

## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is made and entered into as of January 1, 2001 or such earlier date as the parties agree (the "Effective Date"), by and between Eric Hansen (the "Employee") and Waste Connections, Inc., a Delaware corporation (the "Company"), with reference to the following facts.

The Company desires to engage the services and employment of the Employee, and the Employee is willing to accept employment by the Company, on the terms and conditions set forth below.

NOW THEREFORE, in consideration of the premises and the mutual covenants and conditions herein, the Company and the Employee agree as follows:

1. **Employment.** The Company agrees to employ the Employee, and the Employee agrees to accept employment with the Company, on the terms and conditions stated herein.

2. **Position and Responsibilities.** During the Term, the Employee shall serve as the Vice President of Information Systems of the Company, reporting directly to the Company's Chief Accounting Officer. The Employee shall be based in the Company's corporate headquarters in California and shall be responsible for oversight of all information systems relating to the Company's operations and properties. The employee shall perform such other duties and responsibilities as the President or the Board of Directors (the "Board") of the Company may reasonably assign to the Employee from time to time. The Employee shall devote such time and attention to his duties as are necessary to the proper discharge of his responsibilities hereunder. The Employee agrees to perform all duties consistent with (a) policies established from time to time by the Company and (b) all applicable legal requirements.

3. **Term.** The period of the Employee's employment under this Agreement (the "Term") shall commence on the Effective Date and continue until the third anniversary of the Effective Date, unless terminated earlier as provided herein or extended by the Board. At the end of the initial Term, this Agreement shall be renewed automatically for successive Terms of one year, unless either party shall have given the other notice of termination hereof as provided herein.

4. **Compensation Benefits and Reimbursement of Expenses.**

(a) **Compensation.** The Company shall compensate the Employee during the Term of this Agreement as follows:

(1) **Base Salary.** The Employee shall be paid a base salary ("Base Salary") of not less than ninety thousand dollars (\$90,000) per year in installments consistent with the Company's usual practices. The Board shall review the Employee's Base Salary on each anniversary of the Effective Date or more frequently, at the times prescribed in salary administration practices applied generally to management employees of the Company.

(2) **Performance Bonus.** The Employee shall be entitled to an annual cash bonus (the "Bonus") based on the Company's attainment of reasonable financial objectives to be determined annually by the Board. The maximum annual Bonus will equal twenty-five percent (25%) of the applicable year's ending Base Salary and will be payable if the Board determines, in its sole and exclusive discretion, that that year's financial objectives have been fully met. The Bonus shall be paid in accordance with the Company's bonus plan, as approved by the Board; provided that in no case shall any portion of the Bonus with respect to any fiscal year be paid more than seventy-five (75) days after the end of such fiscal year. For the Employee's bonus to be paid in 2001, for the fiscal 2000 year, the Company will agree to forgive the Employee's outstanding loan owed to the Company, in addition to any bonus earned during fiscal 2000.

(3) **Grant of Options or Restricted Stock.** On the Effective Date, the Company shall grant to the Employee, for no additional consideration, either of the following awards, to be chosen by the Company in its sole discretion, either:

(a.) Nonqualified stock options (the "Options") to purchase an amount of the Company's Common Stock under the Company's Amended and Restated 1997 Stock Option Plan, such that the exercise price subtracted from the market price of the stock, multiplied by the number of shares issued equals one hundred thousand dollars (\$100,000) on the grant date. For example, if on January 1, 2001, the Company's Common Stock closes at \$26.00 per share; then the Company could issue four thousand (4,000) stock options at \$1.00 exercise price to yield  $(\$26.00 - \$1.00 = \$25.00/\text{share} \text{ multiplied by } 4,000 \text{ options} = \$100,000$  of "in the money" value). All stock options granted shall vest and become exercisable with respect to 25% of the shares granted on the first, second, third, and fourth anniversaries of the grant date. The option shall have a term of 10 years from the date of such grant.

Or,

(b.) A grant of four thousand (4,000) restricted shares of the Company's Common Stock. These shares will be issued to the Employee in his name effective on the grant date, and the ownership of these shares shall vest 25% on the first, second, third and fourth anniversaries of the grant date to the Employee.

The terms of the Options shall be described in more detail in a Stock Option Agreement to be entered into between the Employee and the Company. If at any time while any of the Options are still outstanding the Company amends its Stock Option Plan to provide for a less favorable vesting schedule for stock options than that provided herein, any Options then outstanding shall thereupon be converted to warrants entitling the Employee to purchase the number of shares of Common Stock for which the Employee's then outstanding Options may be exercised, on the same terms as provided under such Options.

