereunder) shall be tolled during the period of the continuance of any actual breach or violation.

Section 17.02. *Remedy for Breach of Restrictive Covenants*. The provisions of Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**), and Section 16.0 (**Covenant Not to Compete**) are separate and distinct commitments independent of each of the other Sections. Accordingly, notwithstanding any other provisions of this Employment Agreement, Executive agrees that damages in the event of a breach or a threatened breach by Executive of Section 14.0 (**Confidentiality**) and Section 16.0 (**Covenant Not to Compete**) would be difficult if not impossible to ascertain and an inadequate remedy, and it is therefore agreed that the Company, in addition to and without limiting any other remedy or right it may have, shall have the right to an immediate injunction or other equitable relief enjoining any such threatened or actual breach, without any requirement to post bond or provide similar security. The existence of this right shall not preclude the Company from pursuing any other rights and remedies at law or in equity that the Company may have, including recovery of damages for any breach of such Sections.

Section 17.03. *Right to Cancel Payments*.

(a) In addition to the remedies set forth above in Sections 17.01 and 17.02, the Company may, at the sole discretion of the Board, cancel, rescind, suspend, withhold or otherwise limit or restrict the Severance Payment under Section 5.02 (*Termination by the Company Without Cause or by the Executive For Good Reason*) (which excludes any other payments made to Executive under Section 2.0 and under Sections 5.0 and 6.0 above), whether vested or not, at any time if:

(i) Executive is not in compliance with all of the provisions of Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**) and Section 16.0 (**Covenant Not to Compete**); and

(ii) Such non-compliance has been finally determined by binding arbitration pursuant to Section 18.0 (**Dispute Resolution**).

(b) As a condition to the receipt of any Severance Payment, Executive shall certify to the Company that he is in compliance with the provisions set forth above.

(c) In the event that Executive fails to comply with the provisions set forth in Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**) and/or Section 16.0 (**Covenant Not to Compete**), as finally determined by binding arbitration pursuant to Section 18.0 (**Dispute Resolution**), prior to or within twelve (12) months after any payment by the Company with respect to any Severance Payment under Section 5.02, such payment may be rescinded by the Company within 12 months thereafter. In the event of such rescission, Executive shall pay to the Company, within 12 months of the Company's rescission of one or more Severance Payments, the amount of any such payment(s) received as a result of the rescinded payment(s), without interest, in such further manner and on such further terms and conditions as may be required by the Company; and the Company shall be entitled to set-off against the amount of such payment any amount owed to Executive by the Company, other than wages.

(d) Executive acknowledges that the foregoing provisions are fair, equitable and reasonable for the protection of the Company's interests in a stable workforce and the time and expense the Company has incurred to develop its business and its customer and vendor relationships.

18.0. Dispute Resolution.

Except as described above in Section 17.02 (*Remedy for Breach of Restrictive Covenants*):

Section 18.01. *Initial Negotiations*. Company and Executive agree to resolve all disputes arising out of their employment relationship by the following alternative dispute resolution process: (a) the Company and Executive agree to seek a fair and prompt negotiated resolution; but if this is not possible, (b) all disputes shall be resolved by binding arbitration; *provided, however*, that during this process, at the request of either Party, made not later than 60 days after the initial arbitration demand, the Parties agree to attempt to resolve any dispute by non-binding, third-party intervention, including either mediation or evaluation or both but without delaying the arbitration hearing date. BY ENTERING INTO THIS EMPLOYMENT AGREEMENT, BOTH PARTIES GIVE UP THEIR RIGHT TO HAVE THE DISPUTE DECIDED IN COURT BY A JUDGE OR JURY.

Section 18.02. *Mandatory Arbitration*. Any controversy or claim arising out of or connected with Executive's employment at the Company, including but not limited to claims for compensation or severance and claims of wrongful termination, age, sex or other discrimination or civil rights shall be decided by arbitration. In the event the Parties cannot agree on an arbitrator, then the arbitrator shall be selected by the administrator of the American Arbitration Association ("***AAA***") office in Salt Lake City, Utah. The arbitrator shall be an attorney with at least 15 years' experience in employment law in Idaho. Boise, Idaho shall be the site of the arbitration. All statutes of limitation, which would otherwise be applicable, shall apply to any arbitration proceeding hereunder. Any issue about whether a controversy or claim is covered by this Employment Agreement shall be determined by the arbitrator.

Section 18.03. *Arbitration Rules*.

(a) The arbitration shall be conducted in accordance with this Employment Agreement, using as appropriate the AAA Employment Dispute Resolution Rules in effect on the date hereof. The arbitrator shall not be bound by the rules of evidence or of civil procedure, but rather may consider such writings and oral presentations as reasonable business people would use in the conduct of their day-to-day affairs, and may require both Parties to submit some or all of their respective cases by written declaration or such other manner of presentation as the arbitrator may determine to be appropriate. The Parties agree to limit live testimony and cross-examination to the extent necessary to ensure a fair hearing on material issues.

(b) The arbitrator shall take such steps as may be necessary to hold a private hearing within 120 days of the initial request for arbitration and to conclude the hearing within two days; and the arbitrator's written decision shall be made not later than 14 calendar days after

the hearing. The Parties agree that they have included these time limits in order to expedite the proceeding, but they are not jurisdictional, and the arbitrator may for good cause allow reasonable extensions or delays, which shall not affect the validity of the award. Both written discovery and depositions shall be allowed. The extent of such discovery will be determined by the Parties and any disagreements concerning the scope and extent of discovery shall be resolved by the arbitrator. The written decision shall contain a brief statement of the claim(s) determined and the award made on each claim. In making the decision and award, the arbitrator shall apply applicable substantive law. The arbitrator may award injunctive relief or any other remedy available from a judge, including consolidation of this arbitration with any other involving common issues of law or fact which may promote judicial economy, and may award attorneys' fees and costs to the prevailing Party, but shall not have the power to award punitive or exemplary damages. The Parties specifically state that the agreement to limit damages was agreed to by the Parties after negotiations.

19.0. Attorneys' Fees.

Section 19.01. *Prevailing Party Entitled to Attorneys' Fees*. In any action at law or in equity to enforce any of the provisions or rights under this Employment Agreement, the unsuccessful Party to such litigation, as determined by the arbitrator in accordance with the dispute resolution provisions set forth above, shall pay the successful Party or Parties all costs, expenses and reasonable attorneys' fees incurred therein by such Party or Parties (including, without limitation, such costs, expenses and fees on appeal), excluding, however, any time spent by Company employees, including in-house legal counsel, and if such successful Party or Parties shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

Section 19.02. *Limitation on Fees*. Notwithstanding the foregoing provision, in no event shall the successful Party or Parties be entitled to recover an amount from the unsuccessful Party for costs, expenses and attorneys' fees that exceeds the unsuccessful Party's or Parties' costs, expenses and attorneys' fees in connection with the action or proceeding.

20.0. Miscellaneous Provisions.

Section 20.01. *Prior Employment Agreements*. Executive represents and warrants that Executive's performance of all the terms of this Employment Agreement and as an Executive of the Company does not, and will not, breach any employment agreement, arrangement or understanding or any agreement, arrangement or understanding to keep in confidence proprietary information acquired by Executive in confidence or in trust prior to Executive's employment by the Company. Executive has not entered into, and shall not enter into, any agreement, arrangement or understanding, either written or oral, which is in conflict with this Employment Agreement or which would be violated by Executive entering into, or carrying out his obligations under, this Employment Agreement. This Employment Agreement supersedes any former oral agreement and any former written agreement heretofore executed relating generally to the employment of Executive with the Company, including without limitation, the Prior Agreement.

Section 20.02. *Assignment; Binding Effect*. This Employment Agreement may not be assigned by Executive in whole or in part. Notwithstanding the foregoing, this Employment Agreement shall inure to the benefit of and be enforceable by Executive's personal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts would still be payable to him hereunder if he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Employment Agreement to Executive's estate.

Section 20.03. *Headings*. Headings used in this Employment Agreement are for convenience only and shall not be used to interpret or construe its provisions.

Section 20.04. *Waiver*. No provision of this Employment Agreement may be waived or discharged unless such waiver or discharge is agreed to in writing and signed by the Chairman of the Board. No waiver by either Party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Employment Agreement to be performed by such other Party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

Section 20.05. *Amendments*. No amendments or variations of the terms and conditions of this Employment Agreement shall be valid unless the same is in writing and signed by the Parties hereto.

Section 20.06. *Severability*. The invalidity or unenforceability of any provision of this Employment Agreement, whether in whole or in part, shall not in any way affect the validity and/or enforceability of any other provision contained herein. Any invalid or unenforceable provision shall be deemed severable to the extent of any such invalidity or unenforceability. It is expressly understood and agreed that while the Company and Executive consider the restrictions contained in this Employment Agreement reasonable for the purpose of preserving for the Company the good will, other proprietary rights and intangible business value of the Company, if a final judicial determination is made by a court having jurisdiction that the time or territory or any other restriction contained in this Employment Agreement is an unreasonable or otherwise unenforceable restriction against Executive, the provisions of such clause shall not be rendered void but shall be deemed amended to apply as to maximum time and territory and to such other extent as such court may judicially determine or indicate to be reasonable.

Section 20.07. *Governing Law*. This Employment Agreement shall be construed and enforced pursuant to the laws of the State of Idaho.

Section 20.08. *Executive Officer Status*. Executive acknowledges that he may be deemed to be an "executive officer" of the Company for purposes of the Securities Act of 1933, as amended (the "***1933 Act***"), and the Securities Exchange Act of 1934, as amended (the "***1934 Act***") and, if so, he shall comply in all respects with all the rules and regulations under the 1933 Act and the 1934 Act applicable to him in a timely and non-delinquent manner. In order to assist the Company in complying with its obligations under the 1933 Act and 1934 Act, Executive shall provide to the Company such information about Executive as the Company shall reasonably request including, but not limited to, information relating to personal history and

stockholdings. Executive shall report to the Secretary of the Company or other designated officer of the Company all changes in beneficial ownership of any shares of the Company's Common Stock deemed to be beneficially owned by Executive and/or any members of Executive's immediate family. Executive further agrees to comply with all requirements placed on him by the Sarbanes-Oxley Act of 2002, Public Law 107-204.

Section 20.09. *Tax Withholding*. To the extent required by law, the Company shall deduct or withhold from any payments under this Employment Agreement all applicable Federal, state or local income taxes, Social Security, FICA, FUTA and other amounts that the Company determines in good faith are required by law to be withheld.

Section 20.10. *Counterparts*. This Employment Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one document.

Section 20.11. *Exhibits*. Any Exhibits attached hereto are incorporated herein by reference and are an integral part of this Employment Agreement and are deemed incorporated herein by reference.

Section 20.12. *Retention of Counsel*. Executive acknowledges that he has had the opportunity to review this Employment Agreement and the transactions contemplated hereby with his own legal counsel.

[*The remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, this Executive Employment Agreement has been duly executed by the Company and Executive as of the date first above written.

EXECUTIVE:

STEVEN D. WELLING

COMPANY:

US ECOLOGY, INC.

By:
Name: JEFFREY R. FEELER
Title: PRESIDENT AND CHIEF EXECUTIVE OFFICER

Exhibit 10.12

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (this "***Employment Agreement***" or this "***Agreement***") is made and entered into effective as of the 25th day of February, 2016 (the "***Effective Date***"), by and between US ECOLOGY, INC., a Delaware corporation (the "***Company***"), and SIMON G. BELL ("***Executive***"). The Company and Executive are sometimes collectively referred to herein as the "***Parties***," and individually, as a "***Party***."

WHEREAS, immediately prior to the Effective Date, Executive rendered valuable services to the Company in the capacity of Executive Vice President of Operations — Environmental Services, pursuant to an Employment Agreement, dated October 31, 2013 (the "***Prior Agreement***"); and

WHEREAS, the Parties desire to enter into this Agreement, to continue Executive's employment, on the terms and conditions hereinafter set forth, to reflect, *inter alia*, Executive's status as Executive Vice President of Operations — Environmental Services.

NOW, THEREFORE, in consideration of the premises, the mutual promises, covenants and conditions herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound hereby, agree as follows:

1.0. Employment.

Section 1.01. *Employment*. The Company hereby employs Executive, and Executive hereby accepts employment with the Company, all upon the terms and subject to the conditions set forth in this Employment Agreement, effective as of the Effective Date first set forth above.

Section 1.02. *Term of Employment*. The term of employment of Executive by the Company pursuant to this Employment Agreement shall be for the period commencing on the Effective Date and ending December 31, 2019 (the "***Employment Term***"), or such earlier date that Executive's employment is terminated in accordance with the provisions of this Employment Agreement; provided, however, that the Employment Term shall automatically renew for additional one year periods if neither the Company nor Executive has notified the other in writing of its or his intention not to renew this Employment Agreement on or before 60 days prior to the expiration of the Employment Term (including any renewal(s) thereof).

Section 1.03. *Capacity and Duties*. Executive is and shall be employed in the capacity of Executive Vice President of Operations — Environmental Services of the Company and its subsidiaries and shall have such other duties, responsibilities and authorities as may be assigned to him from time to time by the President and Chief Executive Officer ("CEO") or the Board of Directors of the Company (the "***Board***"), which are not materially inconsistent with Executive's positions with the Company. Except as otherwise herein provided, Executive shall devote his entire business time, best efforts and attention to promote and advance the business of the Company and its subsidiaries and to perform diligently and faithfully all the duties,

responsibilities and obligations of Executive to be performed by him under this Employment Agreement. Upon termination of Employee's employment for any reason, unless otherwise requested by the Board, Employee will be deemed to have resigned from the Board (and all other positions held at the Company and its affiliates) voluntarily, without any further action by Employee, as of the end of Employee's employment and Employee, at the Board's request, will execute any documents necessary to reflect his resignation.

