

Este manual contiene un resumen en Inglés de su plan de derechos y beneficios bajo cada plan de Recology. Si tiene dificultades al entender alguna parte de esta carta, comuníquese con el Departamento de Recursos Humanos de Recology al 1-800-652-1275 o por correo electrónico a benefits@recology.com.



EMPLOYEE BENEFITS REFERENCE GUIDE

If you have questions, please contact the Recology Human Resources Department at 1-800-652-1275 or benefits@recology.com



We are pleased to provide you with the **Employee Benefits Reference Guide**, so that you will have a summary of the benefits plans, programs and arrangements currently offered by Recology Inc. and its Participating Companies ("Recology"). The **Employee Benefits Reference Guide** is intended to meet the requirements for a summary plan description under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In the event of any inconsistency between this summary and the actual plan documents comprising each plan, program or arrangement, the actual plan document(s) shall control.

Unless otherwise stated, this summary describes Recology's ERISA benefits in effect as of January 1, 2018, for current employees and supersedes all other communications about Recology's benefit programs. If any benefit in the **Employee Benefits Reference Guide** is changed, you will receive updated information which should be kept with this summary.

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Employee Stock Ownership Plan ("ESOP")

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Introduction

The Recology Employee Stock Ownership Plan (the "ESOP" or "Plan") was established to provide an ownership interest to the eligible employees of Recology ("Recology" or the "Company") Participating Companies. A "Recology Participating Company" includes Recology and each of the companies affiliated with Recology that have been designated by Recology as a Participating Company. The ESOP was originally adopted as of October 1, 1985, and restated most recently as of October 1, 2014.

Through the ESOP you, as an Eligible Employee, gain a stock ownership interest in Recology and the chance to share in the growth and prosperity of Recology. The longer you work at a Recology Participating Company, the more shares of Recology stock that you will have an opportunity to have credited to your account.

This account balance represents ownership of the company through the ESOP. As an employee owner, you have a responsibility to work hard and to work together with your fellow employee owners to solve problems and share ideas for improvement. Your hard work and dedication as an employee owner contribute directly to the company's success and may impact your retirement.

All references in this SPD to a "Recology Group Company" means any company that is in the "controlled group" of Recology for Federal income tax purposes and may include companies in addition to the Recology Participating Companies. If you have questions about when your Subsidiary became a Recology Group Company, contact the Recology Human Resources Department at 1-800-652-1275.

If you should have any general questions regarding the ESOP, this summary plan description, or your eligibility to participate in the ESOP, please contact the Plan's Third Party Record Keeper, Prudential Retirement, at 1-877-778-2100 or write to Prudential Retirement at the address at the back of this section.

How Does the ESOP Work?

To understand how the ESOP works, you need to understand the important Plan features. The Plan assets are designed to be invested primarily in Recology common stock. By sharing an interest in the ownership of Recology, you will have an opportunity to be directly rewarded for your efforts in contributing to the profitability and growth of Recology.

This is the way the Plan works:

- The Recology stock and other investments (usually a short-term investment when contributions used to fund benefit distributions are made) in the ESOP are held in a trust fund (the "Trust"). Recology's contributions to the ESOP (the "Employer Contributions") are paid into the Trust at the direction of Recology and benefits are paid from the Trust as directed by the ESOP Administrative Committee (the "Committee").
- The Plan originally borrowed money to purchase Recology stock. The shares of stock purchased with loan proceeds were held in a special account, called the Unallocated Stock Fund. When Recology paid off the loans, shares were released from the Unallocated Stock Fund as directed by the Committee and allocated to individual accounts (your Recology Stock Account) held for each eligible ESOP Participant.
- Recology contributions (if Recology makes any) are allocated to individual accounts held for each eligible ESOP Participant.
- Gains and losses on the Plan's assets are also allocated to the accounts of all Participants.
- Participants in the ESOP who leave a Recology Group Company before they are vested will forfeit their accounts. After 5 years, these forfeitures are allocated to the accounts of eligible Participants.

While having an ownership interest in Recology can be a great benefit to you, it adds additional costs to Recology that must be paid either out of additional earnings or through cost reductions. Therefore, your job and how well you do it can make a difference to Recology's bottom line and to the potential value of your account balance.

Who is an Eligible Employee?

You are an Eligible Employee under the ESOP if you are:

- An employee of a Recology Participating Company (see list of **Current Recology Participating Companies**) and
- A member of the Eligible Group of employees.

CURRENT RECOLOGY PARTICIPATING COMPANIES

	DATE PARTICIPATION BEGAN
Golden Gate Disposal & Recycling Company	10/01/85
Recology Ashland Sanitary Service Inc.	10/01/11
Recology Auburn Placer	10/01/85
Recology Blossom Valley Organics – North (fka Recology Grover Environmental Products)	10/01/11
Recology Butte Colusa Counties	10/01/85
Recology CleanScapes (CA)	10/01/13
Recology Del Norte	01/20/89
Recology Environmental Solutions Inc.	10/01/85
Recology Humboldt County	10/01/85
Recology King County (fka Recology CleanScapes Inc.)	10/01/13
Recology Mountain View	10/01/85
Recology of the Coast	10/01/12
Recology Oregon Compost Inc.	10/01/11
Recology Oregon Recovery Inc.	10/01/11
Recology Portland Inc.	10/01/11
Recology San Bruno	10/01/85
Recology San Francisco	12/18/87
Recology San Mateo County	10/01/11
Recology Service Center	01/01/98
Recology Service Center Coast	09/01/17
Recology Service Center North (fka eRecology)	10/01/12
Recology South Bay	10/01/85
Recology South Valley	10/01/85
Recology Vacaville Solano	10/01/85
Recology Vallejo	10/01/85
Recology Waste Solutions	10/01/12
Recology Western Oregon Inc.	10/01/11
Recology Western Oregon-Coast Inc.	10/01/11
Recology Western Oregon-Valley Inc.	10/01/11
Recology Western Oregon-Valley Recovery Zone Inc.	10/01/11
Recology Yuba-Sutter	10/01/85
Sunset Scavenger Company	10/01/85

ELIGIBLE GROUP

To be a member of the Eligible Group of employees, you must meet both of the following conditions:

- You are an Employee of a Recology Participating Company.
- You are not working in the capacity of a Satellite Recycling Buy-Back Center Attendant hired after 1988.

