Notice of acceptance of undertakings

The completed acquisition by Stericycle International LLC of Sterile Technologies Group

Competition Commission acceptance of Final Undertakings pursuant to section 82 of and Schedule 10 to the Enterprise Act 2002

Whereas on 12 December 2006 the Competition Commission (CC) published its report *Stericycle International LLC and Sterile Technologies Group Ltd: a report on the completed acquisition of Sterile Technologies Group Ltd by Stericycle International LLC* (the report)

And whereas the report concluded that:

(a) the acquisition constituted a relevant merger situation;

(b) the creation of that relevant merger situation has resulted and may be expected to continue to result in a substantial lessening of competition within the market for the supply of the services of high-temperature treatment of healthcare risk waste in northern England, the north Midlands, north Wales, the West Midlands and south-east Wales (the SLC) with the adverse effects of prices for the high-temperature treatment of healthcare risk waste in excess of those that would otherwise prevail and costs for treatment services for waste requiring high-temperature treatment for the providers of healthcare risk waste collection services in excess of those that would otherwise prevail, and access to high-temperature treatment for the providers of healthcare risk waste collection services worse than would otherwise prevail (the adverse effects);

(c) the CC should take action to remedy the SLC and the adverse effects; and

(d) having regard to the need to achieve as comprehensive a solution as is reasonable and practicable, Stericycle should be given the opportunity, as it proposed, to sell to a suitable purchaser STG's incinerators at Salford, Redditch, and its incinerator and alternative technology plant at Wrexham; and that if it failed to do so within an agreed period, the CC would have the right to direct the appointment of a divestiture trustee and to mandate the sale of the assets of Sterile Technologies (UK) Limited in whole or in part.

And whereas on 9 January 2007 the CC gave notice of the undertakings proposed in accordance with Schedule 10 of the Act and received representations from Welsh Health Supplies and the All Wales Clinical Waste Consortium;

And whereas the CC, having considered those representations, did not consider that they necessitated any change to the undertakings proposed;

And whereas the CC received representations from members of the Stericycle group of companies concerning the transaction structure;

And whereas the CC, having considered those representations, has accepted that minor changes should be made to the undertakings proposed to reflect changes to the structure of the transaction but does not consider those changes to be material in any respect;

And whereas Stericycle Inc, Stericycle International LLC and Stericycle Ireland Limited have given undertakings to the CC for the purpose of remedying, mitigating or preventing the anti-competitive outcome identified;

Now the CC, pursuant to section 82 of the Act, accepts the undertakings, a copy of which is set out in the attached Annex, and accordingly the reference has been finally determined and the undertakings come into force in accordance with section 82 of the Act.

Signed by authority of the Group

DIANA GUY
Group Chairman
30 January 2007

Note: The CC has excluded from the undertakings information which it considers should be excluded having regard to the three considerations set out in section 244 of the Act. The omission is indicated by [✂].

Undertakings given to the Competition Commission by Stericycle Inc, Stericycle International LLC, Stericycle International Limited and Stericycle Ireland Limited

Whereas on 28 June 2006 the Office of Fair Trading (the OFT) referred the acquisition of Sterile Technologies Group Limited (now Stericycle Ireland Limited) by Stericycle International LLC (the acquisition) to the Competition Commission (CC) for investigation and report under section 22 of the Enterprise Act 2002 (the Act).

And whereas the CC published a report entitled *Stericycle International LLC and Sterile Technologies Group Ltd: a report on the completed acquisition of Sterile Technologies Group Ltd by Stericycle International LLC* on 12 December (the report).

And whereas:

1. the report concluded that:

   (a) the acquisition was the creation of a relevant merger situation;

   (b) the creation of that relevant merger situation has resulted and may be expected to continue to result in a substantial lessening of competition within the market for the supply of the services of high-temperature treatment of healthcare risk waste in northern England, the north Midlands, north Wales, the West Midlands and south-east Wales (the SLC) with the adverse effects of prices for the high-temperature treatment of healthcare risk waste in excess of those that would otherwise prevail and costs for treatment services for waste requiring high-temperature treatment for the providers of healthcare risk waste collection services in excess of those that would otherwise prevail, and access to high-temperature treatment for the providers of healthcare risk waste collection services worse than would otherwise prevail (the adverse effects);

   (c) the CC should take action to remedy the SLC and the adverse effects flowing from it; and

   (d) to that end undertakings should be offered and accepted to give effect to the remedies identified by the CC in paragraphs 8.108 and 8.109 of the report in accordance with the provisions of part 8 of the report

And whereas:

2. *(a)* the Vendors have applied to the Competition Appeal Tribunal (CAT) for a judicial review of material decisions and conclusions made and reached by the CC as set out in the report; and

   (b) the CC has acknowledged that the obligations of the Vendors in relation to the appointment of a Divestiture Trustee and any other related obligations on the part of the Vendors should not apply if and to the extent that (i) the CC agrees in writing to suspend any or all of the said obligations in whole or in part; or (ii) any or all of the said obligations are suspended or cease to apply, in whole or in part, in consequence of any interim or final order of the CAT or any other court of law made in connection with the Vendors' application to the CAT under section 120 of the Act.