Section 1.04. *Place of Employment*. Executive's principal place of work shall be the main corporate office of the Company, currently located in Boise, Idaho; provided, however, that the location of the Company and any of its offices may be moved from time to time in the discretion of the Board.

Section 1.05. *No Other Employment*. During the Term, Executive shall not be employed in any other business activity, whether or not such activity is pursued for gain, profit or other pecuniary advantage; provided, however, that this restriction shall not be construed as preventing Executive from (i) participating in charitable, civic, educational, professional, community or industry affairs; (ii) sitting on one outside board of directors for a public or private company that does not compete with the Company, with the prior concurrence of the Board that the required time commitment with respect to such position is acceptable; and (iii) investing his personal assets in a business which does not compete with the Company or its subsidiaries or with any other company or entity affiliated with the Company, where the form or manner of such investment will not require services on the part of Executive in the operation of the affairs of the business in which such investment is made and in which his participation is solely that of a passive investor or advisor, so long as the activities in clauses (i), (ii) and (iii), above, do not materially interfere with the performance of Executive's duties hereunder or create a potential business conflict or the appearance thereof.

Section 1.06. *Adherence to Standards*. Executive shall comply with the written policies, standards, rules and regulations of the Company from time to time established for all executive officers of the Company consistent with Executive's position and level of authority.

Section 1.07. *Review of Performance*. The CEO shall periodically review and evaluate with Executive his performance under this Employment Agreement.

2.0. Compensation.

During the Employment Term, subject to all the terms and conditions of this Employment Agreement and as compensation for all services to be rendered by Executive hereunder, the Company shall pay to or provide Executive with the following:

Section 2.01. *Base Salary*. During the Employment Term, the Company shall pay to Executive an annual base salary ("***Base Salary***") in an amount not less than Three Hundred Sixteen Thousand Five Hundred Dollars and No/100 ($316,500.00). Such Base Salary shall be payable in accordance with the regular payroll practices and procedures of the Company.

Section 2.02. *Incentive Pay*. Executive shall be eligible to participate in any cash incentive or bonus plans of the Company which are in effect for executives from time to time, including the annual cash incentive payment opportunity granted to Executive under the Company's Management Incentive Plan ("***MIP***" and together with any other cash incentive or bonus plans of the Company, the "***Cash Incentive Plans***"), subject to the terms and conditions thereof, at a minimum 60% of Base Salary ("***Target Bonus***") at a 100% of MIP target basis, which such MIP target shall be set annually by the Board. Anything to the contrary in this Agreement notwithstanding, the Company reserves the right to modify or terminate any or all of its Cash Incentive Plans at any time. In the event of any inconsistency between the terms of this Employment Agreement and the terms of any Cash Incentive Plan, the Cash Incentive Plan shall govern and control.

Section 2.03. *Paid Time Off and Other Benefits*. Executive shall be entitled to five weeks Paid Time Off ("***PTO***") per year, and shall have the right, on the same basis as other members of senior management of the Company, to participate in any and all employee benefit plans and programs of the Company, including medical plans, insurance plans and other benefit plans and programs as shall be, from time to time, in effect for executive employees and senior management personnel of the Company. Such participation shall be subject to the terms of the applicable plan documents, generally applicable Company policies and the discretion of the Board or any administrative or other committee provided for in, or contemplated by, each such plan or program. Anything to the contrary in this Agreement notwithstanding, the Company reserves the right to modify or terminate such benefit plans and programs at any time.

Section 2.04. *Expenses*. The Company shall reimburse Executive for all reasonable, ordinary and necessary expenses including, but not limited to, automobile and other business travel and customer and business entertainment expenses incurred by him in connection with his employment in accordance with the Company's expense reimbursement policy; provided, however, Executive shall render to the Company a complete and accurate accounting of all such expenses in accordance with the substantiation requirements of the Internal Revenue Code of 1986, as amended (the "***Code***"). Executive's right to reimbursement hereunder may not be liquidated or exchanged for any other benefit, the amount of expenses eligible for reimbursement hereunder in a calendar year shall not affect the amount of expenses eligible for reimbursement hereunder in any other calendar year, and Executive shall be reimbursed for eligible expenses no later than the close of the calendar year following the year in which Executive incurs the applicable expense.

3.0. Omitted

4.0. Termination of Employment.

Section 4.01. *Termination of Employment*. Executive's employment and this Employment Agreement may be terminated prior to expiration of the Employment Term as follows (with the date of termination of Executive's employment hereunder being referred to hereinafter as the "***Termination Date***"):

(a) By either Party by delivering 60 days' prior written notice of non-renewal as set forth in the Section 1.02 (*Term of Employment*);

(b) Upon no less than 30 days' written notice from the Company to Executive at any time *without* Cause (as hereinafter defined) and other than due to Executive's death or Disability, subject to the provisions of Section 5.02 (*Termination by the Company Without Cause or by the Executive For Good Reason*);

(c) By the Company *for* Cause (as hereinafter defined) immediately upon written notice stating the basis for such termination;

(d) Due to the death or Disability (as hereinafter defined) of Executive;

(e) By Executive at any time *with* or *without* Good Reason (as hereinafter defined) upon 30 days' written notice from Executive to the Company (or such shorter period) to which the Company may agree; and

(f) Upon the mutual agreement of the Company and Executive.

Section 4.02. *Effect of Termination*. In the event of termination of Executive's employment with the Company for any reason, or if Executive is required by the Board, Executive agrees to resign, and shall automatically be deemed to have resigned, from any offices (including any directorship) Executive holds with the Company or any of its subsidiaries effective as of the Termination Date or, if applicable, effective as of a date selected by the Board.

5.0. Payments and Benefits Upon Termination of Employment.

Section 5.01. *Termination by the Company For Cause or by the Executive Without Good Reason*. If Executive's employment and this Employment Agreement are terminated by the Company *for* Cause or by Executive *without* Good Reason, the Company shall pay Executive the Accrued Obligations (as hereinafter defined) (other than, however, any amounts due under any Cash Incentive Plan which shall be forfeited pursuant to the terms of such plan), in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination.

Section 5.02. *Termination by the Company Without Cause or by the Executive For Good Reason*. If Executive's employment and this Employment Agreement are terminated by the Company *without* Cause or if Executive terminates his employment and this Employment Agreement *for* Good Reason, the Company shall pay Executive the Accrued Obligations in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan. In addition, subject to Sections 6.0, 7.0 and 8.0, Executive shall be entitled to receive the following: (i) an amount equal to the sum of two year's Base Salary and two times Target Bonus ("***Severance Payment***") which shall be payable as provided below; (ii) continued vesting of granted stock options and the continued right to exercise such stock options following the Termination Date for the shorter of a period of one year or the original expiration date of such option; (iii) continued vesting of restricted stock and restricted stock unit grants for a period of one year

following the Termination Date (in the case of unvested restricted stock or unvested restricted stock units subject to "cliff" vesting, the number of shares or units in which the Executive shall vest shall be calculated based on a period from the start of the vesting period to the first anniversary of the Termination Date, as a percentage of the total vesting period); (iv) continued vesting of performance stock units for a period of one year following the Terminations Date with payment calculated based on a period from the start of the performance period to the Termination Date, as a percentage of the total performance period); and (v) continued medical, hospitalization, life insurance and disability benefits to which Executive was entitled at the Termination Date (any of which shall, to the extent required to avoid subjecting Executive to an additional tax under Section 409A of the Code or as otherwise determined by the Company in its discretion, be structured so as to require that Executive pay the premiums for such benefits on a timely basis, in which case the Company shall reimburse Executive for such premiums in accordance with Section 8.02 so that Executive is made whole on an after-tax basis) for a period of the lesser of 24 months following the Termination Date or the date Executive receives similar or comparable coverage from a new employer; provided, however, that the Company may unilaterally amend the foregoing clause (v) or eliminate the benefit provided thereunder to the extent it deems necessary to avoid the imposition of excise taxes, penalties or similar charges on the Company or any of its subsidiaries or affiliates, including, without limitation, under Code Section 4980D. All such additional payments and benefits under this Section 5.02 shall be conditional on Executive's timely execution and non-revocation of the Release (as defined in Section 7.0) and Executive's continued compliance with Section 11.0 (**Return of Property**), Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**), and Section 16.0 (**Covenant Not to Compete**). Payment of the Severance Payment shall be made in bi-weekly installments, in accordance with the regular payroll practices and procedures of the Company commencing on the first regularly scheduled payroll date occurring after Executive's Release becomes effective; provided, however, that if the period during which Executive can consider and revoke the Release begins in one calendar year and ends in the subsequent calendar year, then payment of the Severance Payment shall commence on the later of (a) the first regularly scheduled payroll date occurring after Executive's Release becomes effective, and (b) the first regularly scheduled payroll date occurring in the subsequent calendar year. The first such payment shall include any installments of the Severance Payment that would have been made on previous payroll dates but for the requirement that Executive execute a Release. The period, if any, during which Executive and his spouse and children are eligible to continue their coverage under the Company's group health plans pursuant to Section 4980B of the Code ("COBRA") shall run simultaneously with the period specified in clause (iv) (provided that nothing in such clause (iv) shall be deemed to extend such COBRA continuation period beyond the minimum period required by applicable law). For the avoidance of doubt, a termination of employment pursuant to Section 4.01(a) by notice of non-renewal by the Company for any reason other than Cause, shall be deemed a termination of employment by the Company without Cause for purposes of this Section 5.02.

Section 5.03. *Termination Due to Death*. If Executive's employment and this Employment Agreement are terminated due to Executive's death, the Company shall pay the estate of Executive the Accrued Obligations in a single, lump-sum payment within 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan.

Section 5.04. *Termination Due to Disability*. If Executive's employment and this Employment Agreement are terminated due to his Disability, the Company shall pay Executive the Accrued Obligations in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan. In addition, Executive will be eligible to participate in the Company's Long-Term Disability Plan or any other Disability Plans, on a basis no less favorable to Executive than other senior executives of the Company.

Section 5.05. *Retirement*. If Executive's employment and this Employment Agreement are terminated by virtue of Executive's Retirement prior to the expiration of the Employment Term, the Company shall pay Executive the Accrued Obligations in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan.

6.0. Payment and Benefits Upon Change of Control.

Subject to Sections 7.0 and 8.0, upon a Change of Control of the Company (as hereinafter defined) during the Employment Term and subsequent termination from the Company under Section 5.02 within 24 months after such Change of Control (including, for purposes of this Section, a termination for Good Reason), Executive shall receive, in lieu of the Severance Payment, a payment equal to two times the sum of (i) his annual Base Salary; and (ii) the *greater of* (a) any earned but unpaid amount due under any Cash Incentive Plan (as determined by the terms of the Cash Incentive Plan); and (b) the Executive's Target Bonus amount; and (c) the Cash Incentive Plan payment received (if any) for the fiscal year immediately preceding the Cash Incentive Plan year in Subsection (ii)(a) herein (collectively, the "***Change of Control Payment***"). Such Change of Control Payment shall be paid in a single lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days after Executive's Release becomes effective; provided, however, that if the period during which Executive can consider and revoke the Release begins in one calendar year and ends in the subsequent calendar year, then the lump sum will be paid in the subsequent calendar year (and in any event by March 15 of such year), regardless of when Executive's Release becomes effective, and even if payment occurs more than 45 days after Executive's Release becomes effective. However, if a portion of the Change of Control Payment is based on (ii)(a) or (ii)(b) of this Section 6.0, such amount shall be paid according to the terms of the corresponding Cash Incentive Plan. The Executive shall be entitled to the other benefits set forth in Section 5.02 (other than the Severance Payment), except that all unvested stock options and restricted stock shall become fully vested upon the Termination Date under this Section 6.0; provided, however, that if unvested stock options and restricted stock held by the Executive are not continued, substituted for or assumed by the successor company in connection with a Change of Control, such awards shall immediately vest upon the Change of Control. In the event of an inconsistency between this Section 6.0 and Section 5.02, this Section 6.0 shall govern and control.

7.0. Release.

Executive's entitlement to the payments and benefits described in the second sentence of Section 5.02 and in Section 6.0 is subject to and conditioned upon Executive's timely execution, without subsequent revocation, of a release of claims (in a form satisfactory to the Company) in favor of the Company and its subsidiaries and affiliates (the "***Release***"); provided, however, that notwithstanding the foregoing, the Release is not intended to and will not waive the Executive's rights: (i) to indemnification pursuant to any applicable provision of the Company's Bylaws or Certificate of Incorporation, as amended, pursuant to any written indemnification agreement between the Executive and the Company, or pursuant to applicable law; (ii) to vested benefits or payments specifically to be provided to the Executive under this Agreement or any Company employee benefit plans or policies; or (iii) respecting any claims the Executive may have solely by virtue of the Executive's status as a stockholder of the Company. The Release also shall not impose any restrictive covenant on the Executive's conduct post-termination that the Executive had not agreed to prior to the Executive's termination in this Agreement or otherwise) or include claims that an employee cannot lawfully release through execution of a general release of claims.