Note: An Employee does not include an independent contractor, a consultant, a leased employee, a reclassified employee, or an agency worker (regardless of whether such classification is upheld upon review).

When Participation Begins

If you are an Eligible Employee, then you become a Participant on the September 30 following your date of hire if you are paid for at least 1,000 Hours of Service during that period. If you are not paid for at least 1,000 hours during that period, you may then become a Participant on September 30th or March 31st coinciding with or next following the first anniversary of your date of hire, so long as you were paid for at least 1,000 Hours of Service in that 12-month period.

If you do not meet either of these tests, you become a Participant on any later of September 30th if during the Plan Year you are paid for a least 1,000 Hours of Service.

In each case, you must remain an Eligible Employee on the entry date to become a Participant.

Your date of hire is the later of your actual date of hire or the date your employer became a Recology Participating Company. You can find that date under the heading **Date Participation Began** in the table of **Current Recology Participating Companies**.

If you are reemployed, you will become a Participant on the first day of the month coinciding with or next following your date of reemployment as an Eligible Employee, if you were a Participant (or previously met the service requirements) on your date of separation.

If you have a question about the date your participation begins, please contact Prudential Retirement, at 1-877-778-2100.

How Your Time is Counted

HOURLY OF SERVICE

You receive a Year of Service for each Plan Year that you are paid, or entitled to be paid, for at least 1,000 Hours of Service (excluding service prior to October 1, 1985 or service prior to the date your Subsidiary became a Recology Group Member). You are credited with an Hour of Service for each hour that you are paid, or entitled to be paid, by a Recology Group Company for:

- Work, vacation, holidays, or illness,
- Disability,
- Paid Leave of Absence,
- Unpaid Leave of Absence, but not more than the number of straight-time hours you would normally work pursuant to your regular work schedule,
- Lay off,
- Jury Duty,
- Qualified Military Duty, if you return to active employment within 90 days after you become eligible for release, and
- Back Pay Awards.

The amount of Service you receive will not exceed 501 Hours of Service for any period you are not working.

YEAR OF SERVICE

You are credited with a Year of Service for each Plan Year beginning on or after October 1, 1985, during which you have 1,000 or more Hours of Service. However, no Hours of Service are granted for any time before:

- Your employer becomes a member of the Recology controlled group, or
- You have a Break in Service (as defined later), unless you complete a Year of Service after you return to work, or
- You incur a Permanent Break in Service (as defined later).

VESTING SERVICE

Your Vesting Service determines your eligibility to receive benefits from the Plan. You are 100% vested, meaning you have a non-forfeitable right to your account, when you:

- Complete 3 Years of Service, if you were paid for an Hour of Service on or after October 1, 2008,
- Complete 5 Years of Service, if you were not paid for an Hour of Service on or after October 1, 2008,
- Die while employed by a Recology Group Company and after you become a Participant in the Plan, or
- Die while performing USERRA-qualified active military service on or after January 1, 2007.

See **When ESOP Benefits Are Paid** in this section of the Employee Benefits Reference Guide for the definitions of Normal Retirement Age and Disability.

In some instances, you may experience a break in your service with a Recology Participating Company (or take an approved leave of absence) that would prevent the time you were away from counting as Vesting Service.

BREAK IN SERVICE RULES

The following applies to both a One-Year Break in Service and Permanent Break in Service:

- If you were absent due to “maternity or paternity” absence (as defined under Department of Labor regulations), qualified military service reasons, another qualified leave, or as otherwise required by law, you will be credited with up to a maximum of 501 hours if such crediting will prevent you from incurring a One-Year Break in Service.
- If your Hours of Service during a Plan Year are more than 500 but less than 1,000, then you will still be a Participant in the Plan and will not have a Break in Service, but you will be considered an inactive Participant. Your benefits and vesting will not increase for that Plan Year.
- If you are rehired after you have a Break in Service, your prior Years of Vesting Service will count toward Vesting Service once you complete a Year of Vesting Service after your rehire, but your prior Years of Vesting Service will not count toward Vesting Service if you incur a Permanent Break in Service, and you were not vested on the date you stopped working.

If your Break in Service started before October 1, 1984, the rules are different. If you experience a Break in Service and have questions about how your service is counted, please contact Prudential Retirement, at 1-877-778-2100.

One-Year Break in Service

A One-Year Break in Service is a Plan Year in which you have less than 501 Hours of Service.

Permanent Break in Service

A Permanent Break in Service occurs if you have 5 consecutive One-Year Breaks in Service.

Forfeitures

If you leave a Recology Group Company when you are not vested and you experience a Permanent Service Break, then you will forfeit the stock in your accounts. Your forfeiture will be allocated to the accounts of the remaining eligible Plan Participants, as of the Allocation Date of the Plan Year in which the Permanent Service Break occurs.

Your Accounts Under the Plan

Recology Stock, Cash and Conversion Accounts are maintained to reflect your interest under the Plan.