Now therefore Stericycle Inc, Stericycle International LLC, Stericycle International Limited and Stericycle Ireland Limited give to the CC on behalf of themselves and their subsidiaries the following undertakings under section 82 of the Act for the purpose of remedying the SLC and the adverse effects resulting from it.

1. Interpretation

1.1 Words and expressions defined in the recitals to these Undertakings shall have the same meaning in these Undertakings.

1.2 In these Undertakings the word 'including' shall mean including without limitation or prejudice to the generality of any description, definition, term or phrase preceding that word, and the word 'include' and its derivatives shall be construed accordingly.

1.3 The headings used in these Undertakings are for convenience and shall have no legal effect.

1.4 Expressions in the singular include the plural and vice versa, and references to persons include corporations.

1.5 References to any statute or statutory provision shall be construed as references to that statute or statutory provision as amended, re-enacted or modified whether by statute or otherwise.

1.6 References to recitals, paragraphs, subparagraphs and appendices are references to the recitals to, paragraphs and subparagraphs of, and appendices to, these Undertakings.

1.7 The appendices to these Undertakings form part of these Undertakings.

1.8 The purpose of the obligations in these Undertakings is to remedy, mitigate or prevent the SLC and the adverse effects that may be expected to result from that SLC and these Undertakings are to be interpreted so as to give effect to that purpose in accordance with parts 6 and 8 of the Report.

1.9 References in these Undertakings to the duty of the Divestiture Trustee are references to the duty of the Divestiture Trustee set out in subparagraph 6.2 below.

1.10 Where in these Undertakings a proposition or series of propositions is introduced by the words 'the Vendors recognize' that denotes that the Vendors accept the proposition or propositions in question and have entered into these Undertakings on, inter alia, the basis of that proposition or those propositions.

1.11 A person has a real interest in the acquisition of the Incinerator Business (or the relevant part thereof) if that person will be a new or is an existing provider of the services of high-temperature treatment of healthcare risk waste who has both demonstrated a real interest in acquiring the Incinerator Business and who is, or is likely to be, able to make such an acquisition within the Completion Period.

1.12 References in these Undertakings to 'the relevant part' of the Incinerator Business are references to that part of or those assets of the Incinerator Business the disposal of which will, taking account of all the circumstances, remedy the SLC; and 'the relevant part' of the Incinerator Business shall be taken to be the whole of the Incinerator Business unless the written consent of the CC is obtained to the disposal of part only of the Incinerator Business.

1.13 References in these Undertakings to 'disposal' are references to such legally recognized transfer, assignment, delivery or other disposal, creation or assumption of property, rights, assets, liabilities and other obligations, and to such combination of them, as the context requires.

1.14 Where in these Undertakings there is a reference to a period of time in which a Notice must be provided to the CC, or in which the CC is to be Notified of an act or omission, the Notice will be provided in time if it is received by the CC before 5.00 pm on the last day of the relevant period.

1.15 Where in these Undertakings there is a reference to a person 'procuring' (or any similar obligation) another person to act or omit to act in a certain manner, or any similar obligation, that shall mean that the person so procuring shall be liable for any default on the part of the person acting or omitting to act in that manner.

1.16 For the purposes of these Undertakings and the appendices other than Appendix B the following terms shall, unless the context otherwise requires, have the meaning ascribed to them below:

Adverse effects	has the meaning given to it in the recitals to these Undertakings;
Agreement	means such contract, transfer, deed, licence or other form of agreement as the context may require;
[✂]	[✂]
[✂]	[✂]
Approved Agreement	means an Agreement or Agreements approved by the CC; and the Vendors recognize that in considering whether to approve any Agreement the CC shall consider whether (1) the terms of the Agreement (and any other agreements or arrangements ancillary or connected to the Agreement) are such as to give rise to a real risk that the disposal of the Incinerator Business will not remedy the SLC (including any risk as to the Purchaser's ability to compete in the supply of high-temperature treatment services for healthcare risk waste through unreasonably high costs, unreasonable interference with efficiency or otherwise) and (2) the Agreement includes a warranty, breach of which is actionable in damages or other compensation at the suit of the Purchaser, that each requirement of the Secondary Undertakings has been complied with;
Approved Person	means DLA Piper or such other person or persons as may be Notified to the CC from time to time;
Approved Purchaser	means a new or existing supplier of high-temperature treatment services for healthcare risk waste whom the CC is satisfied *(a)* is independent of, and unconnected to, any of the Vendors or any member of the Stericycle Group, *(b)* has the incentive, the financial resources and the expertise to operate the Disposal Business as a viable and active business in competition with other suppliers of high-temperature treatment services for healthcare risk waste so as to remedy the SLC, *(c)* will