To be timely, the Release must become effective (i.e., Executive must sign it and any revocation period must expire without Executive revoking the Release) within 60 days, or such shorter period specified in the Release, after Executive's date of termination of employment. If the Release does not become effective within such time period, then Executive shall not be entitled to such payments and benefits. The Company is obligated to provide Executive the Release within 39 calendar days from Termination Date and Executive shall have a minimum of 21 calendar days to review and comment on the Release.

8.0. Compliance With Section 409A.

Section 8.01. *General*. The provisions of this Employment Agreement are intended to comply with the requirements of Section 409A of the Code and any regulations and official guidance promulgated thereunder ("***Section 409A***") or an exemption or exclusion therefrom and, with respect to amounts that are subject to Section 409A, shall in all respects be interpreted and administered in accordance with Section 409A. Any payments that qualify for the "short-term deferral" exception or another exception under Section 409A shall be paid under the applicable exception. Each payment of compensation under this Employment Agreement shall be treated as a separate payment of compensation for purposes of Section 409A and a right to a series of installment payments under this Employment Agreement (including pursuant to Section 5.02) shall be treated as a right to a series of separate and distinct payments. All payments to be made upon a termination of employment under this Employment Agreement may only be made upon a "separation from service" under Section 409A. In no event may Executive, directly or indirectly, designate the calendar year of any payment under this Plan.

Section 8.02. *In-Kind Benefits and Reimbursements*. Notwithstanding anything to the contrary in this Employment Agreement, all reimbursements and in-kind benefits provided hereunder shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (a) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified herein); (b) the amount

of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, except, if such benefits consist of the reimbursement of expenses referred to in Section 105(b) of the Code, a maximum, if provided under the terms of the plan providing such medical benefit, may be imposed on the amount of such reimbursements over some or all of the period in which such benefit is to be provided to Executive as described in Treasury Regulation Section 1.409A-3(i)(1)(iv)(B); (c) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the calendar year in which the expense is incurred, *provided* that reimbursement shall be made only if Executive has submitted an invoice for such expenses at least 10 days before the end of the calendar year following the calendar year in which such expenses were incurred; and (d) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

Section 8.03. *Delay of Payments*. Notwithstanding any other provision of this Employment Agreement to the contrary, if Executive is considered a "specified employee" for purposes of Section 409A (as determined in accordance with the methodology established by the Company as in effect on the date of termination of employment), any payment that constitutes nonqualified deferred compensation within the meaning of Section 409A that is otherwise due to Executive hereunder during the six-month period following Executive's separation from service (as determined in accordance with Section 409A) on account of Executive's separation from service shall be accumulated and paid to Executive on the first business day after the date that is six months following Executive's separation from service (the "***Delayed Payment Date***"). The Executive shall be entitled to interest (at a per annum rate equal to the highest rate of interest applicable to six-month non-callable certificates of deposit with daily compounding offered by the following institutions: Citibank, N.A., Wells Fargo Bank, N.A. or Bank of America, on the date of such separation from service) on any cash payments so delayed from the scheduled date of payment to the Delayed Payment Date. If Executive dies during the postponement period, the amounts and entitlements delayed on account of Section 409A shall be paid to the personal representative of Executive's estate on the first to occur of the Delayed Payment Date or 30 days after the date of Executive's death.

Section 8.04. *Cooperation*. Executive and the Company agree to work together in good faith to consider amendments to this Employment Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

9.0. Limitation on Payments.

In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code and (ii) but for this Section 9.0, would be subject to the excise tax imposed by Section 4999 of the Code, then Executive's severance benefits under the foregoing clause (i) will be either:

(a) delivered in full; or

(b) delivered as to such lesser extent as would result in no portion of such severance benefits being subject to excise tax under Section 4999 of the Code,

Whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of severance benefits, notwithstanding that all or some portion of such severance benefits may be taxable under Section 4999 of the Code. If a reduction in severance and other benefits constituting "parachute payments" is necessary so that benefits are delivered to a lesser extent, reduction shall occur in the following order: (i) reduction of cash payments; (ii) cancellation of awards granted "contingent on a change in ownership or control" (within the meaning of Code Section 280G); (iii) cancellation of accelerated vesting of equity awards; and (iv) reduction of employee benefits; provided that the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code. In the event that acceleration of vesting of equity award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Executive's equity awards. Unless the Company and Executive otherwise agree in writing, any determination required under this Section 9.0 will be made in writing by an independent firm (the "***Firm***") immediately prior to Change of Control, whose determination will be conclusive and binding upon the Executive and the Company for all purposes. For purposes of making the calculations required by this Section 9.0, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section 9.0. The Company will bear all costs the Firm may reasonably incur in connection with any calculations contemplated by this Section.

10.0. Definitions.

In addition to the words and terms elsewhere defined in this Employment Agreement, certain capitalized words and terms used herein shall have the meanings given to them by the definitions and descriptions in this Section 10.0, unless the context or use indicates another or different meaning or intent, and such definition shall be equally applicable to both the singular and plural forms of any of the capitalized words and terms herein defined. The following words and terms are defined terms under this Employment Agreement:

(a) "***Accrued Obligations***" shall include (i) any unpaid Base Salary through the Termination Date and any accrued PTO in accordance with the Company's policy; (ii) reimbursement for any un-reimbursed business expenses incurred through the Termination Date; and (iii) all other payments, benefits or fringe benefits to which Executive may be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant or this Employment Agreement. Accrued Obligations shall also include any cash incentive earned under any Cash Incentive Plan and shall be paid on a pro-rata basis based on days employed during the fiscal year of such plan if any. For the sake of clarity and by way of example only, if the Executive is employed for 270 days of a fiscal year and the management incentive plan in place at the time pays out 100% of target, the Executive would be owed 74% (270/365) of any incentive payments to which he would have been entitled had his employment

not been terminated. Such payments shall be made in accordance with the terms of any Cash Incentive Plan in effect at the time, except that any requirement that the recipient must be an employee at the time of payment shall be waived by the Company under this policy.

(b) A termination for "***Cause***" shall mean a termination of this Employment Agreement by reason of a determination by two-thirds (2/3) of the members of the Board (excluding, for such purposes, Executive, if Executive is a member of the Board) voting that Executive:

(i) Has engaged in willful neglect (other than neglect resulting from his incapacity due to physical or mental illness) or willful misconduct in the performance of his duties for the Company under this Employment Agreement;

(ii) Has engaged in willful conduct the consequences of which are materially adverse to the Company, monetarily or otherwise;

(iii) Has materially breached the terms of this Employment Agreement, and such breach persisted after notice thereof from the Company and a reasonable opportunity to cure; or

(iv) Has been convicted of (or has plead guilty or no contest to) any felony other than a traffic violation.

(c) A "***Change of Control***" shall be deemed to have occurred upon:

(i) The consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company (each, a "***Business Combination***"), unless, following such Business Combination, all or substantially all of the individuals and entities that were the beneficial owners of the combined voting power of the Company's outstanding securities immediately prior to such Business Combination beneficially own, directly or indirectly, at least 60% of the combined voting power of the then-outstanding securities of the entity resulting from such Business Combination in substantially the same proportions as their ownership of the combined voting power of the Company's outstanding securities immediately prior to the Business Combination; provided, however, that a public offering of the Company's securities shall not constitute a Business Combination;

(ii) The sale, transfer, or other disposition of all or substantially all of the Company's assets; or

(iii) Any transaction as a result of which any person is the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 25% of the total voting power represented by the Company's then outstanding voting securities. For purposes of this subparagraph (iii), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act, but shall exclude (x) a trustee or other

fiduciary holding securities under an Executive benefit plan of the Company or of a subsidiary and (y) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company.

(iv) A change in the composition of the Board in any two-year period as a result of which fewer than a majority of the directors are Incumbent Directors. "***Incumbent Directors***" shall mean directors who either (a) are directors of the Company as of the start of the period or (b) are elected, or nominated for election, to the Board with the affirmative votes (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for election as a director without objection to such nomination) of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors of the Company).

(d) "***Disability***" shall be as defined in the Company's Long-Term Disability Plan.

(e) "***Good Reason***" shall mean the occurrence of any of the following without Executive's prior written consent during the Employment Period, which occurrence continues for 10 days after written notice thereof from Executive to the Board:

(i) Any material diminution or adverse change in Executive's position, status, title, authorities or responsibilities, office or duties under this Employment Agreement which represents a demotion from such position, status, title, authorities or responsibilities, office or duties which are materially inconsistent with his position, status, title, authorities or responsibilities, office or duties set forth in this Employment Agreement, or any removal of Executive from, or failure to appoint, elect, reappoint or reelect Executive to, any of his positions, except in connection with the termination of his employment with or without Cause, or as a result of his death or Disability.

(ii) The exclusion of Executive in any incentive, bonus or other compensation plan in which Executive participated at the time that this Employment Agreement is executed, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to the failure to continue such plan, or the failure by the Company to continue Executive's participation therein, or any action by the Company which would directly or indirectly materially reduce his participation therein or reward opportunities thereunder; provided, however, that Executive continues to meet all eligibility requirements thereof. Notwithstanding the foregoing, this provision shall not apply to the exclusion of Executive in any incentive, bonus or other compensation plan in which Executive participated at the time that this Employment Agreement is executed to the extent that such termination is required by law;

(iii) The failure by the Company to include or continue Executive's participation in any material employee benefit plan (including any medical, hospitalization, life insurance or disability benefit plan in which Executive participates or in which other Company executives participate), or any material fringe benefit or prerequisite enjoyed by him unless an equitable arrangement (embodied in an ongoing substitute or alternative plan, if applicable) has been made with respect to the failure to include Executive in such plan, or the failure by the Company to continue Executive's participation therein, or any action by the Company which would directly or indirectly materially reduce his participation therein or reward opportunities thereunder, or the failure by the Company to provide him with the benefits to which he is entitled under this Employment Agreement; provided, however, that Executive continues to meet all eligibility requirements thereof. Notwithstanding the foregoing, this provision shall not apply to the exclusion of Executive in any Executive benefit plan in which Executive participated at the time that this Employment Agreement is executed to the extent that such termination is required by law, or the failure to continue such plan or benefit is applicable to the Company's executive officers and/or Executives generally; or

(iv) Any material breach by the Company of any provision of this Employment Agreement.

(v) The movement of main corporate office of the Company beyond a 50 mile radius from Boise, Idaho or beyond a 50 mile radius the Executive's primary place of employment if not in the corporate office.

Notwithstanding any other provision of this Agreement to the contrary, Executive shall be deemed not to have terminated his employment for Good Reason unless (i) Executive notifies the Board in writing of the condition that Executive believe constitutes Good Reason within 90 days of the initial existence thereof (which notice specifically identifies such condition and the details regarding its existence), (ii) the Company fails to remedy such condition within 10 days after the date on the Board receives such notice (the "***Remedial Period***"), and (iii) Executive terminates employment with the Company (and its subsidiaries and affiliates) within 60 days after the end of the Remedial Period. The failure by Executive to include in the notice any fact or circumstance that contributes to a showing of Good Reason shall not waive any right of Executive hereunder or preclude Executive from asserting such fact or circumstance in enforcing his or her rights hereunder.

(f) "***Retirement***" shall mean retirement upon "normal retirement age" as defined in the Company's 401(k) retirement plan.

11.0. Return of Property.

Executive agrees, upon the termination of his employment with the Company, to return all physical, computerized, electronic or other types of records, documents, proposals, notes, lists, files and any and all other materials, including without limitation, computerized and/or electronic information that refers, relates or otherwise pertains to the Company and/or its subsidiaries, and any and all business dealings of said persons and entities. In addition,

Executive shall return to the Company all property and equipment that Executive has been issued during the course of his employment or which he otherwise currently possesses, including but not limited to, any computers, cellular phones, personal digital assistants, pagers and/or similar items. Executive shall immediately deliver to the Company any such physical, computerized, electronic or other types of records, documents, proposals, notes, lists, files, materials, property and equipment that are in Executive's possession. Executive further agrees that he will immediately forward to the Company any business information regarding the Company and/or its subsidiaries that has been or is inadvertently directed to Executive following his last day of employment with the Company. The provisions of this Section 11.0 are in addition to any other written agreements on this subject that Executive may have with the Company and/or its subsidiaries, and are not meant to and do not excuse any additional obligations that Executive may have under such agreements.

12.0. Notices.

For the purposes of this Employment Agreement, notices and all other communications provided for hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, or by expedited (overnight) courier with established national reputation, shipping prepaid or billed to sender, in either case addressed to the respective addresses last given by each Party to the other (provided that all notices to the Company shall be directed to the attention of the Chief Executive Officer) or to such other address as either Party may have furnished to the other in writing in accordance herewith. All notices and communication shall be deemed to have been received on the date of delivery thereof, or on the second day after deposit thereof with an expedited courier service, except that notice of change of address shall be effective only upon receipt. Notices shall be addressed as follows:

If to the Company:
251E. Front St., Suite 400, Boise, Idaho 83702.

If to the Executive:
251 E. Front Street, Suite 400, Boise, Idaho 83706, or
as on file with the Company's Corporate Secretary

13.0. Life Insurance.

The Company may, at any time after the execution of this Employment Agreement, apply for and procure as owner and for its own benefit, life insurance on Executive, in such amounts and in such form or forms as the Company may determine. The Executive shall, at the request of the Company, submit to such medical examinations, supply such information, and execute such documents as may be required by the insurance company or companies to whom the Company has applied for such insurance.