RECOLOGY STOCK ACCOUNT

Your Recology Stock Account will be credited annually with your allocable share of Recology Stock (including fractional shares) purchased and paid for by the Trust or contributed directly by a Recology Participating Company as an Employer Contribution, together with any forfeitures from Recology Stock Accounts (if any), and stock dividends (if any) on Recology Stock allocated to your Recology Stock Account. There are two types of Recology Stock – Pre-1987 and Post-1986.

The two types of Recology Stock are defined by when the shares were acquired by Recology's ESOP Trust. The date does not reflect when the shares were allocated to your account. The two types of Recology Stock have different rules surrounding distribution and are shown separately on your Participant Statement.

CASH ACCOUNT

Your Cash Account will be credited annually with your allocable share of Employer Contributions that are not in the form of Recology Stock, with any forfeitures from Cash and Conversion Accounts, with any cash dividends on Recology Stock allocated to your Recology Stock Account, and any net income (or loss) experienced by the Trusts on assets other than Recology stock.

CONVERSION ACCOUNT

If you are eligible to receive a distribution of your ESOP shares which requires your consent and you do not provide consent (see **When ESOP Benefits are Paid** in this section of the Employee Benefits Reference Guide), the shares offered to you will be converted to cash and transferred to the Recology 401(k) Plan and held for your benefit in a separate account in the 401(k) Plan. Prudential Bank & Trust, FSB is currently the Trustee of the Recology 401(k) Plan. Distribution of these transferred assets to you from the Recology 401(k) Plan will be subject to the rules of the Recology 401(k) Plan and you will be provided with a Summary Plan Description of the Recology 401(k) Plan if and when assets are transferred for your benefit to the Recology 401(k) Plan.

The value of the Conversion Account and assets transferred from there to the Recology 401(k) Plan will no longer be related to the changes in the Recology stock price – they will be based on the performance of the investments within the Recology 401(k) Plan.

Participants in the Recology 401(k) Plan have the power and authority to direct the investment of their accounts. If no participant investment direction is provided, the 401(k) Plan account is invested in a fund that meets the “qualified default investment alternative” rules of the Department of Labor.

Valuation of Recology Stock

An independent appraisal is performed to determine the value of Recology stock at least once per year. Generally the determination of fair market value of Recology stock is completed in the first or second quarter following the end of the Plan Year (September 30).

To find out the current fair market value of Recology stock, contact Prudential Retirement at 1-877-778-2100.

How Much Will Your Benefit Be?

ALLOCATIONS OF STOCK

Certain allocations are made to your Accounts each year. To be eligible for allocations from any Employer Contributions or forfeitures for a given Plan Year, you must meet both of the following conditions:

- You are an Eligible Employee of a Recology Participating Company on the last day of the Plan Year, and
- You had at least 1,000 Hours of Service during the Plan Year.

You are also eligible for an allocation in the year you terminate employment, if your termination occurs because of your:

- Death, including death while performing USERRA-qualified active military service on or after January 1, 2007
- Disability (as defined later) if you were vested prior to your Disability, or
- Normal Retirement (as defined later) if you were vested prior to your Retirement.

HOW ALLOCATIONS ARE DETERMINED

Allocations under the ESOP are determined as of the Allocation Date (that is, September 30 of each year, which is the last day of each Plan Year).

Employer Contributions to the ESOP are determined for each Plan Year by the Board of Directors of Recology. Employer Contributions will be allocated to each eligible Participant's individual Stock and/or Cash account as of the end of the Plan Year.

The Committee has the right to modify its accounting procedures in making allocations to your Accounts.

In addition, the Board of Directors of Recology may elect to specify separately the amount of Employer Contributions for employees who were participants in the Envirocal, Inc. ESOP (an "Envirocal Participant"). Generally, you are an Envirocal Participant only if you were hired or rehired before January 1, 1989, and your employer participated in the Envirocal, Inc. ESOP. See the **Envirocal, Inc. ESOP's Participating Companies** under in the **Other ESOP Plan Information** in this section of the Employee Benefits Reference Guide to find out which companies participated in the Envirocal, Inc. ESOP.

HOW ALLOCATIONS ARE MADE

As of the last day of the Plan Year, contributions will be “allocated” or divided among Participants who are eligible to share in the contributions for that Plan Year. The contributions and forfeitures are allocated to your Accounts in proportion to your Plan Compensation (as described below). The net income (or loss) for the Plan Year will be determined as of the Allocation Date and allocated to Participants based on their relative account balances.

If you are eligible for an allocation, then you may receive allocations from the following sources:

- Employer Contributions in cash and/or Recology stock, if any, and
- Forfeitures, if any.

YOUR PLAN COMPENSATION

The amount of your allocation that you will receive under the Plan depends in part on your eligible pay. The amount and type of eligible pay the Plan uses in determining your allocation is called Plan Compensation.

Your Plan Compensation includes the total wages reported as your Plan Year W-2 earnings, elective contributions under any 401(k) plan of Recology, and pre-tax contributions under the Recology Health and Wellness Benefit Plan, and generally excludes the following:

- Reimbursement expenses, automobile, living, or moving allowances, imputed income, any payments you received under the health care Benefit Waiver Incentive Program, or the amount of contributions made by a Recology Participating Company to any other qualified retirement plan.
- Any earnings greater than the annual Federal limit. The limit for the Plan Year beginning on October 1, 2017, is \$275,000. This limit is subject to periodic adjustment for cost-of-living increases under applicable law and may vary each year.
- Compensation paid before you were an Eligible Employee.
- Compensation paid to you in the “Keep on Salary” program.

When ESOP Benefits are Paid

The Committee, in accordance with the Plan and Federal law, has determined when and how benefits will be distributed.