(b) **Other Benefits.** During the Term, the Company shall provide the Employee with a cellular telephone and will pay or reimburse the Employee's monthly service fee and costs of calls attributable to Company business. During the Term, the Employee shall be entitled to receive all other benefits of employment generally available to other management employees of the Company and those benefits for which management employees are or shall become eligible, including, without limitation and to the extent made available by the Company, Medical, dental, disability, and prescription coverage, life insurance and tax-qualified retirement benefits. If the Employee is not eligible for coverage under the Company's health insurance policy at the commencement of the Term, the Company shall reimburse the Employee for the expenses of health insurance coverage under COBRA from the commencement of the Term until the Employee becomes eligible for the health insurance benefits offered by the Company. The Employee shall be entitled to three (3) weeks of paid vacation during each of the first three twelve-month periods of his employment, and four (4) weeks per twelve-month period beginning with the fourth twelve-month period of employment under this agreement.

(c) **Reimbursement of Other Expenses.** The Company agrees to pay or reimburse the Employee for all reasonable travel and other expenses incurred by the Employee in connection with the performance of his duties under this Agreement on presentation of proper expense statements or vouchers. All such supporting information shall comply with all applicable Company policies relating to reimbursement for travel and other expenses.

(d) **Withholding.** All compensation payable to the Employee hereunder is subject to all withholding requirements under applicable law.

5. **Confidentiality.** During the Term of his employment, the Employee shall not, without the prior written consent of the Company, divulge to any third party or use for his own benefit or the benefit of any third party or for any purpose other than the exclusive benefit of the Company, any confidential or proprietary business or technical information revealed, obtained or developed in the course of his employment with the Company and which is otherwise the property of the Company or any of its affiliated corporations, including, but not limited to, trade secrets, customer lists, formulae and processes of manufacture; provided, however, that nothing herein contained shall restrict the Employee's ability to make such disclosures during the course of his employment as may be necessary or appropriate to the effective and efficient discharge of his duties to the Company.

6. **Property.** Both during the Term of his employment and thereafter, the Employee shall not remove from the Company's offices or premises any Company documents, records, notebooks, files, correspondence, reports, memoranda and similar materials or property of any kind unless necessary in accordance with the duties and responsibilities of his employment. In the event that any such material or property is removed, it shall be returned to its

proper file or place of safekeeping as promptly as possible. The Employee shall not make, retain, remove or distribute any copies, or divulge to any third person the nature or contents of any of the foregoing or of any other oral or written information to which he may have access, except as disclosure shall be necessary in the performance of his assigned duties. On the termination of his employment with the Company, the Employee shall leave with or return to the Company all originals and copies of the foregoing then in his possession or subject to his control, whether prepared by the Employee or by others.

7. **Termination.**

(a) **Termination by the Company for Cause or by the Employee.** The employment of the Employee may be terminated for cause at any time by the "Board" on written Notice of Termination (as defined in Section 8(a)) delivered to the Employee describing with specificity the grounds for termination. The employment of the Employee may also be terminated at any time by the Employee on written Notice of Termination delivered to the Company. Immediately on termination pursuant to this Section 7(a), the Company shall pay to the Employee in a lump sum his then current Base Salary under Section 4(a)(1) on a prorated basis to the Date of Termination (as defined in Section 8(b)). On termination pursuant to this Section 7(a), the Employee shall forfeit (i) his Bonus under Section 4(a)(2) for the year in which such termination occurs, and (ii) all outstanding but unvested Options and other options and rights relating to capital stock of the Company. For purposes of this Agreement, Cause shall mean:

- (1) a material breach of any of the terms of this Agreement that is not immediately corrected following written notice of default specifying such breach;
- (2) a breach of any of the provisions of Section 10;
- (3) repeated intoxication with alcohol or drugs while on Company premises during its regular business hours to such a degree that, in the reasonable judgment of the other managers of the Company, the Employee is abusive or incapable of performing his duties and responsibilities under this Agreement;
- (4) conviction of a felony; or
- (5) misappropriation of property belonging to the Company and/or any of its affiliates.