14.0. Confidentiality.

Executive agrees not to disclose or reveal to any person or entity outside the Company any secret or confidential information concerning any Company product, process, equipment, machinery, design, formula, business, or other activity (collectively, "***Confidential Information***") without prior permission of the Company in writing. Confidential Information shall not include any information which is in the public domain or becomes publicly known through no wrongful act on the part of Executive or breach of this Employment Agreement. Executive acknowledges that the Confidential Information is vital, sensitive, confidential and proprietary to the Company. The obligation to protect the secrecy of such information continues after employment with Company may be terminated. In furtherance of this agreement, Executive acknowledges that all Confidential Information which Executive now possesses, or shall hereafter acquire, concerning and pertaining to the business and secrets of the Company and all inventions or discoveries made or developed, or suggested by or to Executive during said term of employment relating to Company's business shall, at all times and for all purposes, be regarded as acquired and held by Executive in his fiduciary capacity and solely for the benefit of Company.

15.0. Work Product Assignment.

Executive agrees that all inventions, innovations, improvements, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable) which relate to the actual or anticipated business, research and development or existing or future products or services of the Company or of any of its subsidiaries or affiliates, and which are conceived, developed or made by Executive (whether or not during usual business hours and whether or not alone or in conjunction with any other person) while employed by the Company, together with all patent applications, letters patent, trademark, trade name and service mark applications or registrations, copyrights and reissues thereof that may be granted for or upon any of the foregoing (collectively referred to herein as the "***Work Product***"), belong in all instances to the Company or its subsidiaries or affiliates, as applicable, and Executive hereby assigns to the Company all Work Product and all of his interest therein. Executive will promptly perform all actions reasonably requested by the Board (whether during or after his employment with the Company) to establish and confirm the ownership of such Work Product (including, without limitation, the execution and delivery of assignments, consents, powers of attorney and other instruments) by the Company or its subsidiaries or affiliates, as applicable, and to provide reasonable assistance to the Company or any of its subsidiaries and affiliates in connection with the prosecution of any applications for patents, trademarks, trade names, service marks or reissues thereof or in the prosecution or defense of interferences relating to any Work Product.

16.0. Covenant Not to Compete.

Section 16.01. *Acknowledgment of Executive*. Executive acknowledges that his employment with the Company has special, unique and extraordinary value to the Company; that the Company has a lawful interest in protecting its investment in entrusting its Confidential Information to him; and that the Company would be irreparably damaged if Executive were to provide services to any person or entity in violation of this Employment Agreement because in performing such services Executive would inevitably disclose the Company's Confidential

Information to third parties and that the restrictions, prohibitions and other provision of this Section 16.0 are reasonable, fair and equitable in scope, terms, and duration to protect the legitimate business interests of the Company, and are a material inducement to the Company to enter into this Employment Agreement.

Section 16.02. *Non-Competition Covenant*. Without the consent in writing of the Board, Executive will not, during the Employment Agreement and for a period of 12 months after such termination of employment (if by the Company *for* Cause or by Executive *without* Good Reason), acting alone or in conjunction with others, directly or indirectly engage (either as owner, investor, partner, stockholder, employer, employee, consultant, advisor or director) in activities on behalf of any entity or entities engaged in waste processing and disposal services for low-level radioactive-wastes, naturally occurring, accelerator produced, and exempt radioactive materials, and hazardous and PCB wastes. It is agreed that the ownership of not more than five percent (5%) of the equity securities of any company having securities listed on an exchange or regularly traded in the over-the-counter market shall not, of itself, be deemed inconsistent with this Section 16.02.

Section 16.03. *Non-Solicitation of Vendors and Customers*. Without the consent in writing of the Board, after Executive's employment has terminated for any reason, Executive will not, during the Employment Agreement and for a period of 18 months thereafter acting alone or in conjunction with others, either directly or indirectly induce any vendors or customers of the Company to curtail or cancel their business with the Company or any of its subsidiaries.

Section 16.04. *Non-Solicitation of Employees*. Without the consent in writing of the Board, after Executive's employment has terminated for any reason, Executive will not, during the Employment Agreement and for a period of 24 months thereafter, acting alone or in conjunction with others, either directly or indirectly induce, or attempt to influence, any employee of the Company or any of its subsidiaries to terminate his or her employment.

17.0. Remedies.

Section 17.01. *Specific Performance; Costs of Enforcement*. Executive acknowledges that the covenants and agreements, which he has made in this Employment Agreement are reasonable and are required for the reasonable protection of the Company and its business. Executive agrees that the breach of any covenant or agreement contained herein will result in irreparable injury to the Company and that, in addition to all other remedies provided by law or in equity with respect to the breach of any provision of this Employment Agreement, the Company and its successors and assigns will be entitled to enforce the specific performance by Executive of his obligations hereunder and to enjoin him from engaging in any activity in violation hereof and that no claim by Executive against the Company or its successors or assigns will constitute a defense or bar to the specific enforcement of such obligations. Executive agrees that the Company and any successor or assign shall be entitled to recover all costs of enforcing any provision of this Employment Agreement, including, without limitation, reasonable attorneys' fees and costs of litigation. In the event of a breach by Executive of any covenant or agreement contained herein, the running of the restrictive covenant periods (but not of

Executive's obligations hereunder) shall be tolled during the period of the continuance of any actual breach or violation.

Section 17.02. *Remedy for Breach of Restrictive Covenants*. The provisions of Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**), and Section 16.0 (**Covenant Not to Compete**) are separate and distinct commitments independent of each of the other Sections. Accordingly, notwithstanding any other provisions of this Employment Agreement, Executive agrees that damages in the event of a breach or a threatened breach by Executive of Section 14.0 (**Confidentiality**) and Section 16.0 (**Covenant Not to Compete**) would be difficult if not impossible to ascertain and an inadequate remedy, and it is therefore agreed that the Company, in addition to and without limiting any other remedy or right it may have, shall have the right to an immediate injunction or other equitable relief enjoining any such threatened or actual breach, without any requirement to post bond or provide similar security. The existence of this right shall not preclude the Company from pursuing any other rights and remedies at law or in equity that the Company may have, including recovery of damages for any breach of such Sections.

Section 17.03. *Right to Cancel Payments*.

(a) In addition to the remedies set forth above in Sections 17.01 and 17.02, the Company may, at the sole discretion of the Board, cancel, rescind, suspend, withhold or otherwise limit or restrict the Severance Payment under Section 5.02 (*Termination by the Company Without Cause or by the Executive For Good Reason*) (which excludes any other payments made to Executive under Section 2.0 and under Sections 5.0 and 6.0 above), whether vested or not, at any time if:

(i) Executive is not in compliance with all of the provisions of Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**) and Section 16.0 (**Covenant Not to Compete**); and

(ii) Such non-compliance has been finally determined by binding arbitration pursuant to Section 18.0 (**Dispute Resolution**).

(b) As a condition to the receipt of any Severance Payment, Executive shall certify to the Company that he is in compliance with the provisions set forth above.

(c) In the event that Executive fails to comply with the provisions set forth in Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**) and/or Section 16.0 (**Covenant Not to Compete**), as finally determined by binding arbitration pursuant to Section 18.0 (**Dispute Resolution**), prior to or within twelve (12) months after any payment by the Company with respect to any Severance Payment under Section 5.02, such payment may be rescinded by the Company within 12 months thereafter. In the event of such rescission, Executive shall pay to the Company, within 12 months of the Company's rescission of one or more Severance Payments, the amount of any such payment(s) received as a result of the rescinded payment(s), without interest, in such further manner and on such further terms and conditions as may be required by the Company; and the Company shall be entitled to set-off

against the amount of such payment any amount owed to Executive by the Company, other than wages.

(d) Executive acknowledges that the foregoing provisions are fair, equitable and reasonable for the protection of the Company's interests in a stable workforce and the time and expense the Company has incurred to develop its business and its customer and vendor relationships.

18.0. Dispute Resolution.

Except as described above in Section 17.02 (*Remedy for Breach of Restrictive Covenants*):

Section 18.01. *Initial Negotiations*. Company and Executive agree to resolve all disputes arising out of their employment relationship by the following alternative dispute resolution process: (a) the Company and Executive agree to seek a fair and prompt negotiated resolution; but if this is not possible, (b) all disputes shall be resolved by binding arbitration; *provided, however*, that during this process, at the request of either Party, made not later than 60 days after the initial arbitration demand, the Parties agree to attempt to resolve any dispute by non-binding, third-party intervention, including either mediation or evaluation or both but without delaying the arbitration hearing date. BY ENTERING INTO THIS EMPLOYMENT AGREEMENT, BOTH PARTIES GIVE UP THEIR RIGHT TO HAVE THE DISPUTE DECIDED IN COURT BY A JUDGE OR JURY.

Section 18.02. *Mandatory Arbitration*. Any controversy or claim arising out of or connected with Executive's employment at the Company, including but not limited to claims for compensation or severance and claims of wrongful termination, age, sex or other discrimination or civil rights shall be decided by arbitration. In the event the Parties cannot agree on an arbitrator, then the arbitrator shall be selected by the administrator of the American Arbitration Association ("***AAA***") office in Salt Lake City, Utah. The arbitrator shall be an attorney with at least 15 years' experience in employment law in Idaho. Boise, Idaho shall be the site of the arbitration. All statutes of limitation, which would otherwise be applicable, shall apply to any arbitration proceeding hereunder. Any issue about whether a controversy or claim is covered by this Employment Agreement shall be determined by the arbitrator.

Section 18.03. *Arbitration Rules*.

(a) The arbitration shall be conducted in accordance with this Employment Agreement, using as appropriate the AAA Employment Dispute Resolution Rules in effect on the date hereof. The arbitrator shall not be bound by the rules of evidence or of civil procedure, but rather may consider such writings and oral presentations as reasonable business people would use in the conduct of their day-to-day affairs, and may require both Parties to submit some or all of their respective cases by written declaration or such other manner of presentation as the arbitrator may determine to be appropriate. The Parties agree to limit live testimony and cross-examination to the extent necessary to ensure a fair hearing on material issues.

(b) The arbitrator shall take such steps as may be necessary to hold a private hearing within 120 days of the initial request for arbitration and to conclude the hearing within two days; and the arbitrator's written decision shall be made not later than 14 calendar days after the hearing. The Parties agree that they have included these time limits in order to expedite the proceeding, but they are not jurisdictional, and the arbitrator may for good cause allow reasonable extensions or delays, which shall not affect the validity of the award. Both written discovery and depositions shall be allowed. The extent of such discovery will be determined by the Parties and any disagreements concerning the scope and extent of discovery shall be resolved by the arbitrator. The written decision shall contain a brief statement of the claim(s) determined and the award made on each claim. In making the decision and award, the arbitrator shall apply applicable substantive law. The arbitrator may award injunctive relief or any other remedy available from a judge, including consolidation of this arbitration with any other involving common issues of law or fact which may promote judicial economy, and may award attorneys' fees and costs to the prevailing Party, but shall not have the power to award punitive or exemplary damages. The Parties specifically state that the agreement to limit damages was agreed to by the Parties after negotiations.

19.0. Attorneys' Fees.

Section 19.01. *Prevailing Party Entitled to Attorneys' Fees*. In any action at law or in equity to enforce any of the provisions or rights under this Employment Agreement, the unsuccessful Party to such litigation, as determined by the arbitrator in accordance with the dispute resolution provisions set forth above, shall pay the successful Party or Parties all costs, expenses and reasonable attorneys' fees incurred therein by such Party or Parties (including, without limitation, such costs, expenses and fees on appeal), excluding, however, any time spent by Company employees, including in-house legal counsel, and if such successful Party or Parties shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

Section 19.02. *Limitation on Fees*. Notwithstanding the foregoing provision, in no event shall the successful Party or Parties be entitled to recover an amount from the unsuccessful Party for costs, expenses and attorneys' fees that exceeds the unsuccessful Party's or Parties' costs, expenses and attorneys' fees in connection with the action or proceeding.

20.0. Miscellaneous Provisions.

Section 20.01. *Prior Employment Agreements*. Executive represents and warrants that Executive's performance of all the terms of this Employment Agreement and as an Executive of the Company does not, and will not, breach any employment agreement, arrangement or understanding or any agreement, arrangement or understanding to keep in confidence proprietary information acquired by Executive in confidence or in trust prior to Executive's employment by the Company. Executive has not entered into, and shall not enter into, any agreement, arrangement or understanding, either written or oral, which is in conflict with this Employment Agreement or which would be violated by Executive entering into, or carrying out his obligations under, this Employment Agreement. This Employment Agreement supersedes any former oral agreement and any former written agreement heretofore executed

relating generally to the employment of Executive with the Company, including without limitation, the Prior Agreement.

Section 20.02. *Assignment; Binding Effect*. This Employment Agreement may not be assigned by Executive in whole or in part. Notwithstanding the foregoing, this Employment Agreement shall inure to the benefit of and be enforceable by Executive's personal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts would still be payable to him hereunder if he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Employment Agreement to Executive's estate.

Section 20.03. *Headings*. Headings used in this Employment Agreement are for convenience only and shall not be used to interpret or construe its provisions.

Section 20.04. *Waiver*. No provision of this Employment Agreement may be waived or discharged unless such waiver or discharge is agreed to in writing and signed by the Chairman of the Board. No waiver by either Party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Employment Agreement to be performed by such other Party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

Section 20.05. *Amendments*. No amendments or variations of the terms and conditions of this Employment Agreement shall be valid unless the same is in writing and signed by the Parties hereto.