Ordinarily, you will begin to receive your vested:

- Post-1986 shares *the earlier of:*
 - The Plan Year that follows the Plan Year in which you attain your Normal Retirement Age or
 - 5 Plan Years following the Plan Year in which you terminate employment for any other reason.
- Pre-1987 shares during the Plan Year that follows the Plan Year in which you attain your Normal Retirement Age.
- Post-1986 Shares and Pre-1987 Shares during the Plan Year following the Plan year that your employment terminated due to a Disability, or death.

If you should die before receiving your entire account balances, your benefit will be distributed to your beneficiary before the end of the calendar year containing the 5th anniversary of your death.

Under certain circumstances, your consent is required in order for the ESOP to make a distribution to you. See **How Benefits Are Paid/Distribution Options** for more information. If your consent is not received, your shares will instead be invested in a **Conversion Account** as described under **Your Accounts Under the Plan** in this section of the Employee Benefits Reference Guide.

If you have no vested interest in your Accounts, you will be deemed to have received a complete distribution from your Accounts on the date that you terminate service with a Recology Group Company.

For additional information see **How Benefits are Paid/Distribution Options** and **How You Could Lose Benefits** in this section of the Employee Benefits Reference Guide.

NORMAL RETIREMENT

You are eligible to begin receiving your account balances when you reach your Normal Retirement Age and are no longer an employee.

If you are rehired and your Normal Retirement Age changes, your account in the ESOP will be segregated so that the portion from contributions made by the original Recology Participating Company, contributing on your behalf, will be based on your original Normal Retirement Age and the portion from contributions after your rehire will be based on your new Normal Retirement Age.

Determining Your Normal Retirement Age

Date of Hire	Normal Retirement Age
After 12/31/88	The later of (1) or (2): 1. Age 61 for Envirocal employees Age 62 for all other employees Or 2. The 5 th anniversary of the date you became a Participant in the Plan if you were <u>not</u> paid for an Hour of Service on or after October 1, 2008, or The 3 rd anniversary of the date you became a Participant in the Plan if you were paid for an Hour of Service on or after October 1, 2008.
Before 01/01/89 Envirocal Employee Other Employee	Age 61 Age 62
Rehires on or after 01/01/89 but before 10/01/2008	The later of age 62 or the 5 th anniversary of the date of your rehire, if you did not have 5 Years of Service on January 1, 1989.
Rehires on or after 10/01/08	The later of age 62 or the 3 rd anniversary of the date of your rehire, if you did not have 3 Years of Service on October 1, 2008.

DEFERRED RETIREMENT

If you continue to work after your Normal Retirement Age, your benefits will be deferred until after you retire.

DISABILITY RETIREMENT

You are eligible to begin receiving your account balances if you terminate employment due to a disability:

- If you were hired on or before December 31, 1988;
- If you were hired or rehired after December 31, 1988, but before October 1, 2008, and you have at least 5 Years of Service;
- If you are credited with at least one Hour of Service on or after October 1, 2008, the 5 Years of Service requirement is reduced to 3 Years of Service.

A disability is a physical or mental condition which results from bodily injury, disease or a mental disorder that renders you incapable of performing the duties assigned to you by your employer, as determined by a qualified physician selected or approved by Recology.

How Benefits are Paid/Distribution Options

RECOLOGY STOCK AND CASH ACCOUNTS

A distribution package will automatically be sent to you when you become eligible for a distribution from your Recology Stock and Cash Account. You or your beneficiary will be contacted regarding the distribution of your benefit after the close of the Plan Year in which you are eligible to receive a distribution. If a benefit distribution of more than \$10,000 is to be made to a Beneficiary that is a minor, as defined by state law, the Plan will require court endorsed "letters of guardianship." The distribution package will outline any document requirements and timing.

If the vested balance of your Account is:

- \$1,000 or less, the Committee will distribute your benefits to you without your consent as soon as reasonably practicable during the Plan Year that follows the Plan Year in which you terminate service with a Recology Participating Company (unless you are employed by another Recology Participating Company).
- Greater than \$1,000, the Committee may not distribute any benefits to you before your 62nd birthday unless you consent in writing or unless benefits are payable due to your death. Consent to receive a distribution will mean consent to receive all installment payments.

If your consent is required to receive the distribution, you must complete the Election Form and return it by the deadline stated in the distribution package. A one-time consent to start your annual distributions is required if you are eligible for a distribution because:

- You terminated due to a disability,
- 5 Plan Years have passed since your employment ended, you haven't reached age 62, and the value of your Post-1986 shares is more than \$1,000, or
- You are an Envirocal Employee and have reached the Normal Retirement Age of 61.

See **Conversion Account** under the **Your Accounts Under the Plan** in this section of the Employee Benefits Reference Guide for additional information if you do not provide the necessary consent to receive a distribution.

Your consent is not required once you reach age 62.

If your consent is not required and the vested balance of your Account is:

- \$5,000 or less, the distribution will be a single cash lump sum payment.
- Greater than \$5,000, the distribution will be in substantially equal, annual installments, not to exceed five annual cash installments.

Example of Installment Calculation:

Let's assume:

- You are going to receive your first installment of shares.
- You have 5,000 undistributed shares in your Account

$$5,000 \text{ shares} \quad \div \quad 5 \quad = \quad 1,000 \text{ shares}$$

Your first installment is the share value of 1,000 shares.

Distribution Options

You may elect to have your distribution paid in cash or you may elect to have your distribution rolled over directly to an Individual Retirement Account (IRA) or another employee plan that accepts rollovers. If you are a spouse, surviving spouse, or former spouse who is an alternate payee under a QDRO, you may also elect a rollover as just described. If you are a nonspouse beneficiary, you may elect a rollover but the rollover must be a direct trustee to trustee transfer from the Plan to an individual retirement plan such as an IRA or individual retirement annuity.