	obtain all necessary approvals and consents, including the consent of any regulatory or competition authority, for the acquisition of the Disposal Business; and the Vendors recognize that the CC may require any such supplier of high-temperature treatment services for healthcare risk waste to provide the CC with such documents (including business plans relating to the acquired business and information regarding the financing of the acquisition and the financing of the purchaser's existing business) and other material or information as the CC may require so as to be satisfied on the matters set out above;
CAT	means the Competition Appeal Tribunal;
Commencement Date	means the date on which these Undertakings are accepted by the CC;
Completion Period	means the period ending on [✂] or such longer period as the CC may allow;
Day	means a day and save where the context otherwise requires a period of time (1) expressed in days from or after an event begins on the day after that event and (2) that expires on a Saturday, Sunday or public holiday in England shall be deemed to expire on the first day after the expiry of the period that is not a Saturday, Sunday or public holiday in England;
DLA Piper	means the team comprising Martin Rees, Kate Vernon, Elizabeth Richardson and Kirsten Donnelly and such others as are reasonably necessary for the performance of its role or its equivalent;
Disposal Business	means the relevant part of the Incinerator Business that is to be disposed of to bring about Effective Disposal;
Disposal Obligations	means the obligations in subparagraph 3.3 of these Undertakings;
Divestiture Period	means the Completion Period and any Trustee Divestiture Period;
Divestiture Trustee	means any person appointed in accordance with paragraph 12;
Effective Disposal	means completion of the disposal of the Disposal Business under an Approved Agreement to an Approved Purchaser;
First Disposal Obligation	means the Disposal Obligation in subparagraph 3.3*(a)*;

Grant Thornton	means the team comprising Mark Byers, Toni Pincott, Malcolm Swettenham, Craig Reed and Bradley Chadwick and such others as are reasonably necessary for the performance of its role or its equivalent;
Heads of Terms	means an agreement in principle to acquire the Incinerator Business that is reduced to writing, and that is expressed by all parties to be final (1) subject to contract and (2) on all the issues that in the reasonable opinion of the parties will form the basis of a subsequent binding agreement;
Heads of Terms Notice	means a Notice (1) stating either that Heads of Terms have been agreed or have not been agreed and (2) in the former case, attaching the Heads of Terms to the Notice;
Incinerator Business	means all the business carried on by North West Energy Limited, Medical Energy (Worcestershire) Limited and Sterile Technologies (Newcastle) Limited, and the property, assets, rights, consents, licences and privileges of those companies but not including the business or property, assets, rights, consents, licences and privileges of Sterile Technologies (Newcastle) Limited that are not used in or in connection with the business carried on at the Wrexham Plant (and for the avoidance of doubt the property, assets, rights, consents, licences and privileges of the business carried on at the Wrexham Plant described in subparagraph 3.8 of these Undertakings is part of the Incinerator Business): provided that where any such property, asset, right, consent, licence and privilege is shared between the business carried on at the Wrexham Plant and any other business of Sterile Technologies (Newcastle) Limited such property, asset, right, consent, licence and privilege shall constitute part of the Incinerator Business only to the extent that and in the manner necessary to ensure that it continues to be available to the business carried on at the Wrexham Plant;
Independent Expert	means a qualified solicitor, barrister, chartered accountant or other person of suitable expertise as the CC may reasonably require for the relevant purpose;
Indemnified Person	means the Divestiture Trustee, its employees, agents and advisers;
Initial Period	means the period ending on [✂];
Medical Energy (Worcestershire) Limited	means the company incorporated in England and Wales under company number 02808934 whose registered office is at 1st Floor, Lindfield House, Stuart Road, Gravesend, Kent DA11 0BZ;

Notice	means a written communication to the CC sent by post, fax, personal delivery or, with the prior consent of the CC, email;
NorthWest Energy Limited	means the company registered in England and Wales under company number 02477171 whose registered office is at 1st Floor, Lindfield House, Stuart Road, Gravesend, Kent DA11 0BZ;
Obligation Period	means the Initial Period or the Completion Period as the context requires;
OFT	has the meaning given to it in the recitals to these Undertakings;
Principal Undertakings	means the obligations in paragraph 3 of these Undertakings or any of them;
Purchaser	means that Approved Purchaser who will acquire the Disposal Business to bring about Effective Disposal;
Purchaser Representation	means a genuine representation by an Approved Purchaser (or a person who appears to have the potential to be an Approved Purchaser) that the terms or subject matter of the disposal of the Incinerator Business or the relevant part thereof, and all matters ancillary or connected to it, proposed by the Vendors, are insufficient to enable the operation of the Incinerator Business on a viable basis such that it may not remedy the SLC;
Report	has the meaning given to it in the recitals to these Undertakings;
Secondary Undertakings	has the meaning given to it in subparagraph 5.1 of these Undertakings;
Second Disposal Obligation	means the Disposal Obligation in paragraph 3.3*(b)*;
SLC	has the meaning given to it in the recitals to these Undertakings;
Stericycle Inc	means Stericycle Inc, a corporation incorporated under the laws of the State of Delaware under tax ID number 36-3640402 and having its registered office at 28161 North Keith Drive, Lake Forest, IL 60045 USA;
Stericycle International	means Stericycle International LLC, a company incorporated under Delaware law under tax ID number 81-0633434 and having its registered office at 28161 North Keith Drive, Lake Forest, IL 60045 USA;