Section 20.06. *Severability*. The invalidity or unenforceability of any provision of this Employment Agreement, whether in whole or in part, shall not in any way affect the validity and/or enforceability of any other provision contained herein. Any invalid or unenforceable provision shall be deemed severable to the extent of any such invalidity or unenforceability. It is expressly understood and agreed that while the Company and Executive consider the restrictions contained in this Employment Agreement reasonable for the purpose of preserving for the Company the good will, other proprietary rights and intangible business value of the Company, if a final judicial determination is made by a court having jurisdiction that the time or territory or any other restriction contained in this Employment Agreement is an unreasonable or otherwise unenforceable restriction against Executive, the provisions of such clause shall not be rendered void but shall be deemed amended to apply as to maximum time and territory and to such other extent as such court may judicially determine or indicate to be reasonable.

Section 20.07. *Governing Law*. This Employment Agreement shall be construed and enforced pursuant to the laws of the State of Idaho.

Section 20.08. *Executive Officer Status*. Executive acknowledges that he may be deemed to be an "executive officer" of the Company for purposes of the Securities Act of 1933, as amended (the "***1933 Act***"), and the Securities Exchange Act of 1934, as amended (the "***1934 Act***") and, if so, he shall comply in all respects with all the rules and regulations under the 1933 Act and the 1934 Act applicable to him in a timely and non-delinquent manner. In order to assist

the Company in complying with its obligations under the 1933 Act and 1934 Act, Executive shall provide to the Company such information about Executive as the Company shall reasonably request including, but not limited to, information relating to personal history and stockholdings. Executive shall report to the Secretary of the Company or other designated officer of the Company all changes in beneficial ownership of any shares of the Company's Common Stock deemed to be beneficially owned by Executive and/or any members of Executive's immediate family. Executive further agrees to comply with all requirements placed on him by the Sarbanes-Oxley Act of 2002, Public Law 107-204.

Section 20.09. *Tax Withholding*. To the extent required by law, the Company shall deduct or withhold from any payments under this Employment Agreement all applicable Federal, state or local income taxes, Social Security, FICA, FUTA and other amounts that the Company determines in good faith are required by law to be withheld.

Section 20.10. *Counterparts*. This Employment Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one document.

Section 20.11. *Exhibits*. Any Exhibits attached hereto are incorporated herein by reference and are an integral part of this Employment Agreement and are deemed incorporated herein by reference.

Section 20.12. *Retention of Counsel*. Executive acknowledges that he has had the opportunity to review this Employment Agreement and the transactions contemplated hereby with his own legal counsel.

[*The remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, this Executive Employment Agreement has been duly executed by the Company and Executive as of the date first above written.

EXECUTIVE:

SIMON G. BELL

COMPANY:

US ECOLOGY, INC.

By:
Name: JEFFREY R. FEELER
Title: PRESIDENT AND CHIEF EXECUTIVE OFFICER

Exhibit 10.13

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (this "***Employment Agreement***" or this "***Agreement***") is made and entered into effective as of the 25th day of February, 2016 (the "***Effective Date***"), by and between US ECOLOGY, INC., a Delaware corporation (the "***Company***"), and MARIO ROMERO ("***Executive***"). The Company and Executive are sometimes collectively referred to herein as the "***Parties***," and individually, as a "***Party***."

WHEREAS, the Parties desire to enter into this Agreement, to continue Executive's employment, on the terms and conditions hereinafter set forth, to reflect, *inter alia*, Executive's status as Executive Vice President of Operations — Field and Industrial Services.

NOW, THEREFORE, in consideration of the premises, the mutual promises, covenants and conditions herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound hereby, agree as follows:

1.0. Employment.

Section 1.01. *Employment*. The Company hereby employs Executive, and Executive hereby accepts employment with the Company, all upon the terms and subject to the conditions set forth in this Employment Agreement, effective as of the Effective Date first set forth above.

Section 1.02. *Term of Employment*. The term of employment of Executive by the Company pursuant to this Employment Agreement shall be for the period commencing on the Effective Date and ending December 31, 2019 (the "***Employment Term***"), or such earlier date that Executive's employment is terminated in accordance with the provisions of this Employment Agreement; provided, however, that the Employment Term shall automatically renew for additional one year periods if neither the Company nor Executive has notified the other in writing of its or his intention not to renew this Employment Agreement on or before 60 days prior to the expiration of the Employment Term (including any renewal(s) thereof).

Section 1.03. *Capacity and Duties*. Executive is and shall be employed in the capacity of Executive Vice President of Operations — Field and Industrial Services of the Company and its subsidiaries and shall have such other duties, responsibilities and authorities as may be assigned to him from time to time by the President and Chief Executive Officer ("CEO") or the Board of Directors of the Company (the "***Board***"), which are not materially inconsistent with Executive's positions with the Company. Except as otherwise herein provided, Executive shall devote his entire business time, best efforts and attention to promote and advance the business of the Company and its subsidiaries and to perform diligently and faithfully all the duties, responsibilities and obligations of Executive to be performed by him under this Employment Agreement. Upon termination of Employee's employment for any reason, unless otherwise requested by the Board, Employee will be deemed to have resigned from the Board (and all other positions held at the Company and its affiliates) voluntarily, without any further

action by Employee, as of the end of Employee's employment and Employee, at the Board's request, will execute any documents necessary to reflect his resignation.

Section 1.04. *Place of Employment*. Executive's principal place of work shall be the regional office of the Company, currently located in Livonia, Michigan; provided, however, that the location of the Company and any of its offices may be moved from time to time in the discretion of the Board.

Section 1.05. *No Other Employment*. During the Term, Executive shall not be employed in any other business activity, whether or not such activity is pursued for gain, profit or other pecuniary advantage; provided, however, that this restriction shall not be construed as preventing Executive from (i) participating in charitable, civic, educational, professional, community or industry affairs; (ii) sitting on one outside board of directors for a public or private company that does not compete with the Company, with the prior concurrence of the Board that the required time commitment with respect to such position is acceptable; and (iii) investing his personal assets in a business which does not compete with the Company or its subsidiaries or with any other company or entity affiliated with the Company, where the form or manner of such investment will not require services on the part of Executive in the operation of the affairs of the business in which such investment is made and in which his participation is solely that of a passive investor or advisor, so long as the activities in clauses (i), (ii) and (iii), above, do not materially interfere with the performance of Executive's duties hereunder or create a potential business conflict or the appearance thereof.

Section 1.06. *Adherence to Standards*. Executive shall comply with the written policies, standards, rules and regulations of the Company from time to time established for all executive officers of the Company consistent with Executive's position and level of authority.

Section 1.07. *Review of Performance*. The CEO shall periodically review and evaluate with Executive his performance under this Employment Agreement.

2.0. Compensation.

During the Employment Term, subject to all the terms and conditions of this Employment Agreement and as compensation for all services to be rendered by Executive hereunder, the Company shall pay to or provide Executive with the following:

Section 2.01. *Base Salary*. During the Employment Term, the Company shall pay to Executive an annual base salary ("***Base Salary***") in an amount not less than Three Hundred Sixteen Thousand Five Hundred Dollars and No/100 ($316,500.00). Such Base Salary shall be payable in accordance with the regular payroll practices and procedures of the Company.

Section 2.02. *Incentive Pay*. Executive shall be eligible to participate in any cash incentive or bonus plans of the Company which are in effect for executives from time to time, including the annual cash incentive payment opportunity granted to Executive under the Company's Management Incentive Plan ("***MIP***" and together with any other cash incentive or bonus plans of the Company, the "***Cash Incentive Plans***"), subject to the terms and conditions

thereof, at a minimum 60% of Base Salary ("***Target Bonus***") at a 100% of MIP target basis, which such MIP target shall be set annually by the Board. Anything to the contrary in this Agreement notwithstanding, the Company reserves the right to modify or terminate any or all of its Cash Incentive Plans at any time. In the event of any inconsistency between the terms of this Employment Agreement and the terms of any Cash Incentive Plan, the Cash Incentive Plan shall govern and control.

Section 2.03. *Paid Time Off and Other Benefits*. Executive shall be entitled to five weeks Paid Time Off ("***PTO***") per year, and shall have the right, on the same basis as other members of senior management of the Company, to participate in any and all employee benefit plans and programs of the Company, including medical plans, insurance plans and other benefit plans and programs as shall be, from time to time, in effect for executive employees and senior management personnel of the Company. Such participation shall be subject to the terms of the applicable plan documents, generally applicable Company policies and the discretion of the Board or any administrative or other committee provided for in, or contemplated by, each such plan or program. Anything to the contrary in this Agreement notwithstanding, the Company reserves the right to modify or terminate such benefit plans and programs at any time.

Section 2.04. *Expenses*. The Company shall reimburse Executive for all reasonable, ordinary and necessary expenses including, but not limited to, automobile and other business travel and customer and business entertainment expenses incurred by him in connection with his employment in accordance with the Company's expense reimbursement policy; provided, however, Executive shall render to the Company a complete and accurate accounting of all such expenses in accordance with the substantiation requirements of the Internal Revenue Code of 1986, as amended (the "***Code***"). Executive's right to reimbursement hereunder may not be liquidated or exchanged for any other benefit, the amount of expenses eligible for reimbursement hereunder in a calendar year shall not affect the amount of expenses eligible for reimbursement hereunder in any other calendar year, and Executive shall be reimbursed for eligible expenses no later than the close of the calendar year following the year in which Executive incurs the applicable expense.

3.0. Omitted

4.0. Termination of Employment.

Section 4.01. *Termination of Employment*. Executive's employment and this Employment Agreement may be terminated prior to expiration of the Employment Term as follows (with the date of termination of Executive's employment hereunder being referred to hereinafter as the "***Termination Date***"):

(a) By either Party by delivering 60 days' prior written notice of non-renewal as set forth in the Section 1.02 (*Term of Employment*);

(b) Upon no less than 30 days' written notice from the Company to Executive at any time *without* Cause (as hereinafter defined) and other than due to Executive's death or Disability, subject to the provisions of Section 5.02 (*Termination by the Company Without Cause or by the Executive For Good Reason*);

(c) By the Company *for* Cause (as hereinafter defined) immediately upon written notice stating the basis for such termination;

(d) Due to the death or Disability (as hereinafter defined) of Executive;

(e) By Executive at any time *with* or *without* Good Reason (as hereinafter defined) upon 30 days' written notice from Executive to the Company (or such shorter period) to which the Company may agree; and

(f) Upon the mutual agreement of the Company and Executive.

Section 4.02. *Effect of Termination*. In the event of termination of Executive's employment with the Company for any reason, or if Executive is required by the Board, Executive agrees to resign, and shall automatically be deemed to have resigned, from any offices (including any directorship) Executive holds with the Company or any of its subsidiaries effective as of the Termination Date or, if applicable, effective as of a date selected by the Board.

5.0. Payments and Benefits Upon Termination of Employment.

Section 5.01. *Termination by the Company For Cause or by the Executive Without Good Reason.* If Executive's employment and this Employment Agreement are terminated by the Company *for* Cause or by Executive *without* Good Reason, the Company shall pay Executive the Accrued Obligations (as hereinafter defined) (other than, however, any amounts due under any Cash Incentive Plan which shall be forfeited pursuant to the terms of such plan), in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination.

Section 5.02. *Termination by the Company Without Cause or by the Executive For Good Reason*. If Executive's employment and this Employment Agreement are terminated by the Company *without* Cause or if Executive terminates his employment and this Employment Agreement *for* Good Reason, the Company shall pay Executive the Accrued Obligations in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan. In addition, subject to Sections 6.0, 7.0 and 8.0, Executive shall be entitled to receive the following: (i) an amount equal to the sum of two year's Base Salary and two times Target Bonus ("***Severance Payment***") which shall be payable as provided below; (ii) continued vesting of granted stock options and the continued right to exercise such stock options following the Termination Date for the shorter of a period of one year or the original expiration date of such option; (iii) continued vesting of restricted stock and restricted stock unit grants for a period of one year following the Termination Date (in the case of unvested restricted stock or unvested restricted stock units subject to "cliff" vesting, the number of shares or units in which the Executive shall vest shall be calculated based on a period from the start of the vesting period to the first anniversary of the Termination Date, as a percentage of the total vesting period); (iv) continued vesting of performance stock units for a period of one year following the Terminations Date

with payment calculated based on a period from the start of the performance period to the Termination Date, as a percentage of the total performance period); and (v) continued medical, hospitalization, life insurance and disability benefits to which Executive was entitled at the Termination Date (any of which shall, to the extent required to avoid subjecting Executive to an additional tax under Section 409A of the Code or as otherwise determined by the Company in its discretion, be structured so as to require that Executive pay the premiums for such benefits on a timely basis, in which case the Company shall reimburse Executive for such premiums in accordance with Section 8.02 so that Executive is made whole on an after-tax basis) for a period of the lesser of 24 months following the Termination Date or the date Executive receives similar or comparable coverage from a new employer; provided, however, that the Company may unilaterally amend the foregoing clause (v) or eliminate the benefit provided thereunder to the extent it deems necessary to avoid the imposition of excise taxes, penalties or similar charges on the Company or any of its subsidiaries or affiliates, including, without limitation, under Code Section 4980D. All such additional payments and benefits under this Section 5.02 shall be conditional on Executive's timely execution and non-revocation of the Release (as defined in Section 7.0) and Executive's continued compliance with Section 11.0 (**Return of Property**), Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**), and Section 16.0 (**Covenant Not to Compete**). Payment of the Severance Payment shall be made in bi-weekly installments, in accordance with the regular payroll practices and procedures of the Company commencing on the first regularly scheduled payroll date occurring after Executive's Release becomes effective; provided, however, that if the period during which Executive can consider and revoke the Release begins in one calendar year and ends in the subsequent calendar year, then payment of the Severance Payment shall commence on the later of (a) the first regularly scheduled payroll date occurring after Executive's Release becomes effective, and (b) the first regularly scheduled payroll date occurring in the subsequent calendar year. The first such payment shall include any installments of the Severance Payment that would have been made on previous payroll dates but for the requirement that Executive execute a Release. The period, if any, during which Executive and his spouse and children are eligible to continue their coverage under the Company's group health plans pursuant to Section 4980B of the Code ("COBRA") shall run simultaneously with the period specified in clause (iv) (provided that nothing in such clause (iv) shall be deemed to extend such COBRA continuation period beyond the minimum period required by applicable law). For the avoidance of doubt, a termination of employment pursuant to Section 4.01(a) by notice of non-renewal by the Company for any reason other than Cause, shall be deemed a termination of employment by the Company without Cause for purposes of this Section 5.02.

