

Industrial Services of America, Inc. Non-Employee Director Stock Ownership Policy

Purpose

The purpose of this Non-Employee Director Stock Ownership Policy is to require ownership of Industrial Services of America, Inc. (the “Company”) common stock, to further align the interests of Non-Employee Directors with stockholders of the Company and to further promote superior oversight, growth and protection of the business of the Company.¹

Ownership Requirement

Non-Employee Directors are required to own shares of common stock of the Company (the “Ownership Requirement”) having a value (as described below) equal to the sum of three (3) times the annual cash retainer payable to a Non-Employee Director as such.²

If a Non-Employee Director is affiliated with a beneficial owner of the Company stock, the shares beneficially owned by such affiliate shall be attributed to such Non-Employee Director for determining compliance with this Policy, irrespective of whether such Non-Employee Director is a beneficial owner of such shares. No rights to acquire shares of common stock (including options or unvested shares of restricted stock) shall be considered shares of common stock for purposes of this Policy.

For purposes hereof, the value of a share of common stock of the Company shall be the initial purchase price of such share; provided, however, with respect to shares of restricted stock issued to a director, upon the termination of transfer restrictions, the shares will be valued at the per share price of the related stock upon its grant date.

A Non-Employee Director shall have until the end of the fiscal quarter of the fifth anniversary of such Director’s election to meet the Ownership Requirement; provided however that a Non-Employee Director who was a director of the Company as of March 11, 2019, shall have until the end of the fiscal quarter of the fifth anniversary of such date to meet the Ownership Requirement.

The Non-Employee Directors may achieve the Ownership Requirement by (i) holding shares received as director compensation (including shares of restricted stock upon termination of transfer restrictions), (ii) holding shares realized from the exercise of options or (iii) purchasing shares of Company common stock in the open market.³

Amendments or Modifications

The foregoing sets forth the Company’s current ownership requirements for Non-Employee Directors of the Board of Directors. The Board of Directors may, upon the recommendation of

¹ This Policy does not address ownership of the Company’s common stock by directors who are also employees of the Company.

² The annual cash retainer payable to a Non-Employee Director as of the date of this policy’s adoption is \$50,000. Assuming that there is no change in such amount, the Ownership Requirement would be \$150,000.

³ Non-Employee Directors are reminded that they are required to adhere to trading restrictions applicable to them pursuant to the Company’s Insider Trading Policy.

the Nominating and Corporate Governance Committee, at any time, amend or modify this policy in whole or in part.

Administration

This policy shall be administered by the Nominating and Corporate Governance Committee of the Board of Directors. The Nominating and Corporate Governance Committee will take compliance with the Policy into consideration in whether to re-nominate a person for election to the Board of Directors.

Adopted by the Industrial Services of America, Inc. Board of Directors: March 11, 2019.

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