Stericycle	means Stericycle International Limited, a company incorporated in England and Wales under number 05141715 and having its registered office at Pannel House, 6 Queen Street, Leeds, LS1 2TW;
STG	means Stericycle Ireland Limited (formerly Sterile Technologies Group Limited), a company incorporated in the Republic of Ireland under number 297176 and having its registered office at 430 Beech Road, Western Industrial Estate, Naas Road, Dublin 12, Republic of Ireland;
Sterile Technologies (Newcastle) Limited	means the company incorporated under that name in England and Wales under number 05018899 having its registered office at 1st Floor, Lindfield House, Stuart Road, Gravesend, Kent DA11 0BZ;
Stericycle Group	means Stericycle Inc, its Subsidiaries from time to time, any person of whom Stericycle Inc is or becomes a Subsidiary, and may include any person not in existence at the Commencement Date;
ST (UK)	means Sterile Technologies (UK) Limited, a company incorporated in England and Wales under company number 4941321 and having its registered office at 1st Floor, Lindfield House, Stuart Road, Gravesend, Kent DA11 OBZ and its Subsidiaries from time to time;
Subsidiary	has the meaning given to it in section 736 of the Companies Act 1985 as amended;
Trustee Divestiture Period	means the period of 90 days or such other longer period as the CC may allow from (1) the end of the Completion Period or (2) in the event that a Divestiture Trustee is appointed by reason of a breach of the obligations contained in these Undertakings occurring before the end of the Completion Period, from the day on which the breach occurred;
Trustee Obligation	means bringing about Effective Disposal without a reserve price and the performance of all ancillary tasks as are necessary or desirable for the purposes of Effective Disposal (including the disposal of such other property, assets, rights, consents, licences, privileges or interests of ST(UK) as the CC considers necessary to bring about Effective Disposal) promptly and in any event within the Trustee Divestiture Period;
Undertakings	means these undertakings given by the Vendors for the purpose of remedying the SLC and the adverse effects;

Vendors	means Stericycle Inc, Stericycle International, Stericycle and STG (or some or any of them as the context may require);
Wrexham Plant	means the incinerator, alternative technology plant and ancillary facilities located at Marlborough Road, Wrexham Industrial Estate, Wrexham LL13 9RO.

2. Commencement

2.1 The obligations in these Undertakings shall come into effect on the Commencement Date.

3. The Principal Undertakings

3.1 The Vendors each undertake that they shall use their best endeavours to satisfy the Disposal Obligations, or to procure that the relevant member or members of the Stericycle Group shall satisfy the Disposal Obligations, within the relevant Obligation Period.

3.2 The Vendors each undertake to satisfy their Disposal Obligations, or to procure that the relevant member or members of the Stericycle Group satisfy the Disposal Obligations, in accordance with the provisions of these Undertakings.

3.3 The Disposal Obligations are:

(a) to agree Heads of Terms for Effective Disposal within the Initial Period; and

(b) to bring about Effective Disposal within the Completion Period.

3.4 The Vendors each undertake to use their best endeavours, and to procure that the members of the Stericycle Group shall use their best endeavours, to bring about at Effective Completion the novation to the Purchaser or to such other person as may be directed by the Purchaser of all contracts for the provision or receipt of goods or services as are relied upon by or are necessary to the Disposal Business and of all contracts, or relevant parts thereof, for the provision or receipt of goods and services to members of the Stericycle Group as are relied upon by the Disposal Business, as the Purchaser may reasonably require save that the provision of this subparagraph shall not apply to the All Wales contract.

3.5 The Vendors undertake that the property, assets, rights, consents, licences and privileges of the Disposal Business at Effective Disposal shall be the property, assets, rights, consents, licences and privileges of the relevant part of the Incinerator Business at 12 December 2006 and in the case of the Wrexham Plant that shall mean that property, assets, rights, consents, licences and privileges used in or in connection with the business carried on at the Wrexham Plant at 12 December 2006 and shall also include the property, assets, rights, consents, licences and privileges set out in subparagraph 3.8.

3.6 The Vendors undertake that:

3.6.1 subject to the exception in subparagraph 3.6.2 they shall transfer all the property, assets, rights, consents, licences and privileges of Sterile Technologies (Newcastle) Limited out of that company prior to Effective Disposal;

3.6.2 the exception in this subparagraph is that there shall be no such transfer of the property, assets, rights, consents, licences and privileges of Sterile Technologies (Newcastle) Limited used in or in connection with the Wrexham Plant (and for the avoidance of doubt the property, assets, rights, consents, licences and privileges of the business carried on at the Wrexham Plant described in subparagraph 3.8 below shall not be the subject of that transfer) provided always that where any such property, assets, rights, consents, licences and privileges are shared between the business carried on at the Wrexham Plant and any other business of Sterile Technologies (Newcastle) Limited such property, assets, rights, consents, licences and privileges shall fall within the exception in this subparagraph only to the extent that and in the manner necessary to ensure that they continue to be available to the business carried on at the Wrexham Plant.