The remaining balance of your account will continue to be invested in Recology stock. The value of your stock may increase or decrease on each valuation date. The amount of each installment is equal to the value of the number of remaining undistributed shares divided by the number of remaining installments multiplied by the current fair-market value of the Recology stock.

You may receive a distribution, in a manner approved by the Committee. Distributions currently are made in the form of shares of Recology Stock that are subject to an immediate repurchase by the Company based on the valuation as of the last day of the Plan Year before the date of your distribution. Distributions may be made in the form of cash rather than shares of Recology Stock. For additional information see **When ESOP Benefits are Paid** and **Conversion Account** under **Your Accounts Under the Plan** in this section of the Employee Benefits Reference Guide.

If you do not receive benefits that you think you should, contact Prudential Retirement at 1-877-778-2100. If you do not agree with the response you receive from the Record Keeper, you may write to the Committee to make a claim for benefits.

Benefits Based on a QDRO

If you are eligible to receive a distribution based on a Qualified Domestic Relations Order ("QDRO") that was approved by the Plan after October 1, 2008, your consent is not required for distribution and your distribution will be made in one lump sum in the plan year following the plan year your QDRO was approved by the Plan.

For additional information see **How You Could Lose Benefits** in this section of the Employee Benefits Reference Guide.

Distributions to a Beneficiary that is a Minor

The Plan requires 'letters of guardianship' issued by an appropriate court in order to make a distribution greater than \$10,000 to a beneficiary that is a minor, as defined by state law,. If the letter of guardianship is not received in a timely manner, the distribution will not be made. The benefit instead will be transferred to the Recology 401(k) Plan until the required documentation is received.

Uncashed Distribution Checks

Distribution checks are valid for a 90 day period from the date the check is issued. If a check is uncashed or is returned for an incorrect mailing address the Committee will suspend future distributions. Any shares of Company Stock that were to be distributed and redeemed and any shares of Company Stock that were to be recycled to other accounts will be held in your account. The shares will be converted to other investment through a transfer to the Recology 401(k) Plan as described in **Conversion Accounts** under **Your Accounts Under the Plan**.

For additional information see **After Your Termination of Employment** in this section of the Employee Benefits Reference Guide.

DIVERSIFICATION OF ESOP SHARES

If you meet the criteria explained below for an in-service distribution, then you may elect to take an in-service distribution of a portion of your ESOP account. The amount available for distribution is based on the balance in your Recology Stock Account that is made up of Post-1986 shares of stock.

Eligibility

To be eligible for diversification you must:

- Be at least age 55 and
- Have at least 10 Years of Participation in the Plan (a Year of Participation is a year in which you are eligible to receive an allocation of Employer Contributions and includes participation in the Envirocal, Inc. ESOP), and
- Have a Recology Stock Account that has a fair market value of greater than \$500, and
- Not have commenced a distribution due to Retirement or Disability.

Amount of Diversification

Once you become eligible, you may elect to take a distribution during the next 6 consecutive Plan Years (the "Election Period"). For each of the first 5 Plan Years, you may elect a distribution of up to 25% of the amount available, less all amounts previously withdrawn. Remember, the "amount available" is NOT 25% of your entire Account. It is only 25% of the value of Post-1986 shares of stock less the amount you have already received.

During the 6th Plan Year (the last Plan Year in the Election Period) you may elect to receive an amount up to 50% of the value of Post-1986 shares of stock, less all amounts previously withdrawn.

When Distribution Will be Made

To request a distribution, complete the Diversification Election Form and return it to Prudential Retirement. An Election Form will be sent to you during December. **If you wish to take a distribution, you must complete and return the Election Form by the deadline stated on the form.** Your distribution will be made within 180 days after the last day of the Plan Year (or around March 30th). If you do not receive a Diversification Election Form, contact Prudential Retirement, at 1-877-778-2100.

For additional information see **Uncashed Distribution Checks** under **Recology Stock and Cash Accounts** in this section of the Employee Benefits Reference Guide.

Naming a Beneficiary

A beneficiary is the person(s) (or entity(ies)) that you name to receive your account balance in the event of your death.

To ensure that death benefits are paid to your designated beneficiary (including, if you elect, your registered domestic partner, see **Registered Domestic Partner** below), you should be careful to maintain on file with the Committee, or its authorized representative, a current beneficiary designation. Beneficiary designations must be made on forms available from Prudential Retirement, and are effective only when properly completed, executed and received by Prudential Retirement. You may also designate or change your beneficiary using your on-line account at Prudential Retirement by logging on to: www.prudential.com/online/retirement.

If you are married and you elect a primary beneficiary other than your spouse, then your spouse must give written consent to the election. If you have a registered domestic partner and you elect a primary beneficiary other than your registered domestic partner, then your registered domestic partner must give written consent to your election. Your spouse's or registered domestic partner's signature must be witnessed by a notary public or a Plan representative.

Effective February 1, 2015, if you have not made a valid beneficiary designation, or if none of the named beneficiaries are living at the time of your death, then payment will automatically be made in the following order of priority: to your Spouse, including Registered Domestic Partner, Children in equal shares, Parents, Estate.

Upon notification of your death, if a valid beneficiary designation is not on file, Prudential Retirement will request a copy of your marriage certificate or a copy of your Declaration of Domestic Partnership which has been filed with a governmental body pursuant to state or local law authorizing such registration.

REGISTERED DOMESTIC PARTNER

A registered domestic partner is any person whose domestic partnership is currently registered with a governmental body, pursuant to state or local law which authorizes such registration.

Who Pays the Cost

All reasonable expenses of administering the Plan and Trust are paid out of the Trust. Recology may, however, pay all or any portion of such expenses directly. Payment of such expenses are not considered Employer Contributions.

