



American Ecology Corporation Dividend Policy

The American Ecology Corporation (“Company”) Board of Directors (“Board”) shall evaluate and approve payment of dividends that reflect the Company’s expected operating performance, financial condition, cash position and planned capital needs. This Policy sets forth the objectives, guiding principles and process by which the Board will evaluate, declare and pay dividends.

1. Responsibility

The Board of Directors (“Board”) is responsible for determining the amount, frequency and type of dividend to be paid. The Board of Directors shall appoint, as it deems necessary, a standing or ad hoc Dividend Committee (“Committee”) to analyze and recommend Dividend Policy. Company management shall provide information and analyses as requested by the Board and/or Dividend Committee to develop and implement Dividend Policy.

2. Objectives

American Ecology Corporation’s core objective is to create profitable growth within acceptable risk parameters in order to maximize long term value for shareholders. The objective of the Company’s Dividend Policy is to provide a return that shareholders expect from their investment with consideration given to the cash and growth requirements of the business.

3. Type

The dividend shall be payable in cash to shareholders of record on the date established by the Board.

4. Payment Frequency

The frequency of dividends shall be payable quarterly unless otherwise approved by the Board. The Board shall set the Declaration Date and the Record Date of the dividend.

5. Review Frequency

The Board shall annually review and set Dividend Policy for the current year at the first regularly scheduled Board meeting during which the previous year’s approved annual audited financial results and current year operating budget will both be available and approved.

6. Guiding Principles

In reviewing and setting annual dividend policy, the Board, the Committee and management shall be guided by the following principles:

- a. Dividend Sustainability: To attract capital on favorable terms, and build long term shareholder value and confidence in the Company's future, the amount and frequency of dividends to be paid shall be evaluated based on the Company's ability to continue paying such dividends at an equal level in the foreseeable future. Risks that threaten the Company's ability to maintain the present level of dividends will be identified and carefully evaluated.
- b. Dividend Regularity: To further build long term shareholder value and confidence in the Company's future, it is the objective of the Company to pay dividends on a regular basis subject to these Guiding Principles and the Key Factors discussed below.
- c. Company Growth: The amount, frequency and type of dividends paid should not impair or impede the ability of the Company to grow its operating income consistent with Board approved operating and capital budgets, or longer term strategic growth plans, by restricting capital necessary to grow the business.
- d. Dividend Growth: It is the objective of the Board to grow the declared dividends over time based on the Company's financial performance and condition. The dividend growth rate, if any, shall be determined by the Board after reviewing Key Factors, as noted below, annually.

7. Key Factors to be Considered

Management and the Board shall evaluate and consider Key Factors, including but not limited to, the Company's liquidity, profitability, return on invested capital, cash flows, applicable tax law, the Company's taxpayer status, capital structure, need for acquisition capital, access to capital markets, capital spending plans, closure & post-closure obligations, financial assurance requirements, general business conditions, and other risks and uncertainties. This is not intended to be an all inclusive list of factors to consider, but rather representative of factors which may be considered in establishing dividends.

8. Amount

The amount of the dividend shall be approved by the Board and shall be determined on a per share basis. The Board shall approve the exact amount of the dividend to be paid.

9. Reporting and Legal Requirements

Management shall notify the Board of all reporting and legal requirements associated with the declaration and payment of any dividends.

10. Changes to Dividend Policy

This Policy may only be changed by written action of the Board.