3.7 The Vendors undertake to change the name of Sterile Technologies (Newcastle) Limited prior to Effective Disposal.

3.8 The property, assets, rights, consents, licences and privileges of the Wrexham Plant shall include:

3.8.1 all the tangible assets used in or in connection with the business carried on at the Wrexham Plant including all the land, buildings, plant and machinery of that business and in particular the buildings housing the incinerator, the bins, bin tippler, bin washer, condensation tank, codel equipment, pulse hearth, ash trolley, burner, compressors, condensers, PLC control system, fans, EAF filters, trace heating, incinerator plant, conveyors, emissions monitoring equipment, tippler and decant tippler, bin towing brackets, waste collection services, biometric clocking, computer systems, perimeter fencing and roadways;

3.8.2 all the intangible assets used in or in connection with the business carried on at the Wrexham Plant including the two PPC licences and the waste management licence;

3.8.3 all the employees of any member of the Stericycle Group employed exclusively in, or exclusively in connection with, the Wrexham Plant;

3.8.4 a contract between ST(UK) and such person as the Purchaser shall direct under which the Disposal Business will provide to the [✂] that part of the service of the high-temperature treatment of healthcare risk waste and the alternative technology treatment of healthcare risk waste under the [✂] as was provided by the business carried on at the Wrexham Plant at 12 December 2006;

3.8.5 save that the Sterile Technologies (Newcastle) Limited business name shall fall outside the undertaking in subparagraph 3.5.

3.9 The Vendors undertake that on the Commencement Date they shall secure the continued appointment of Grant Thornton to perform the duties set out in paragraph 3.10.

3.10 The duties set out in this paragraph are those of monitoring the process of marketing the Incinerator Business for disposal and the subsequent disposal of the Disposal Business, and shall in particular include:

3.10.1 establishing with the Vendors an appropriate timetable for the disposal process;

3.10.2 monitoring the progress made by the Vendors towards the satisfaction of the Disposal Obligations, and the steps that have otherwise been taken to comply with the Principal Undertakings including:

3.10.2.1 the status of the information memorandum, the identities of the persons to whom it has been circulated, and the responses to the information memorandum;

3.10.2.2 the status of the data room, its contents, and the persons who have had access to it;

3.10.2.3 the steps that have been taken toward the preparation of a sale and purchase agreement, and the persons to whom the sale and purchase agreement has been distributed;

3.10.3 monitoring communications from the Vendors or any of them to possible purchasers and from possible purchasers to the Vendors or any of them in connection with the disposal process;

3.10.4 assessing whether there are any grounds for concern that either or both of the Disposal Obligations will not be fulfilled;

3.10.5 such other matters as may be directed by the CC from time to time;

3.10.6 the provision of fortnightly reports to the CC on the matters set out in this sub-paragraph 3.10.

3.11 The Vendors undertake that they shall, or shall procure that the members of the Stericycle Group shall at the request of the Purchaser enter into such Agreements as are necessary:

3.11.1 to provide to the Purchaser, or such other person as the Purchaser shall direct, on fair, reasonable and non-discriminatory terms healthcare risk waste requiring high-temperature treatment of an amount to be stipulated by the Purchaser up to the difference between the volume of waste accounted for by contracts transferred to the Purchaser and 75 per cent of the Disposal Business's high-temperature healthcare risk waste treatment capacity for a period to be stipulated by the Purchaser but lasting no more than six months after Effective Disposal; or

3.11.2 in the event that the Vendors or the members of the Stericycle Group are unwilling or unable for any reason to provide that healthcare risk waste to pay to the Purchaser or such other person as the Purchaser shall direct an amount equal to the loss or damage suffered by the Purchaser or other person or persons as a result and for the avoidance of doubt that loss or damage shall not be less than the consideration that would have been payable by the Vendors or other members or members of the Stericycle Group pursuant to the obligation in subsubparagraph 3.11.1.

3.12 The Vendors undertake that they shall send, or cause to be sent, a letter in the terms set out in Appendix C to each person who has a real interest in the acquisition of the Incinerator Business or any part or asset thereof, and that they shall Notify the CC of each person to whom such a letter has been sent within two days of the date of dispatch of each letter.

4. Matters ancillary to the Principal Undertakings

4.1 The Vendors each undertake that where they or any member of the Stericycle Group require the consent or approval of the CC (however that requirement is expressed in these Undertakings) they will seek the consent or approval by the service of a Notice.

4.2 The Vendors each undertake that any application by them or by any member of the Stericycle Group for the CC's consent or approval shall make full disclosure of every fact and matter that is relevant to the CC's decision.