Section 5.03. *Termination Due to Death*. If Executive's employment and this Employment Agreement are terminated due to Executive's death, the Company shall pay the estate of Executive the Accrued Obligations in a single, lump-sum payment within 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan.

Section 5.04. *Termination Due to Disability*. If Executive's employment and this Employment Agreement are terminated due to his Disability, the Company shall pay Executive the Accrued Obligations in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination or, in the case of a Cash

Incentive Plan payment, according to the terms of such plan. In addition, Executive will be eligible to participate in the Company's Long-Term Disability Plan or any other Disability Plans, on a basis no less favorable to Executive than other senior executives of the Company.

Section 5.05. *Retirement*. If Executive's employment and this Employment Agreement are terminated by virtue of Executive's Retirement prior to the expiration of the Employment Term, the Company shall pay Executive the Accrued Obligations in a single, lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days following such termination or, in the case of a Cash Incentive Plan payment, according to the terms of such plan.

6.0. Payment and Benefits Upon Change of Control.

Subject to Sections 7.0 and 8.0, upon a Change of Control of the Company (as hereinafter defined) during the Employment Term and subsequent termination from the Company under Section 5.02 within 24 months after such Change of Control (including, for purposes of this Section, a termination for Good Reason), Executive shall receive, in lieu of the Severance Payment, a payment equal to two times the sum of (i) his annual Base Salary; and (ii) the *greater of* (a) any earned but unpaid amount due under any Cash Incentive Plan (as determined by the terms of the Cash Incentive Plan); and (b) the Executive's Target Bonus amount; and (c) the Cash Incentive Plan payment received (if any) for the fiscal year immediately preceding the Cash Incentive Plan year in Subsection (ii)(a) herein (collectively, the "***Change of Control Payment***"). Such Change of Control Payment shall be paid in a single lump-sum payment in accordance with applicable payroll laws but in no event longer than 45 days after Executive's Release becomes effective; provided, however, that if the period during which Executive can consider and revoke the Release begins in one calendar year and ends in the subsequent calendar year, then the lump sum will be paid in the subsequent calendar year (and in any event by March 15 of such year), regardless of when Executive's Release becomes effective, and even if payment occurs more than 45 days after Executive's Release becomes effective. However, if a portion of the Change of Control Payment is based on (ii)(a) or (ii)(b) of this Section 6.0, such amount shall be paid according to the terms of the corresponding Cash Incentive Plan. The Executive shall be entitled to the other benefits set forth in Section 5.02 (other than the Severance Payment), except that all unvested stock options and restricted stock shall become fully vested upon the Termination Date under this Section 6.0; provided, however, that if unvested stock options and restricted stock held by the Executive are not continued, substituted for or assumed by the successor company in connection with a Change of Control, such awards shall immediately vest upon the Change of Control. In the event of an inconsistency between this Section 6.0 and Section 5.02, this Section 6.0 shall govern and control.

7.0. Release.

Executive's entitlement to the payments and benefits described in the second sentence of Section 5.02 and in Section 6.0 is subject to and conditioned upon Executive's timely execution, without subsequent revocation, of a release of claims (in a form satisfactory to the Company) in favor of the Company and its subsidiaries and affiliates (the "***Release***"); provided, however, that

notwithstanding the foregoing, the Release is not intended to and will not waive the Executive's rights: (i) to indemnification pursuant to any applicable provision of the Company's Bylaws or Certificate of Incorporation, as amended, pursuant to any written indemnification agreement between the Executive and the Company, or pursuant to applicable law; (ii) to vested benefits or payments specifically to be provided to the Executive under this Agreement or any Company employee benefit plans or policies; or (iii) respecting any claims the Executive may have solely by virtue of the Executive's status as a stockholder of the Company. The Release also shall not impose any restrictive covenant on the Executive's conduct post-termination that the Executive had not agreed to prior to the Executive's termination in this Agreement or otherwise) or include claims that an employee cannot lawfully release through execution of a general release of claims.

To be timely, the Release must become effective (i.e., Executive must sign it and any revocation period must expire without Executive revoking the Release) within 60 days, or such shorter period specified in the Release, after Executive's date of termination of employment. If the Release does not become effective within such time period, then Executive shall not be entitled to such payments and benefits. The Company is obligated to provide Executive the Release within 39 calendar days from Termination Date and Executive shall have a minimum of 21 calendar days to review and comment on the Release.

8.0. Compliance With Section 409A.

Section 8.01. *General*. The provisions of this Employment Agreement are intended to comply with the requirements of Section 409A of the Code and any regulations and official guidance promulgated thereunder ("***Section 409A***") or an exemption or exclusion therefrom and, with respect to amounts that are subject to Section 409A, shall in all respects be interpreted and administered in accordance with Section 409A. Any payments that qualify for the "short-term deferral" exception or another exception under Section 409A shall be paid under the applicable exception. Each payment of compensation under this Employment Agreement shall be treated as a separate payment of compensation for purposes of Section 409A and a right to a series of installment payments under this Employment Agreement (including pursuant to Section 5.02) shall be treated as a right to a series of separate and distinct payments. All payments to be made upon a termination of employment under this Employment Agreement may only be made upon a "separation from service" under Section 409A. In no event may Executive, directly or indirectly, designate the calendar year of any payment under this Plan.

Section 8.02. *In-Kind Benefits and Reimbursements*. Notwithstanding anything to the contrary in this Employment Agreement, all reimbursements and in-kind benefits provided hereunder shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (a) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified herein); (b) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, except, if such benefits consist of the reimbursement of expenses referred to in Section 105(b) of the Code, a maximum, if provided under the terms of the plan providing such medical benefit, may be imposed on the amount of such reimbursements over some or all of the period in which such benefit is to be provided to Executive as described in Treasury

Regulation Section 1.409A-3(i)(1)(iv)(B); (c) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the calendar year in which the expense is incurred, *provided* that reimbursement shall be made only if Executive has submitted an invoice for such expenses at least 10 days before the end of the calendar year following the calendar year in which such expenses were incurred; and (d) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

Section 8.03. *Delay of Payments*. Notwithstanding any other provision of this Employment Agreement to the contrary, if Executive is considered a "specified employee" for purposes of Section 409A (as determined in accordance with the methodology established by the Company as in effect on the date of termination of employment), any payment that constitutes nonqualified deferred compensation within the meaning of Section 409A that is otherwise due to Executive hereunder during the six-month period following Executive's separation from service (as determined in accordance with Section 409A) on account of Executive's separation from service shall be accumulated and paid to Executive on the first business day after the date that is six months following Executive's separation from service (the "***Delayed Payment Date***"). The Executive shall be entitled to interest (at a per annum rate equal to the highest rate of interest applicable to six-month non-callable certificates of deposit with daily compounding offered by the following institutions: Citibank, N.A., Wells Fargo Bank, N.A. or Bank of America, on the date of such separation from service) on any cash payments so delayed from the scheduled date of payment to the Delayed Payment Date. If Executive dies during the postponement period, the amounts and entitlements delayed on account of Section 409A shall be paid to the personal representative of Executive's estate on the first to occur of the Delayed Payment Date or 30 days after the date of Executive's death.

Section 8.04. *Cooperation*. Executive and the Company agree to work together in good faith to consider amendments to this Employment Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

9.0. Limitation on Payments.

In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code and (ii) but for this Section 9.0, would be subject to the excise tax imposed by Section 4999 of the Code, then Executive's severance benefits under the foregoing clause (i) will be either:

(a) delivered in full; or

(b) delivered as to such lesser extent as would result in no portion of such severance benefits being subject to excise tax under Section 4999 of the Code,

Whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of severance benefits, notwithstanding that all or some

portion of such severance benefits may be taxable under Section 4999 of the Code. If a reduction in severance and other benefits constituting "parachute payments" is necessary so that benefits are delivered to a lesser extent, reduction shall occur in the following order: (i) reduction of cash payments; (ii) cancellation of awards granted "contingent on a change in ownership or control" (within the meaning of Code Section 280G); (iii) cancellation of accelerated vesting of equity awards; and (iv) reduction of employee benefits; provided that the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code. In the event that acceleration of vesting of equity award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Executive's equity awards. Unless the Company and Executive otherwise agree in writing, any determination required under this Section 9.0 will be made in writing by an independent firm (the "***Firm***") immediately prior to Change of Control, whose determination will be conclusive and binding upon the Executive and the Company for all purposes. For purposes of making the calculations required by this Section 9.0, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section 9.0. The Company will bear all costs the Firm may reasonably incur in connection with any calculations contemplated by this Section.

10.0. Definitions.

In addition to the words and terms elsewhere defined in this Employment Agreement, certain capitalized words and terms used herein shall have the meanings given to them by the definitions and descriptions in this Section 10.0, unless the context or use indicates another or different meaning or intent, and such definition shall be equally applicable to both the singular and plural forms of any of the capitalized words and terms herein defined. The following words and terms are defined terms under this Employment Agreement:

(a) "***Accrued Obligations***" shall include (i) any unpaid Base Salary through the Termination Date and any accrued PTO in accordance with the Company's policy; (ii) reimbursement for any un-reimbursed business expenses incurred through the Termination Date; and (iii) all other payments, benefits or fringe benefits to which Executive may be entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant or this Employment Agreement. Accrued Obligations shall also include any cash incentive earned under any Cash Incentive Plan and shall be paid on a pro-rata basis based on days employed during the fiscal year of such plan if any. For the sake of clarity and by way of example only, if the Executive is employed for 270 days of a fiscal year and the management incentive plan in place at the time pays out 100% of target, the Executive would be owed 74% (270/365) of any incentive payments to which he would have been entitled had his employment not been terminated. Such payments shall be made in accordance with the terms of any Cash Incentive Plan in effect at the time, except that any requirement that the recipient must be an employee at the time of payment shall be waived by the Company under this policy.

(b) A termination for "***Cause***" shall mean a termination of this Employment Agreement by reason of a determination by two-thirds (2/3) of the members of the Board

(excluding, for such purposes, Executive, if Executive is a member of the Board) voting that Executive:

(i) Has engaged in willful neglect (other than neglect resulting from his incapacity due to physical or mental illness) or willful misconduct in the performance of his duties for the Company under this Employment Agreement;

(ii) Has engaged in willful conduct the consequences of which are materially adverse to the Company, monetarily or otherwise;

(iii) Has materially breached the terms of this Employment Agreement, and such breach persisted after notice thereof from the Company and a reasonable opportunity to cure; or

(iv) Has been convicted of (or has plead guilty or no contest to) any felony other than a traffic violation.

(c) A "***Change of Control***" shall be deemed to have occurred upon:

(i) The consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company (each, a "***Business Combination***"), unless, following such Business Combination, all or substantially all of the individuals and entities that were the beneficial owners of the combined voting power of the Company's outstanding securities immediately prior to such Business Combination beneficially own, directly or indirectly, at least 60% of the combined voting power of the then-outstanding securities of the entity resulting from such Business Combination in substantially the same proportions as their ownership of the combined voting power of the Company's outstanding securities immediately prior to the Business Combination; provided, however, that a public offering of the Company's securities shall not constitute a Business Combination;

(ii) The sale, transfer, or other disposition of all or substantially all of the Company's assets; or

(iii) Any transaction as a result of which any person is the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 25% of the total voting power represented by the Company's then outstanding voting securities. For purposes of this subparagraph (iii), the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act, but shall exclude (x) a trustee or other fiduciary holding securities under an Executive benefit plan of the Company or of a subsidiary and (y) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company.

(iv) A change in the composition of the Board in any two-year period as a result of which fewer than a majority of the directors are Incumbent Directors. "***Incumbent Directors***" shall mean directors who either (a) are directors of the Company as of the start of the period or (b) are elected, or nominated for election, to the Board with the affirmative votes (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for election as a director without objection to such nomination) of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors of the Company).

(d) "***Disability***" shall be as defined in the Company's Long-Term Disability Plan.