You are neither required nor permitted to contribute to the Plan.

How Your Benefits Can Be Changed

LEGAL LIMITS ON YOUR AMOUNT OF BENEFIT

The law imposes limitations on the total amount of contributions that can be made on your behalf under any tax-qualified Plan maintained by a Recology Group Company. These limitations may restrict the amount of contributions you receive under the ESOP.

RECOVERY OF BENEFIT OVERPAYMENTS

If, for any reason, payments are made to you or a beneficiary in excess of the amount that is payable under the Plan, the Committee or the Trustees have full authority to recover the amount of the overpayments. That authority includes, but is not limited to, the right to reduce benefits payable in the future to you or your beneficiary who received the overpayments.

How You Could Lose Benefits

Certain circumstances might affect the benefits you could receive from the ESOP. For example, if:

- You terminate before you are vested in a benefit under the Plan,
- The Plan is required to pay federal taxes or benefits to your spouse, former spouse, registered domestic partner, former registered domestic partner, or a dependent under the terms of certain court orders,
- The value of the Recology stock decreases, or
- The Plan is terminated.

ASSIGNMENT OF BENEFITS

Your benefit under the ESOP may not be transferred or assigned to anyone else, nor may you use your benefit as security or collateral for a loan. However, the prohibition on transferring or assigning your benefits under the Plan does not apply in the following circumstances:

- Federal tax levies or assessments,
- Certain judgments and settlements allowed under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the Code involving the Plan, and
- Qualified Domestic Relation Orders ("QDROs")

Qualified Domestic Relation Orders ("QDROs")

The Plan is required to comply with properly issued QDROs under a State's domestic relations law. If the Plan receives a court order relating to marital property rights, alimony payments, or child support, all or a portion of your benefit may have to be paid to someone else. The Committee will notify you if it receives a domestic relations court order relating to your benefit and will also determine, within a reasonable time, whether the order is qualified.

If you (as a participant or a beneficiary) need more information regarding QDROs under the Plan, you may contact the Recology Human Resources Department at 1-800-652-1275 to obtain, without charge, the QDRO procedures and model QDRO.

For QDROS approved by the Recology ESOP on or after October 1, 2008, distributions to the ex-spouse or other alternate payee will be made as a lump sum payment of the value of the shares during the annual ESOP distribution pay cycle following the Plan Year of the approval of the QDRO. However, if a QDRO was approved before October 1, 2008 and has a provision that prohibits a lump sum distribution, the distribution will be made at the earliest date that the approved QDRO allows.

After Your Termination of Employment

Following your termination of employment, you are responsible for keeping the Committee advised of your current address and marital status.

Keeping mailing addresses for you and your beneficiary current is critical to the delivery of a distribution. When a distribution is available, the Committee will make a good faith effort to determine that the mailing address on for the individual receiving the distribution is current. If it is determined that the address is not current, an immediate attempt to locate the current address will take place. If a distribution check is returned due to an incorrect mailing address or is uncashed, the Committee will not send additional distribution checks. See **Uncashed Distribution Checks** under **How Benefits are Paid/Distribution Options** in this section of the Employee Benefits Reference Guide.

Other ESOP Plan Information

SPECIAL TOP-HEAVY PLAN RULES

The ESOP has never been “top-heavy.” Generally, a “top-heavy” plan is one in which more than 60% of the total accrued benefits are attributable to “key” employees. “Key employees” are certain participants who are officers or shareholders of an employer or an affiliated company of the employer. In the unlikely event that the ESOP becomes top-heavy at some future date, the ESOP must meet certain additional requirements under the Code relating to vesting and accrued benefits.

The determination as to whether the ESOP becomes “top-heavy” for any Plan Year will be made as of September 30 of the immediately preceding Plan Year, by considering the ESOP together with other Recology sponsored retirement plans. If the Plan becomes top-heavy in any Plan Year, the Plan will provide a more detailed explanation of how benefits provided under the Plan would be affected.

ENVIROCAL, INC. ESOP PARTICIPATING COMPANIES

	Date Participation Began
Bayshore Salvage Co.	10/01/86
Buonaterre, Inc.	10/01/85
Envirocal, Inc.	10/01/85
Envirocal Systems, Inc.	10/01/85
Recology Mountain View	10/01/85
Recology San Francisco	01/01/92
Recology South Bay	10/01/85
Recology South Valley and San Martin Transfer Station	10/01/85
Stockton Scavengers Association	10/01/85
Sunset Scavenger Company	10/01/85

HOW THE PLAN IS INVESTED

Recology Stock Accounts and Cash Accounts

The Plan is designed to be primarily invested in shares of Recology common stock. Each year an independent appraiser determines the value of Recology's common stock. The value of your Accounts is determined as of the end of each Plan Year, or at any other time that is deemed appropriate by the Committee. The Committee may direct the Trustee to apply part of an Employer Contribution to pay administrative expenses. In addition, certain Plan assets may be temporarily invested in short-term interest bearing obligations or similar investments.

Conversion Accounts

Amounts credited to a Conversion Account will be held temporarily in cash pending transfer to the Recology 401(k) Plan. Once transferred to the Recology 401(k) Plan, the assets will be invested in accordance with the terms of the Recology 401(k) Plan. Generally, participants in the Recology 401(k) Plan direct how their accounts are invested. If a Recology 401(k) Plan participant does not provide investment directions, the assets will be invested in a 'qualified default investment alternative' under rules of the Department of Labor.

INSURED BENEFITS

ESOP benefits are not guaranteed by the PBGC because these are not the type of plans that the PBGC insures.