4.3 The Vendors recognize that a consent or approval granted by the CC in default of full disclosure by the Vendors or any member of the Stericycle Group is voidable at the election of the CC.

4.4 In the event that the Vendors or any member of the Stericycle Group discover that an application for consent or approval has been made without full disclosure and is therefore incomplete the Vendors undertake:

(a) to so inform the CC by submission of a Notice identifying the particulars in which the application for consent is incomplete within seven days; and

(b) at the same time or as soon as possible thereafter to provide to the CC an application that is complete.

4.5 The Vendors each undertake to make each application or to procure that each application for consent or approval is made so that it is received by the CC at least 15 days, or such lesser period as the CC may allow, before the day on which the CC's consent or approval is necessary to avoid a breach of these Undertakings and the Vendors recognize that the CC shall only be obliged to consider any application for consent or approval that is received at least 15 days, or within such other period as the CC may have allowed, before such day.

4.6 The Vendors recognize that the CC shall not be required to use more than its reasonable endeavours to grant or refuse consent or approval within the 15-day period.

4.7 Subject to the requirements of subparagraphs 4.5 and 4.6 where in the reasonable opinion of the Vendors they have identified a candidate purchaser with a real interest in the acquisition of the Incinerator Business or any part or asset thereof the Vendors may by Notice apply to the CC for a decision by the CC to recognize a candidate purchaser as an Approved Purchaser.

4.8 In the event that the Vendors satisfy the First Disposal Obligation they shall within two days send the CC a Heads of Terms Notice.

4.9 In the event that the Vendors do not satisfy the First Disposal Obligation they shall send the CC a Heads of Terms Notice within the period of two days from the end of the Initial Period.

4.10 In the event that the Vendors satisfy the Second Disposal Obligation they shall so Notify the CC within the period of two days from the day on which the Second Disposal Obligation is satisfied.

4.11 In the event that the Vendors do not satisfy the Second Disposal Obligation they shall so Notify the CC within the period of two days from the end of the Completion Period.

5. The Vendors' Secondary Undertakings

5.1 In these Undertakings, references to the Secondary Undertakings are references to the Undertakings in Part I of Appendix B.

5.2 The Vendors each undertake to comply with the Secondary Undertakings to the extent that they are obliged by the terms thereof to do so.

5.3 The Vendors recognize that on or after the Commencement Date the CC will issue directions substantially in the terms set out in Parts III and IV of Appendix B and the Vendors undertake to comply with those directions.

6. Conditions for the appointment of a Divestiture Trustee

6.1 In the event that the Disposal Obligations or either of them are not satisfied, or in the event that the CC considers that the Vendors or any relevant member of the Stericycle Group is in material breach of any of the obligations identified in subparagraph 6.3 and that such breach is not remedied within a reasonable time, the Vendors undertake that they shall at the written direction of the CC appoint a Divestiture Trustee to give effect to the duty set out in subparagraph 6.2.

6.2 The duty of the Divestiture Trustee will be to give effect to the Trustee Obligation or to give effect to such part of the Trustee Obligation or undertake such matters preparatory to giving effect to the Trustee Obligation or part thereof as the CC may specify in the direction.

6.3 The obligations identified in this paragraph are those found in subparagraphs 3.1, 3.4, 3.5, 3.6, 3.9, 3.11, 3.12, 4.2, 5.2 and 5.3 of these Undertakings.

6.4 The Vendors recognize that the CC may choose not to appoint a Divestiture Trustee immediately upon becoming entitled to do so, and further recognize

6.4.1 that any delay by the CC in making a written direction appointing a Divestiture Trustee shall not affect the Vendors' obligations at such time as the CC makes any such written direction under subparagraph 6.1; and that

6.4.2 in the event that in respect of any breach the CC directs the appointment of a Divestiture Trustee in respect of part only of the Trustee Obligation, or only in respect of matters preparatory, that direction shall not affect the Vendors' obligations under subparagraph 6.1 should the CC choose to make a further direction in respect of that breach.

6.5 The obligation of the Vendors in relation to the appointment of a Divestiture Trustee under this paragraph 6 and any other related obligations on the part of the Vendors shall not apply if but only to the extent that (i) the CC agrees in writing to suspend any or all of the said obligations in whole or in part; or (ii) any or all of the said obligations are suspended or cease to apply, in whole or in part, in consequence of any interim or final order of the CAT or any other court of law made in connection with the Vendors' application to the CAT under section 120 of the Act.

7. Reporting Obligations

7.1 The Vendors each undertake that:

7.1.1 within the period of two days from the Commencement Date they will provide a written report to the CC explaining the timetable that they have adopted for the satisfaction of the Disposal Obligations, outlining the progress that they have made towards the satisfaction of the Disposal Obligations, and the steps that have otherwise been taken to comply with the Principal Undertakings;

7.1.2 thereafter they will provide similar written reports to the CC every 14 days for the duration of the Divestiture Period;

7.1.3 they will report on such other matters as the CC may from time to time direct.