(e) "***Good Reason***" shall mean the occurrence of any of the following without Executive's prior written consent during the Employment Period, which occurrence continues for 10 days after written notice thereof from Executive to the Board:

(i) Any material diminution or adverse change in Executive's position, status, title, authorities or responsibilities, office or duties under this Employment Agreement which represents a demotion from such position, status, title, authorities or responsibilities, office or duties which are materially inconsistent with his position, status, title, authorities or responsibilities, office or duties set forth in this Employment Agreement, or any removal of Executive from, or failure to appoint, elect, reappoint or reelect Executive to, any of his positions, except in connection with the termination of his employment with or without Cause, or as a result of his death or Disability.

(ii) The exclusion of Executive in any incentive, bonus or other compensation plan in which Executive participated at the time that this Employment Agreement is executed, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to the failure to continue such plan, or the failure by the Company to continue Executive's participation therein, or any action by the Company which would directly or indirectly materially reduce his participation therein or reward opportunities thereunder; provided, however, that Executive continues to meet all eligibility requirements thereof. Notwithstanding the foregoing, this provision shall not apply to the exclusion of Executive in any incentive, bonus or other compensation plan in which Executive participated at the time that this Employment Agreement is executed to the extent that such termination is required by law;

(iii) The failure by the Company to include or continue Executive's participation in any material employee benefit plan (including any medical, hospitalization, life insurance or disability benefit plan in which Executive participates or in which other Company executives participate), or any material fringe benefit or prerequisite enjoyed by him unless an equitable arrangement (embodied in an ongoing

substitute or alternative plan, if applicable) has been made with respect to the failure to include Executive in such plan, or the failure by the Company to continue Executive's participation therein, or any action by the Company which would directly or indirectly materially reduce his participation therein or reward opportunities thereunder, or the failure by the Company to provide him with the benefits to which he is entitled under this Employment Agreement; provided, however, that Executive continues to meet all eligibility requirements thereof. Notwithstanding the foregoing, this provision shall not apply to the exclusion of Executive in any Executive benefit plan in which Executive participated at the time that this Employment Agreement is executed to the extent that such termination is required by law, or the failure to continue such plan or benefit is applicable to the Company's executive officers and/or Executives generally; or

(iv) Any material breach by the Company of any provision of this Employment Agreement.

(v) The movement of main corporate office of the Company beyond a 50 mile radius from Boise, Idaho or beyond a 50 mile radius the Executive's primary place of employment if not in the corporate office.

Notwithstanding any other provision of this Agreement to the contrary, Executive shall be deemed not to have terminated his employment for Good Reason unless (i) Executive notifies the Board in writing of the condition that Executive believe constitutes Good Reason within 90 days of the initial existence thereof (which notice specifically identifies such condition and the details regarding its existence), (ii) the Company fails to remedy such condition within 10 days after the date on the Board receives such notice (the "***Remedial Period***"), and (iii) Executive terminates employment with the Company (and its subsidiaries and affiliates) within 60 days after the end of the Remedial Period. The failure by Executive to include in the notice any fact or circumstance that contributes to a showing of Good Reason shall not waive any right of Executive hereunder or preclude Executive from asserting such fact or circumstance in enforcing his or her rights hereunder.

(f) "***Retirement***" shall mean retirement upon "normal retirement age" as defined in the Company's 401(k) retirement plan.

11.0. Return of Property.

Executive agrees, upon the termination of his employment with the Company, to return all physical, computerized, electronic or other types of records, documents, proposals, notes, lists, files and any and all other materials, including without limitation, computerized and/or electronic information that refers, relates or otherwise pertains to the Company and/or its subsidiaries, and any and all business dealings of said persons and entities. In addition, Executive shall return to the Company all property and equipment that Executive has been issued during the course of his employment or which he otherwise currently possesses, including but not limited to, any computers, cellular phones, personal digital assistants, pagers and/or similar items. Executive shall immediately deliver to the Company any such physical, computerized, electronic or other types of records, documents, proposals, notes, lists, files, materials, property

and equipment that are in Executive's possession. Executive further agrees that he will immediately forward to the Company any business information regarding the Company and/or its subsidiaries that has been or is inadvertently directed to Executive following his last day of employment with the Company. The provisions of this Section 11.0 are in addition to any other written agreements on this subject that Executive may have with the Company and/or its subsidiaries, and are not meant to and do not excuse any additional obligations that Executive may have under such agreements.

12.0. Notices.

For the purposes of this Employment Agreement, notices and all other communications provided for hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, or by expedited (overnight) courier with established national reputation, shipping prepaid or billed to sender, in either case addressed to the respective addresses last given by each Party to the other (provided that all notices to the Company shall be directed to the attention of the Chief Executive Officer) or to such other address as either Party may have furnished to the other in writing in accordance herewith. All notices and communication shall be deemed to have been received on the date of delivery thereof, or on the second day after deposit thereof with an expedited courier service, except that notice of change of address shall be effective only upon receipt. Notices shall be addressed as follows:

If to the Company:
251E. Front St., Suite 400, Boise, Idaho 83702.

If to the Executive:
251 E. Front Street, Suite 400, Boise, Idaho 83706, or
as on file with the Company's Corporate Secretary

13.0. Life Insurance.

The Company may, at any time after the execution of this Employment Agreement, apply for and procure as owner and for its own benefit, life insurance on Executive, in such amounts and in such form or forms as the Company may determine. The Executive shall, at the request of the Company, submit to such medical examinations, supply such information, and execute such documents as may be required by the insurance company or companies to whom the Company has applied for such insurance.

14.0. Confidentiality.

Executive agrees not to disclose or reveal to any person or entity outside the Company any secret or confidential information concerning any Company product, process, equipment, machinery, design, formula, business, or other activity (collectively, "***Confidential Information***") without prior permission of the Company in writing. Confidential Information shall not include any information which is in the public domain or becomes publicly known through no wrongful act on the part of Executive or breach of this Employment Agreement.

Executive acknowledges that the Confidential Information is vital, sensitive, confidential and proprietary to the Company. The obligation to protect the secrecy of such information continues after employment with Company may be terminated. In furtherance of this agreement, Executive acknowledges that all Confidential Information which Executive now possesses, or shall hereafter acquire, concerning and pertaining to the business and secrets of the Company and all inventions or discoveries made or developed, or suggested by or to Executive during said term of employment relating to Company's business shall, at all times and for all purposes, be regarded as acquired and held by Executive in his fiduciary capacity and solely for the benefit of Company.

15.0. Work Product Assignment.

Executive agrees that all inventions, innovations, improvements, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable) which relate to the actual or anticipated business, research and development or existing or future products or services of the Company or of any of its subsidiaries or affiliates, and which are conceived, developed or made by Executive (whether or not during usual business hours and whether or not alone or in conjunction with any other person) while employed by the Company, together with all patent applications, letters patent, trademark, trade name and service mark applications or registrations, copyrights and reissues thereof that may be granted for or upon any of the foregoing (collectively referred to herein as the "***Work Product***"), belong in all instances to the Company or its subsidiaries or affiliates, as applicable, and Executive hereby assigns to the Company all Work Product and all of his interest therein. Executive will promptly perform all actions reasonably requested by the Board (whether during or after his employment with the Company) to establish and confirm the ownership of such Work Product (including, without limitation, the execution and delivery of assignments, consents, powers of attorney and other instruments) by the Company or its subsidiaries or affiliates, as applicable, and to provide reasonable assistance to the Company or any of its subsidiaries and affiliates in connection with the prosecution of any applications for patents, trademarks, trade names, service marks or reissues thereof or in the prosecution or defense of interferences relating to any Work Product.

16.0. Covenant Not to Compete.

Section 16.01. *Acknowledgment of Executive*. Executive acknowledges that his employment with the Company has special, unique and extraordinary value to the Company; that the Company has a lawful interest in protecting its investment in entrusting its Confidential Information to him; and that the Company would be irreparably damaged if Executive were to provide services to any person or entity in violation of this Employment Agreement because in performing such services Executive would inevitably disclose the Company's Confidential Information to third parties and that the restrictions, prohibitions and other provision of this Section 16.0 are reasonable, fair and equitable in scope, terms, and duration to protect the legitimate business interests of the Company, and are a material inducement to the Company to enter into this Employment Agreement.

Section 16.02. *Non-Competition Covenant*. Without the consent in writing of the Board, Executive will not, during the Employment Agreement and for a period of 12 months after such termination of employment (if by the Company *for* Cause or by Executive *without* Good Reason), acting alone or in conjunction with others, directly or indirectly engage (either as owner, investor, partner, stockholder, employer, employee, consultant, advisor or director) in activities on behalf of any entity or entities engaged in waste processing and disposal services for low-level radioactive-wastes, naturally occurring, accelerator produced, and exempt radioactive materials, and hazardous and PCB wastes. It is agreed that the ownership of not more than five percent (5%) of the equity securities of any company having securities listed on an exchange or regularly traded in the over-the-counter market shall not, of itself, be deemed inconsistent with this Section 16.02.

Section 16.03. *Non-Solicitation of Vendors and Customers*. Without the consent in writing of the Board, after Executive's employment has terminated for any reason, Executive will not, during the Employment Agreement and for a period of 18 months thereafter acting alone or in conjunction with others, either directly or indirectly induce any vendors or customers of the Company to curtail or cancel their business with the Company or any of its subsidiaries.

Section 16.04. *Non-Solicitation of Employees*. Without the consent in writing of the Board, after Executive's employment has terminated for any reason, Executive will not, during the Employment Agreement and for a period of 24 months thereafter, acting alone or in conjunction with others, either directly or indirectly induce, or attempt to influence, any employee of the Company or any of its subsidiaries to terminate his or her employment.

17.0. Remedies.

Section 17.01. *Specific Performance; Costs of Enforcement*. Executive acknowledges that the covenants and agreements, which he has made in this Employment Agreement are reasonable and are required for the reasonable protection of the Company and its business. Executive agrees that the breach of any covenant or agreement contained herein will result in irreparable injury to the Company and that, in addition to all other remedies provided by law or in equity with respect to the breach of any provision of this Employment Agreement, the Company and its successors and assigns will be entitled to enforce the specific performance by Executive of his obligations hereunder and to enjoin him from engaging in any activity in violation hereof and that no claim by Executive against the Company or its successors or assigns will constitute a defense or bar to the specific enforcement of such obligations. Executive agrees that the Company and any successor or assign shall be entitled to recover all costs of enforcing any provision of this Employment Agreement, including, without limitation, reasonable attorneys' fees and costs of litigation. In the event of a breach by Executive of any covenant or agreement contained herein, the running of the restrictive covenant periods (but not of Executive's obligations hereunder) shall be tolled during the period of the continuance of any actual breach or violation.

Section 17.02. *Remedy for Breach of Restrictive Covenants*. The provisions of Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**), and Section 16.0 (**Covenant Not to Compete**) are separate and distinct commitments independent of each of the

other Sections. Accordingly, notwithstanding any other provisions of this Employment Agreement, Executive agrees that damages in the event of a breach or a threatened breach by Executive of Section 14.0 (**Confidentiality**) and Section 16.0 (**Covenant Not to Compete**) would be difficult if not impossible to ascertain and an inadequate remedy, and it is therefore agreed that the Company, in addition to and without limiting any other remedy or right it may have, shall have the right to an immediate injunction or other equitable relief enjoining any such threatened or actual breach, without any requirement to post bond or provide similar security. The existence of this right shall not preclude the Company from pursuing any other rights and remedies at law or in equity that the Company may have, including recovery of damages for any breach of such Sections.

Section 17.03. *Right to Cancel Payments*.

(a) In addition to the remedies set forth above in Sections 17.01 and 17.02, the Company may, at the sole discretion of the Board, cancel, rescind, suspend, withhold or otherwise limit or restrict the Severance Payment under Section 5.02 (*Termination by the Company Without Cause or by the Executive For Good Reason*) (which excludes any other payments made to Executive under Section 2.0 and under Sections 5.0 and 6.0 above), whether vested or not, at any time if:

(i) Executive is not in compliance with all of the provisions of Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**) and Section 16.0 (**Covenant Not to Compete**); and

(ii) Such non-compliance has been finally determined by binding arbitration pursuant to Section 18.0 (**Dispute Resolution**).

(b) As a condition to the receipt of any Severance Payment, Executive shall certify to the Company that he is in compliance with the provisions set forth above.

(c) In the event that Executive fails to comply with the provisions set forth in Section 14.0 (**Confidentiality**), Section 15.0 (**Work Product Assignment**) and/or Section 16.0 (**Covenant Not to Compete**), as finally determined by binding arbitration pursuant to Section 18.0 (**Dispute Resolution**), prior to or within twelve (12) months after any payment by the Company with respect to any Severance Payment under Section 5.02, such payment may be rescinded by the Company within 12 months thereafter. In the event of such rescission, Executive shall pay to the Company, within 12 months of the Company's rescission of one or more Severance Payments, the amount of any such payment(s) received as a result of the rescinded payment(s), without interest, in such further manner and on such further terms and conditions as may be required by the Company; and the Company shall be entitled to set-off against the amount of such payment any amount owed to Executive by the Company, other than wages.

(d) Executive acknowledges that the foregoing provisions are fair, equitable and reasonable for the protection of the Company's interests in a stable workforce and the time

and expense the Company has incurred to develop its business and its customer and vendor relationships.