VOTING RIGHTS

The Committee directs the Trustee regarding the voting of all Recology Stock held by the Plan. You (or your beneficiary) may be entitled to direct the Trustee regarding the voting of shares allocated to your account if a shareholder meeting is held to approve a proposal to have Recology engage in a corporate merger, consolidation, liquidation or similar transaction (as specified in Section 409(e)(3) of the Internal Revenue Code (the "Code").

You (or your beneficiary) will be provided with any information statement and other materials that may be prepared in connection with such shareholder meeting, together with the forms to direct the Trustee regarding your confidential voting directions.

ADMINISTRATION

Recology is the Plan Administrator under ERISA. In addition, the Board of Directors of Recology has appointed the ESOP Administrative Committee ("the Committee") to perform some administrative tasks on behalf of the Plan. The Committee is made up of individuals appointed by the Board. Claims for ESOP benefits can be filed with the Committee. The Committee has exclusive authority, in its sole and absolute discretion, to take any and all actions it deems necessary or appropriate, to administer and interpret the Plan including, but not limited to, the right to gather all information and make decisions concerning the eligibility for and the amount of benefits payable under the Plan, to resolve and/or clarify any ambiguities, inconsistencies and omissions that may arise under the Plan. Benefits will be paid under the Plan only if the Committee decides in its discretion that you or a beneficiary is entitled to them. Any determination by the Committee will be final and conclusive upon all persons, subject to the appeals procedures described in **Appealing a Denied Claim** under **Other ESOP Plan Information**.

CLAIMING YOUR BENEFIT

A Participant or Beneficiary (the "claimant") who does not receive a distribution of benefits to which he believes he is entitled should first contact Prudential Retirement at 1-877-778-2100. If the claimant is not satisfied with the response from Prudential Retirement, he may present a claim to the person assigned to manage ESOP distributions (the "ESOP Manager"). You must apply in writing to receive benefits from the Plan. Benefits must be approved by the Committee or its authorized representative. The election forms necessary to process your payments from the Plan will be provided to you during the processing period. Contact Prudential Retirement at 1-877-778-2100 for any additional information you may need.

Claimants or their authorized representative are responsible for providing the necessary or appropriate documentation to obtain benefits under the Plan, as required by the ESOP Manager. This may include, but is not limited to, proof of age, proof of marital status, proof of relationship, or proof of competence or incompetence. Benefits payable to minors and incompetents will be made to guardians or others providing or appearing to provide for the care and support of the person entitled to the benefits and legally able to receive them.

Non-Disability Claims

All claims for benefits under the Plan, except for Disability Claims as provided below, must be submitted to the ESOP Manager in writing. Within 90 days thereafter, this claim will be decided upon by the ESOP Manager in writing. If the ESOP Manager determines that an extension of time for processing the claim is required, the ESOP Manager may extend the date by which a decision is required to 180 days after the claim is submitted provided that the ESOP Manager provides written notice of the extension to the claimant prior to the termination of the initial 90-day period, including the special circumstances requiring an extension of time and the date by which the ESOP Manager expects to render a decision.

Disability Claims

All claims for benefits under the Plan that are based upon the Participant's Disability (each a "Disability Claim") must be submitted to the ESOP Manager in writing. Within 45 days thereafter, this claim must be decided upon by the ESOP Manager in writing.

If the ESOP Manager determines that an extension of time for processing the Disability Claim is required, the ESOP Manager may extend the date by which a decision is required to 75 days after the Disability Claim is submitted, provided that the ESOP Manager provides written notice of the extension to the claimant prior to the termination of the initial 45-day period, including the special circumstances requiring an extension of time and the date by which the ESOP Manager expects to render a decision.

If the ESOP Manager determines that, due to matters beyond the control of the Plan, a decision on a Disability Claim cannot be rendered within 75 days after the Disability Claim is submitted, the ESOP Manager may extend the date by which the decision is required to 105 days after the Disability Claim is filed, provided that the ESOP Manager notifies the claimant, prior to the expiration of the 75-day period, of the circumstances requiring the extension and the date as of which the Plan expects to render a decision.

In the case of any extension of the 45-day or 75-day review period, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the Disability Claim and the additional information needed to resolve those issues, and the claimant will be afforded at least 45 days within which to provide the specified information.

DENIAL OF A CLAIM (INCLUDING DISABILITY CLAIMS)

Written notice of the decision on each claim (including any Disability Claim) will be furnished reasonably promptly to the claimant. If the claim is wholly or partially denied, such written notice will set forth the specific reason or reasons for the denial; reference to the specific Plan provisions on which the denial is based; a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA, following the denial of a claim on review; in the case of a denial of a Disability Claim, if an internal rule, guideline, protocol, or other criterion was relied upon in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion, or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in denying the claim and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to the claimant upon request.

APPEALING A DENIED CLAIM

In connection with a review of a denied claim for benefits (including a Disability Claim), a claimant or their authorized representative will have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits, and be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits. The review of a denied claim will take into account all comments, documents, records, and other information submitted by the claimant related to the claim, without regard to whether such information was submitted or considered in the initial review of the claim. If a claim is denied upon review, the written notice of the denial will specify the specific reason or reasons for the denial, reference to the specific Plan provisions upon which the denial is based, and a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of, all documents, records and other information relevant to the claimant's claim for benefits.

Non-Disability Claim

A claimant (except for a Disability Claimant see below) or their authorized representative may request a review by the Committee of a decision denying a claim in writing within 60 days following receipt of the denial. All such reviews will be decided in writing by the Committee within 60 days after receipt of the request for review. If the Committee determines that an extension of time for processing the review is required, the Committee may extend the date by which a decision is required to 120 days after the request for review is submitted provided that the Committee provide written notice of the extension to the claimant prior to the termination of the initial 60-day period, including the special circumstances requiring an extension of time and the date by which the Committee expects to render a decision.