7.2 The Vendors each undertake that in their reports to the CC they shall, inter alia, provide to the CC:

7.2.1 the name, address, email address, contact point and telephone number of each person who has expressed a real interest in the acquisition of the Incinerator Business or any part or asset thereof since the publication of the CC's provisional findings;

7.2.2 details of the efforts taken by the Vendors and the members of the Stericycle Group to solicit purchasers for the Incinerator Business or any part or asset thereof.

8. Purchaser Representations

8.1 The Vendors each undertake that the provisions of subparagraph 8.2 shall apply where any person with a real interest in the acquisition of the Incinerator Business or any part or asset thereof makes a Purchaser Representation to the CC.

8.2 The provisions of this paragraph are that:

8.2.1 the CC shall consult the Vendors as to whether the Purchaser Representation is justified and the Vendors shall provide to the CC such assistance as the CC shall require (including by the disclosure to the CC of commercially sensitive material, such material to be supplied on the basis that the CC will make no disclosure of it) to consider whether the Purchaser Representation is justified; and

8.2.2 in the event that the CC considers that the Purchaser Representation is justified the Vendors shall take such steps, or shall procure that the relevant members of the Stericycle Group take such steps, as the CC shall consider necessary to address satisfactorily the issues raised in or by the Purchaser Representation.

9. Miscellaneous undertakings

9.1 The Vendors each undertake jointly and severally to remunerate in full, and to pay all the reasonable costs and expenses of, any Independent Expert whose assistance the CC may require in connection with any of the matters in subparagraph 9.2.

9.2 The matters in this paragraph are:

(a) the determination of a person as an Approved Purchaser;

(b) the determination of an Approved Agreement;

(c) the consideration of any Purchaser Representation;

(d) the identification of the relevant part of the Incinerator Business; and

(e) any other matter on which the CC may reasonably require the assistance of an Independent Expert in connection with these Undertakings.

9.3 The Vendors undertake that neither they, nor any member of the Stericycle Group, shall acquire any interest in the Disposal Business, or any property, right, asset or privilege thereof, without the prior written consent of the CC.

10. Divestiture Trustee—appointment procedure

10.1 The Vendors undertake that within the period of two days from the day on which a direction is made by the CC pursuant to paragraph 6.1 the Vendors shall submit a list of two or more persons whom they propose to appoint as Divestiture Trustee to the CC for approval. The proposal shall contain sufficient information for the CC to verify that each proposed Divestiture Trustee fulfils the requirements set out in paragraph 10.2 and shall include:

(a) the full terms of the proposed mandate, which shall include all provisions necessary to enable the Divestiture Trustee to fulfil its duties; and

(b) a schedule of the steps to be taken to give effect to the mandate.

10.2 Each person on the list shall be independent of any of the Vendors and of any member of the Stericycle Group, possess the qualifications necessary for the performance of its mandate, and shall on appointment and thereafter be free of any conflict of interest including any conflict of interest that might arise by virtue of the terms on which it is remunerated.

10.3 The CC may approve or reject any or all of the proposed Divestiture Trustees and may approve the proposed mandate subject to any modifications it deems necessary for the Divestiture Trustee to fulfil its duties. If only one name is approved, the Vendors shall use their best endeavours to appoint, or cause to be appointed, the individual or institution concerned as Divestiture Trustee in accordance with the mandate approved by the CC. If more than one name is approved, the Vendors shall be free to choose the Divestiture Trustee to be appointed from among the names approved. The Vendors undertake to appoint the Divestiture Trustee within five days from the CC's approval and in the terms of the mandate approved by the CC.

10.4 If all the proposed Divestiture Trustees are rejected, the Vendors shall submit the names of at least two further persons within five days from being informed of the rejection, in accordance with the requirements and the procedure set out in paragraphs 10.1 to 10.3.

10.5 The provisions of paragraph 10.6 shall apply if:

10.5.1 the Vendors fail to nominate further persons in accordance with paragraph 10.4; or

10.5.2 those further persons are rejected by the CC; or

10.5.3 the Vendors are unable for any reason to conclude the appointment within the specified time limit.

10.6 The CC shall nominate one or more persons to act as Divestiture Trustee, and the Vendors shall appoint, or cause to be appointed such Divestiture Trustee within two days from such nomination under the terms of a Divestiture Trustee mandate approved by the CC.

11. Functions of the Divestiture Trustee

11.1 The Vendors undertake to enable, and shall procure that the members of the Stericycle Group shall enable, the Divestiture Trustee to carry out its duty.

11.2 The Vendors recognize that:

11.2.1 the CC may, on its own initiative or at the request of the Divestiture Trustee or the Vendors, give written directions or instructions to the Divestiture Trustee in order to assist it in the discharge of its duty (including directions as to the disposal of such property, assets, rights, consents, licences, privileges or interests of ST(UK) as the CC considers necessary to bring about Effective Disposal);

11.2.2 the Divestiture Trustee may include in such agreements, deeds, instruments of transfer and other instruments and documents as are necessary for the performance of its duty such terms and conditions as it considers appropriate;

11.2.3 the Divestiture Trustee shall protect the legitimate financial interests of the Vendors subject to the Divestiture Trustee's overriding obligation to carry out its duty.