18.0. Dispute Resolution.

Except as described above in Section 17.02 (*Remedy for Breach of Restrictive Covenants*):

Section 18.01. *Initial Negotiations*. Company and Executive agree to resolve all disputes arising out of their employment relationship by the following alternative dispute resolution process: (a) the Company and Executive agree to seek a fair and prompt negotiated resolution; but if this is not possible, (b) all disputes shall be resolved by binding arbitration; *provided, however*, that during this process, at the request of either Party, made not later than 60 days after the initial arbitration demand, the Parties agree to attempt to resolve any dispute by non-binding, third-party intervention, including either mediation or evaluation or both but without delaying the arbitration hearing date. BY ENTERING INTO THIS EMPLOYMENT AGREEMENT, BOTH PARTIES GIVE UP THEIR RIGHT TO HAVE THE DISPUTE DECIDED IN COURT BY A JUDGE OR JURY.

Section 18.02. *Mandatory Arbitration*. Any controversy or claim arising out of or connected with Executive's employment at the Company, including but not limited to claims for compensation or severance and claims of wrongful termination, age, sex or other discrimination or civil rights shall be decided by arbitration. In the event the Parties cannot agree on an arbitrator, then the arbitrator shall be selected by the administrator of the American Arbitration Association ("***AAA***") office in Salt Lake City, Utah. The arbitrator shall be an attorney with at least 15 years' experience in employment law in Idaho. Boise, Idaho shall be the site of the arbitration. All statutes of limitation, which would otherwise be applicable, shall apply to any arbitration proceeding hereunder. Any issue about whether a controversy or claim is covered by this Employment Agreement shall be determined by the arbitrator.

Section 18.03. *Arbitration Rules.*

(a) The arbitration shall be conducted in accordance with this Employment Agreement, using as appropriate the AAA Employment Dispute Resolution Rules in effect on the date hereof. The arbitrator shall not be bound by the rules of evidence or of civil procedure, but rather may consider such writings and oral presentations as reasonable business people would use in the conduct of their day-to-day affairs, and may require both Parties to submit some or all of their respective cases by written declaration or such other manner of presentation as the arbitrator may determine to be appropriate. The Parties agree to limit live testimony and cross-examination to the extent necessary to ensure a fair hearing on material issues.

(b) The arbitrator shall take such steps as may be necessary to hold a private hearing within 120 days of the initial request for arbitration and to conclude the hearing within two days; and the arbitrator's written decision shall be made not later than 14 calendar days after the hearing. The Parties agree that they have included these time limits in order to expedite the proceeding, but they are not jurisdictional, and the arbitrator may for good cause allow

reasonable extensions or delays, which shall not affect the validity of the award. Both written discovery and depositions shall be allowed. The extent of such discovery will be determined by the Parties and any disagreements concerning the scope and extent of discovery shall be resolved by the arbitrator. The written decision shall contain a brief statement of the claim(s) determined and the award made on each claim. In making the decision and award, the arbitrator shall apply applicable substantive law. The arbitrator may award injunctive relief or any other remedy available from a judge, including consolidation of this arbitration with any other involving common issues of law or fact which may promote judicial economy, and may award attorneys' fees and costs to the prevailing Party, but shall not have the power to award punitive or exemplary damages. The Parties specifically state that the agreement to limit damages was agreed to by the Parties after negotiations.

19.0. Attorneys' Fees.

Section 19.01. *Prevailing Party Entitled to Attorneys' Fees*. In any action at law or in equity to enforce any of the provisions or rights under this Employment Agreement, the unsuccessful Party to such litigation, as determined by the arbitrator in accordance with the dispute resolution provisions set forth above, shall pay the successful Party or Parties all costs, expenses and reasonable attorneys' fees incurred therein by such Party or Parties (including, without limitation, such costs, expenses and fees on appeal), excluding, however, any time spent by Company employees, including in-house legal counsel, and if such successful Party or Parties shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

Section 19.02. *Limitation on Fees*. Notwithstanding the foregoing provision, in no event shall the successful Party or Parties be entitled to recover an amount from the unsuccessful Party for costs, expenses and attorneys' fees that exceeds the unsuccessful Party's or Parties' costs, expenses and attorneys' fees in connection with the action or proceeding.

20.0. Miscellaneous Provisions.

Section 20.01. *Prior Employment Agreements*. Executive represents and warrants that Executive's performance of all the terms of this Employment Agreement and as an Executive of the Company does not, and will not, breach any employment agreement, arrangement or understanding or any agreement, arrangement or understanding to keep in confidence proprietary information acquired by Executive in confidence or in trust prior to Executive's employment by the Company. Executive has not entered into, and shall not enter into, any agreement, arrangement or understanding, either written or oral, which is in conflict with this Employment Agreement or which would be violated by Executive entering into, or carrying out his obligations under, this Employment Agreement. This Employment Agreement supersedes any former oral agreement and any former written agreement heretofore executed relating generally to the employment of Executive with the Company.

Section 20.02. *Assignment; Binding Effect*. This Employment Agreement may not be assigned by Executive in whole or in part. Notwithstanding the foregoing, this Employment Agreement shall inure to the benefit of and be enforceable by Executive's personal

representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amounts would still be payable to him hereunder if he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Employment Agreement to Executive's estate.

Section 20.03. *Headings*. Headings used in this Employment Agreement are for convenience only and shall not be used to interpret or construe its provisions.

Section 20.04. *Waiver*. No provision of this Employment Agreement may be waived or discharged unless such waiver or discharge is agreed to in writing and signed by the Chairman of the Board. No waiver by either Party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Employment Agreement to be performed by such other Party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

Section 20.05. *Amendments*. No amendments or variations of the terms and conditions of this Employment Agreement shall be valid unless the same is in writing and signed by the Parties hereto.

Section 20.06. *Severability*. The invalidity or unenforceability of any provision of this Employment Agreement, whether in whole or in part, shall not in any way affect the validity and/or enforceability of any other provision contained herein. Any invalid or unenforceable provision shall be deemed severable to the extent of any such invalidity or unenforceability. It is expressly understood and agreed that while the Company and Executive consider the restrictions contained in this Employment Agreement reasonable for the purpose of preserving for the Company the good will, other proprietary rights and intangible business value of the Company, if a final judicial determination is made by a court having jurisdiction that the time or territory or any other restriction contained in this Employment Agreement is an unreasonable or otherwise unenforceable restriction against Executive, the provisions of such clause shall not be rendered void but shall be deemed amended to apply as to maximum time and territory and to such other extent as such court may judicially determine or indicate to be reasonable.

Section 20.07. *Governing Law*. This Employment Agreement shall be construed and enforced pursuant to the laws of the State of Idaho.

Section 20.08. *Executive Officer Status*. Executive acknowledges that he may be deemed to be an "executive officer" of the Company for purposes of the Securities Act of 1933, as amended (the "***1933 Act***"), and the Securities Exchange Act of 1934, as amended (the "***1934 Act***") and, if so, he shall comply in all respects with all the rules and regulations under the 1933 Act and the 1934 Act applicable to him in a timely and non-delinquent manner. In order to assist the Company in complying with its obligations under the 1933 Act and 1934 Act, Executive shall provide to the Company such information about Executive as the Company shall reasonably request including, but not limited to, information relating to personal history and stockholdings. Executive shall report to the Secretary of the Company or other designated officer of the Company all changes in beneficial ownership of any shares of the Company's Common Stock deemed to be beneficially owned by Executive and/or any members of

Executive's immediate family. Executive further agrees to comply with all requirements placed on him by the Sarbanes-Oxley Act of 2002, Public Law 107-204.

Section 20.09. *Tax Withholding*. To the extent required by law, the Company shall deduct or withhold from any payments under this Employment Agreement all applicable Federal, state or local income taxes, Social Security, FICA, FUTA and other amounts that the Company determines in good faith are required by law to be withheld.

Section 20.10. *Counterparts*. This Employment Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one document.

Section 20.11. *Exhibits*. Any Exhibits attached hereto are incorporated herein by reference and are an integral part of this Employment Agreement and are deemed incorporated herein by reference.

Section 20.12. *Retention of Counsel*. Executive acknowledges that he has had the opportunity to review this Employment Agreement and the transactions contemplated hereby with his own legal counsel.

[*The remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, this Executive Employment Agreement has been duly executed by the Company and Executive as of the date first above written.

EXECUTIVE:

MARIO ROMERO

COMPANY:

US ECOLOGY, INC.

By:
Name: JEFFREY R. FEELER
Title: PRESIDENT AND CHIEF EXECUTIVE OFFICER

Exhibit 12.1

Ratio of Earnings to Fixed Charges
(Unaudited)

$s in thousands	For the Year Ended December 31, 2015	2014	2013	2012	2011
Earnings (as defined):					
Earnings before income taxes	$ 46,855	$ 61,050	$ 50,147	$ 41,718	$ 29,807
Fixed charges	23,556	10,732	856	900	1,635
Earnings	$ 70,411	$ 71,782	$ 51,003	$ 42,618	$ 31,442
Fixed charges (as defined):					
Interest expense	$ 23,370	$ 10,677	$ 828	$ 878	$ 1,604
Estimated interest within rental expense	186	55	28	22	31
Fixed charges	$ 23,556	$ 10,732	$ 856	$ 900	$ 1,635
Ratio of earnings to fixed charges	3.0	6.7	59.6	47.3	19.2

QuickLinks

Exhibit 21

List of Subsidiaries

Subsidiary Name	State of Formation
American Ecology Environmental Services Corporation	Texas Corporation
American Ecology Recycle Center, Inc.	Delaware Corporation
Stablex Canada Inc.	Canadian Federal Corporation
US Ecology Michigan, Inc.	Michigan Corporation
US Ecology Thermal Services, Inc.	Delaware Corporation
US Ecology Idaho, Inc.	Delaware Corporation
US Ecology Illinois, Inc.	California Corporation
US Ecology Nevada, Inc.	Delaware Corporation
US Ecology Stablex Holdings, Inc.	Delaware Corporation
US Ecology Texas, Inc.	Delaware Corporation
US Ecology Washington, Inc.	Delaware Corporation
EQ Parent Company, Inc.	Delaware Corporation
EQ Holdings, Inc.	Delaware Corporation
Envirite Transportation, LLC	Ohio Limited Liability Company
Envirite of Pennsylvania, Inc.	Delaware Corporation
Envirite of Illinois, Inc.	Delaware Corporation
Envirite of Ohio, Inc.	Delaware Corporation
EQ Augusta, Inc.	Michigan Corporation
EQ Alabama, Inc.	Michigan Corporation
EQ Detroit, Inc.	Michigan Corporation
EQ Oklahoma, Inc.	Michigan Corporation
EQ Industrial Services, Inc.	Michigan Corporation
EQ Florida, Inc.	Michigan Corporation
EQ The Environmental Quality Company, Inc.	Michigan Corporation
EQ Mobile Recycling, Inc.	Michigan Corporation
EQ Northeast, Inc.	Massachusetts Corporation
EQ Resource Recovery, Inc.	Michigan Corporation
Michigan Disposal, Inc.	Michigan Corporation
Wayne Disposal, Inc.	Michigan Corporation
Wayne Energy Recovery, Inc.	Michigan Corporation
EQ Metals Recovery, LLC	Ohio Limited Liability Company
Vac-All Service, Inc.	Michigan Corporation
RTF Romulus, LLC	Michigan Limited Liability Company
EQ de Mexico, Inc.	Mexican Corporation

QuickLinks

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-157529, 333-68868, 333-93105, 333-140419, 333-69863, and 333-207811 on Form S-8, Registration Statement No. 333-187001 on Form S-3, and Registration Statement No. 333-187003 on Form S-4, of our report dated February 29, 2016, relating to the consolidated financial statements of US Ecology Inc. and subsidiaries ("US Ecology Inc.") (which report expresses an unqualified opinion and includes an explanatory paragraph related to US Ecology Inc.'s change in the method of presentation for deferred taxes and debt issuance costs upon the adoption of Accounting Standards Updates 2015-17 and 2015-03), and the effectiveness of US Ecology Inc.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K of US Ecology Inc. for the year ended December 31, 2015.

/s/ DELOITTE & TOUCHE LLP

Boise, Idaho
February 29, 2016

QuickLinks

Exhibit 31.1

I, Jeffrey R. Feeler, certify that:

1. I have reviewed this annual report on Form 10-K of US Ecology, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ JEFFREY R. FEELER

President and Chief Executive Officer

February 29, 2016

QuickLinks

Exhibit 31.2

I, Eric L. Gerratt, certify that:

1. I have reviewed this annual report on Form 10-K of US Ecology, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ ERIC L. GERRATT

Executive Vice President, Chief Financial Officer and Treasurer

February 29, 2016

QuickLinks

Exhibit 32.1

Written Statement of the Chief Executive Officer
Pursuant to 18 U.S.C. §1350

Solely for the purposes of complying with 18 U.S.C. §1350, I, the undersigned Chief Executive Officer of US Ecology, Inc., (the "Company"), hereby certify, that to my knowledge, the Annual Report on Form 10-K of the Company for the period ended December 31, 2015 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates hereof and for the periods expressed in this Report.

/s/ JEFFREY R. FEELER

President and Chief Executive Officer

February 29, 2016

QuickLinks

Exhibit 32.2

Written Statement of the Chief Financial Officer
Pursuant to 18 U.S.C. §1350

Solely for the purposes of complying with 18 U.S.C. §1350, I, the undersigned Chief Financial Officer of US Ecology, Inc., (the "Company"), hereby certify, that to my knowledge, the Annual Report on Form 10-K of the Company for the period ended December 31, 2015 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates hereof and for the periods expressed in this Report.

/s/ ERIC L. GERRATT

Executive Vice President, Chief Financial Officer and Treasurer

February 29, 2016

QuickLinks