Disability Claim

A claimant or their authorized representative may request a review by the Committee of a decision denying a Disability Claim in writing within 180 days following receipt of the denial. All such reviews will be decided in writing by the Committee within 45 days after receipt of the request for review. If the Committee determines that an extension of time for processing the review is required, the Committee may extend the date by which a decision is required to 90 days after the request for review is submitted provided that the Committee provides written notice of the extension to the claimant prior to the termination of the initial 45-day period, including the special circumstances requiring an extension of time and the date by which the Committee expects to render a decision. If the Committee cannot reach a decision about a claimant's request for review because the claimant has not submitted information requested by the Committee, the 45 days (or 45-day extension, if applicable) will be tolled until the date on which the claimant responds to the request for additional information. The

Committee may delegate its duty to review denied Disability Claims hereunder provided that the person or entity to whom such duty is delegated will not be the ESOP Manager or a subordinate of the ESOP Manager. Any review of a denied Disability Claim hereunder will be without deference to the ESOP Manager's denial of the Disability Claim.

If the denial of a Disability Claim upon review is based in whole or in part on a medical judgment, the Committee or its delegate will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. Such professional will be an individual who is neither an individual who was consulted in connection with the initial denial of the Disability Claim nor the subordinate of any such individual. The Committee or its delegate will provide for the identification of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a denied Disability Claim without regard as to whether the advice was relied upon in making the benefit determination. If an internal rule, guideline or protocol, or other similar criterion was relied upon in denying a Disability Claim upon review, the notice denying such claim upon review will set forth either the specific rule, guideline, protocol, or other similar criterion, or a statement that such rule, guideline, protocol, or other criterion was relied upon in denying the claim and that a copy of the rule, guideline, protocol, or other similar criterion will be provided free of charge to the claimant upon request. Any notice denying a Disability Claim upon review will contain the following statement: "You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available to you is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency."

Plan Documents

This ERISA-covered pension plan is based on a legal Plan document. This section of your Employee Benefits Reference Guide is a summary of some important features of this Plan. This document constitutes the Summary Plan Description required by ERISA. You can find full details in the official Plan document. If the Plan's provisions of your Employee Benefits Reference Guide should be inconsistent with the official Plan document, the wording of the official Plan document will always govern. If you have any questions concerning the Plan which are not covered in this SPD, contact Prudential Retirement at 1-877-778-2100 or write to the Administrative Committee at the address at the back of this section.

Amendment or Termination of the Plan

Plan benefits will continue to accrue only while the Plan is in effect, and only pursuant to the Plan terms. Recology reserves the exclusive right to amend (subject to any required approval of the Committee) or terminate the Plan, in writing, at any time, for any reason, without prior notice to employees, retirees, beneficiaries, or registered domestic partners, if applicable.

If the Plan is wholly or partially terminated, all affected Participants will become vested in their respective benefits accrued under the Plan, as of the date of Plan termination.

No Rights to Employment

The Plan is not an employment contract. Nothing in the Plan gives you a right to employment with a Recology Participating Company or affects the right of a Recology Participating Company to terminate your employment at any time, with or without cause.

Notwithstanding the foregoing, nothing herein is intended to supersede any provision in a collective bargaining agreement

Controlling Law

The Plan (and its corresponding Trust Agreement) will be construed and enforced according to the laws of the State of California (other than the choice of law principles), except to the extent that those laws have been preempted by Federal Law (including ERISA), which will otherwise control.

Your Rights Under ERISA

As a Participant in the ESOP (the "Plan") you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan Participants are entitled to:

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report (the "Summary Annual Report" or "SAR"). The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age (generally, the later of age 62 or 5 Years of Service, as more fully described in this SPD) and if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months unless you have a Conversion Account. If you have a Conversion Account, you will receive a statement about your Conversion Account once every calendar quarter. The Plan must provide the statements free of charge.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

- In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit from the Plan or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

- If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.
- Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan (such as a copy of plan documents or the latest annual report) and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.
- If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

- If you have any questions about your Plan, you should contact Prudential Retirement or the Committee. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Committee, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration (1-866-444-3272) or visiting their website at www.dol.gov/ebas.

For The Record

NAME, ADDRESS, TELEPHONE NUMBER, AND EMAIL OF PLAN SPONSOR AND PLAN ADMINISTRATOR

Recology Inc.
50 California Street, 24th Floor
San Francisco, CA 94111-9796
415-875-1000 or 800-652-1275
benefits@recology.com

NAME, ADDRESS, AND TELEPHONE NUMBER OF THIRD PARTY RECORD KEEPER

Prudential Retirement
c/o Crowe LLP
155 W. Nationwide Blvd., Suite 500
Columbus, OH 43215
877-778-2100

NAME AND ADDRESS OF ADMINISTRATIVE COMMITTEE

ESOP Administrative Committee
Recology Inc.
50 California Street, 24th Floor
San Francisco, CA 94111-9796

EMPLOYER IDENTIFICATION NUMBER

94-2922974

PLAN NAME

Recology Employee Stock Ownership Plan

PLAN TYPE

Defined Contribution Pension Plan

PLAN NUMBER

002

PLAN YEAR

Twelve consecutive month period, running from October 1 to September 30.

PLAN TRUSTEE

For the Recology Stock and Cash Accounts:
Alerus Financial, N.A.
19765 Highway 7
Shorewood, MN 55331

AGENT FOR LEGAL PROCESS

The agent for service of legal process for disputes arising under the ESOP is the ESOP Administrative Committee. The Committee can be reached at Recology's address shown above. Service of legal process may also be made upon the Plan Administrator or Trustee.