(b) **Termination Without Cause.** The employment of the Employee may be terminated without Cause at any time by the Board on delivery to the Employee of a written Notice of Termination (as defined in Section 8(a)). On the Date of Termination (as defined in Section 8(b)) pursuant to this Section 7(b), the Company shall pay to the Employee in a lump sum an amount equal to (i) the Base Salary payable under Section 4(a)(1) at the rate in effect on the Date of Termination a period of one year provided the Employee agrees to a full time transition period to assist the Company of up to one hundred and twenty (120) days as directed by the Company. At the end of this transition period, the Company shall pay the Employee the one year's lump sum payment. In addition, on termination of the Employee under this Section 7(b), all of the Employee's outstanding but unvested Options and other options and rights relating to capital stock of the Company shall immediately vest and become exercisable. The term of any such options and rights shall be extended to the third anniversary of the Employee's termination. The Employee acknowledges that extending the term of any option pursuant to this Section 7(b), or Section 7(c) or 7(d), could cause such option to lose its tax-qualified status if it is an incentive stock option under the Code and agrees that the Company shall have no obligation to compensate the Employee for any additional taxes he incurs as a result.

(c) **Termination on Disability.** If during the Term the Employee should fail to perform his duties hereunder on account of physical or mental illness or other incapacity which the Board shall in good faith determine renders the Employee incapable of performing his duties hereunder, and such illness or other incapacity shall continue for a period of more than six (6) consecutive months ("Disability"), the Company shall have the right, on Written Notice of Termination (as defined in Section 8(8)) delivered to the Employee to terminate the Employee's employment under this Agreement. During the period that the Employee shall have been incapacitated due to physical or mental illness, the Employee shall continue to receive the full Base Salary provided for in Section 4(a)(1) hereof at the rate then in effect until the Date of Termination (as defined in Section 8(b)) pursuant to this Section 7(c). On the Date of Termination pursuant to this Section 7(c), all of the Employee's outstanding but unvested Options and other options and

rights relating to capital stock of the Company shall immediately vest and become exercisable. The term of any such options and rights shall be extended to the third anniversary of the Employee's termination.

(d) **Termination on Death.** If the Employee shall die during the Term, the employment of the Employee shall thereupon terminate. On the Date of Termination (as defined in Section 8(b)) pursuant to this Section 7(d), all of the Employee's outstanding but unvested Options and other options and rights relating to capital stock of the Company shall immediately vest and become exercisable. The term of any such options and rights shall be extended to the third anniversary of the Employee's termination. The provisions of the Section 7(d) shall not affect the entitlements of the Employee's heirs, executors, administrators, legatees, beneficiaries or assigns under any employee benefit plan, fund or program of the Company.

## 8. **Provisions Applicable to Termination of Employment.**

(a) **Notice of Termination.** Any purported termination of Employee's employment by the Company or by the employee pursuant to Section 7 shall be communicated by Notice of Termination to the Employee or the Company, as the case may be, as provided herein ("Notice of Termination").

(b) **Date of Termination.** For all purposes, "Date of Termination" shall mean the date on which a Notice of Termination is given.

(c) **Benefits on Termination.** On termination of this Agreement pursuant to Section 7, all profit-sharing, deferred compensation and other retirement benefits payable to the Employee under benefit plans in which the Employee then participated shall be paid to the Employee in accordance with the provisions of the respective plans. Except as otherwise provided in Sections 7(b), 7(c), 7(d), and 9, if the Employee's employment by the Company is terminated before all of the Employee's options, warrants and rights with respect to the Company's capital stock have vested, the Employee shall forfeit any such options, warrants and rights that are unvested as of the termination date.

## 9. **Change In Control.**

(a) **Payments on Change in Control.** Notwithstanding any provision in this Agreement to the contrary, unless the Employee elects in writing to waive this provision, a Change in Control (as defined below) of the Company shall be deemed a termination of the Employee without Cause, and the Employee shall be entitled to receive and the Company agrees to pay to the Employee in a lump sum the same amount determined under Section 7(b) that is payable to the Employee on termination without Cause, and the Employee shall have the right to forfeit all or part of such amount in exchange for payment by the Company of certain relocation costs, as described in Section 7(b). In addition, on a Change of Control, all of the Employee's outstanding but unvested Options and other options and rights relating to capital stock of the Company shall immediately vest and become exercisable, and the term of any such options and rights shall be extended to the third anniversary of the Employee's termination.

After a Change in Control, if any previously outstanding Option or other option or right (the "Termination Option") relating to the Company's capital stock does not remain outstanding, the successor to the Company or its then Parent (as defined below) shall either:

(i) Issue an option, warrant or right, as appropriate (the "Successor Option"), to purchase common stock of such successor or Parent in an amount such that on exercise of the Successor Option the Employee would receive the same number of shares of the successor's/Parent's common stock as the Employee would have received had the Employee exercised the Terminated Option immediately prior to the transaction resulting in the Change in Control and received shares of such successor/Parent in such transaction. The aggregate exercise price for all of the shares covered by such Successor Option shall equal the aggregate exercise price of the Terminated Option; or

(ii) Pay the Employee a bonus within ten (10) days after the consummation of the Change in Control in an amount agreed to by the Employee and the Company. Such amount shall be at least equivalent on an after-tax basis to the net after-tax gain that the Employee would have realized if he had been issued a Successor Option under clause (i) above and had immediately exercised such Successor Option and sold the underlying stock, taking into

account the different tax rates that apply to such bonus and to such gain, and such amount shall also reflect other differences to the Employee between receiving a bonus under this clause (ii) and receiving a Successor Option under clause (i) above.

(b) Definitions. For the purposes of this Agreement, a Change in Control shall be deemed to have occurred if (i) there shall be consummated (aa) any reorganization, liquidation or consolidation of the Company, or any merger or other business combination of the Company with any other corporation, other than any such merger or other combination that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such transaction, (bb) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company, or if (ii) any "person" (as defined in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), shall become the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of fifty percent (50%) or more of the Company's outstanding voting securities (except that for purposes of this Section 10(b), "person" shall not include any person or any person that controls, is controlled by or is under common control with such person, who as of the date of this Agreement owns ten percent (10%) or more of the total voting power represented by the outstanding voting securities of the Company, or a trustee or other fiduciary holding securities under any employee benefit plan of the Company, or a corporation that is owned directly or indirectly by the stockholders of the Company in substantially the same percentage as their ownership of the Company) or if (iii) during any period of two consecutive years, individuals who at the beginning of such period constituted the entire Board shall cease for any reason to constitute at least one-half of the membership thereof unless the election, or the nomination for election by the Company's shareholders, of each new director was approved by a vote of at least one-half of the directors then still in office who were directors at the beginning of the period.

The term "Parent" means a corporation, partnership, trust, limited liability company or other entity that is the ultimate "beneficial owner" (as defined above) of fifty percent (50%) or more of the Company's outstanding voting securities.

#### 10. **Non-Competition and Non-Solicitation.**

(a) In consideration of the provisions hereof, for the period commencing on the date hereof and ending on the later of the first anniversary of the termination of this Agreement, or one year after receipt by the Employee of all compensation owed under this Agreement, the Employee will not, except as specifically provided below, anywhere in any county in any state in which the Company is engaged in business as of such termination date, directly or indirectly, acting individually or as the owner, shareholder, partner or management employee in any entity, (i) engage in the operation of a solid waste collection, transporting or disposal business, transfer facility, recycling facility, materials recovery facility or solid waste landfill; (ii) enter the employ as a manager of, or tender any personal services to or for the benefit of, or assist in or facilitate the solicitation of customers for, or receive remuneration in the form of management salary, commissions or otherwise from, any business engaged in such activities in such counties; or (iii) receive or purchase a financial interest in, make a loan to, or make a gift in support of, any such business in any capacity, including without limitation, as a sole proprietor, partner, shareholder, officer, director, principal agent or trustee; provided, however, that the Employee may own, directly or indirectly, solely as an investment, securities of any business traded on any national securities exchange or quoted on any NASDAQ market, provided the Employee is not a controlling person of, or a member of a group which controls; such business and further provided that the Employee does not, in the aggregate, directly or indirectly, own two percent (2%) or more of any class of securities of such business.

(b) After termination of this Agreement, the Employee shall not (i) solicit any residential or commercial customer of the Company to whom the Company provides service pursuant to a franchise agreement with a public entity in any county in any state in which the Company is engaged in business as of such termination date, (ii) solicit any residential or commercial customer of the Company to enter into a solid waste collection account relationship with a competitor of the Company in any such county, (iii) solicit any such public entity to enter into a franchise agreement with any such competitor, (iv) solicit any officer, employee or contractor of the Company to enter into an employment or contractor agreement with a competitor of the Company or otherwise interfere in any such relationship, or (v) solicit on behalf of a competitor of the Company any prospective customer of the Company that the

Employee called on or was involved in soliciting on behalf of the Company during the Term) in each case until the second anniversary of the date of such termination, unless otherwise permitted to do so by Section 10(a); provided that if the Employee is terminated by the Company without Cause by the Company pursuant to Section 7(b), the restrictions in this Section 10(b) shall apply only for as many months after such termination as are used to calculate the amount actually paid under Section 7(b)(iii) to the Employee on such termination. For example, if the Employee waives his right to be paid any amount under Section 7(b)(iii) {relating to the Total Compensation paid to him during the previous twelve months, the restrictions in this Section 10(b) shall not apply at all; if the Employee elects to receive under Section 7(b)(iii) an amount equal to only eight months' Total Compensation, the restrictions shall apply for only eight months.

(c) If the final judgment of a court of competent jurisdiction declares that any term or provision of this Section 10 is invalid or unenforceable, the parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration or area of the term or provision, to delete specified words or phrases or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

11. **Indemnification.** As an employee and agent of the Company: the Employee shall be fully "indemnified by the Company to the fullest extent permitted by applicable law in connection with his employment hereunder.

12. **Survival of Provisions.** The obligations of the Company under Section 11 of this Agreement, and of the Employee under Sections 5,6 and 10 of this Agreement, shall survive both the termination of the Employee's employment and this Agreement.

13. **No Duty to Mitigate; No Offset.** The Employee shall not be required to mitigate damages or the amount of any payment contemplated by this Agreement, nor shall any such payment be reduced by any earnings that the Employee may receive from any other sources or offset against any other payments made to him or required to be made to him pursuant to this Agreement.

14. **Assignment; Binding Agreement.** The Company may assign this Agreement to any parent, subsidiary, affiliate or successor of the Company. This Agreement is not assignable by the Employee and is binding on him and his executors and other legal representatives. This Agreement shall bind the Company and its successors and assigns and inure to the benefit of the Employee and his heirs, executors, administrators, personal representatives, legatees or devisees. The Company shall assign this Agreement to any entity that acquires its assets or business.

15. **Notice.** Any written notice under this Agreement shall be personally delivered to the other party or sent by certified or registered mail, return receipt requested and postage prepaid, to such party at the address set forth in the records of the Company or to such other address as either party may from time to time specify by written notice.

16. **Entire Agreement; Amendments.** This Agreement contains the entire agreement of the parties relating to the Employee's employment and supercedes all oral or written prior discussions, agreements and understandings of every nature between them. This Agreement may not be changed except by an agreement in writing signed by the Company and the Employee.

17. **Waiver.** The waiver of a breach of any provision of this Agreement shall not operate or as be construed to be a waiver of any other provision or subsequent breach of this Agreement.

18. **Governing Law and Jurisdictional Agreement.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California.

19. **Severability.** In case anyone or more of the provisions contained in this Agreement is, for any reason held invalid in any respect, such invalidity shall not affect the validity of any other provision of this Agreement, and such provision shall be deemed modified to the extent necessary to make it enforceable.

20. **Enforcement.** It is agreed that it is impossible to measure fully, in money, the damage which will accrue to the Company in the event of a breach or threatened breach of Sections 5, 6, or 10 of this Agreement, and, in any action or proceeding to enforce the provisions of Sections 5, 6, or 10 hereof, the Employee waives the claim or defense that the Company has an adequate remedy at law and will not assert the claim or defense that such a remedy at law exists. The Company is entitled to injunctive relief to enforce the provisions of such sections as well as any and all other remedies available to it at law or in equity without the posting of any bond. The Employee agrees that if the Employee breaches any provision of Section 10, the Company may recover as partial damages all profits realized by the Employee at any time prior to such recovery on the exercise of any warrant, option or right to purchase the Company's Common Stock and the subsequent sale of such stock, and may also cancel all outstanding such warrants, options and rights.

21. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

22. **Due Authorization.** The execution of this Agreement has been duly authorized by the Company by all necessary corporate action.

IN WITNESS WHEREOF, the parties have executed and delivered this Employment Agreement as of the day and year set forth above.

WASTE CONNECTIONS, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Printed Name: Ronald J. Mittelstaedt  
Title: President and Chief Executive Officer

EMPLOYEE:

\_\_\_\_\_  
ERIC HANSEN