11.3 The Divestiture Trustee shall take such steps and measures as it considers necessary to discharge its duty and to that end the Divestiture Trustee may give written directions to the Vendors, or any members of the Stericycle Group, and the Vendors undertake to comply with such directions or to procure compliance with such directions and to take such steps within their competence as the Divestiture Trustee may specify.

11.4 The Vendors recognize that in the performance of its duty the Divestiture Trustee shall act solely on the instructions of the CC and shall not be bound by any instruction of the Vendors and the Vendors undertake that they shall not seek to create or vary the obligations and duty of the Divestiture Trustee, except with the CC's prior written consent.

12. Duties and obligations of the Vendors

12.1 The Vendors undertake to provide and shall cause each member of the Stericycle Group and their advisers to provide the Divestiture Trustee with all such cooperation, assistance and information (including by the production of financial or other information whether or not such information is in existence at the time of the request relevant to the Incinerator Business and the business of ST(UK) but excluding any matter properly the subject of legal privilege) as the Divestiture Trustee may reasonably require in the discharge of its duty. The Vendors recognize that the Divestiture Trustee shall be entitled, subject to a duty of confidentiality, to full and complete access to the books, records, documents, management or other personnel, facilities, sites and technical information of any member of the Stericycle Group necessary for the fulfilment of its duty and the Vendors undertake that they shall, and shall procure that each member of the Stericycle Group shall, provide the Divestiture Trustee upon request with copies of any such document. The Vendors undertake to make available, and shall procure that each member of the Stericycle Group makes available, as necessary, to the Divestiture Trustee one or more offices on their premises and shall be available, and shall procure that personnel of each member of the Vendors' respective Groups shall be available, for meetings in order to provide the Divestiture Trustee with all information necessary for the performance of its duty.

12.2 The Vendors undertake that they and each member of the Stericycle Group shall grant comprehensive powers of attorney, duly executed, to the Divestiture Trustee to enable it to discharge its duty including by the appointment of advisers to assist with the divestiture process. The Vendors undertake that upon the request of the Divestiture Trustee the Vendors or the relevant members of the Stericycle Group shall execute the documents required to give effect to the Trustee Obligation.

12.3 The Vendors undertake to hold each Indemnified Person harmless against any liabilities arising out of the proper performance of the Divestiture Trustee's duty, and the Vendors recognize that an Indemnified Person shall have no liability to the Vendors or any member of the Stericycle Group for any liabilities arising out of the proper performance of the Divestiture Trustee's duty under these Undertakings, except to the extent that such liabilities result from the negligence or bad faith of the Divestiture Trustee, its employees, agents or advisers.

12.4 The Vendors undertake that at their expense the Divestiture Trustee may appoint advisers (in particular for corporate finance or legal advice) if the Divestiture Trustee considers the appointment of such advisers reasonably necessary or appropriate in the discharge of its duty, provided that any fees and other expenses incurred by the Divestiture Trustee are reasonably incurred. Should the Vendors refuse to approve the advisers proposed by the Divestiture Trustee the CC may, after consulting the Vendors, approve and direct the appointment of such advisers. The Divestiture Trustee may use advisers who served the Vendors during the Divestiture Period if the Divestiture Trustee considers this to be in the best interest of a prompt sale.

12.5 The Vendors undertake to make no objection to the disposal of the Incinerator Business or any asset or part thereof, or to the disposal of such other assets as the Divestiture Trustee may agree with the CC, save on the grounds of bad faith by the Divestiture Trustee or the failure of the Divestiture Trustee to protect the legitimate financial interests of the Vendors, subject always to the Trustee Obligation; and where the Vendors wish to make an objection on the grounds of bad faith they shall submit a Notice setting out their objection within seven days from the day on which they first became aware of the fact or facts giving rise to its objection.

13. Replacement, discharge and reappointment of the Divestiture Trustee

13.1 The Vendors undertake that if the Divestiture Trustee ceases to perform its duty, or for any other good cause, including the exposure of the Divestiture Trustee to a conflict of interest:

(a) the CC may, after consulting the Divestiture Trustee, require the Vendors to replace the Divestiture Trustee; or

(b) the Vendors, with the prior written approval of the CC, may replace the Divestiture Trustee.

13.2 If the Divestiture Trustee is removed under subparagraph 13.1, the Divestiture Trustee may be required to continue in post until a new Divestiture Trustee is in place to whom the Divestiture Trustee has effected a full handover of all relevant information. The new Divestiture Trustee shall be appointed in accordance with the procedure referred to in paragraph 10.

13.3 The Vendors recognize that other than in accordance with paragraph 13.1, the Divestiture Trustee shall cease to act as Divestiture Trustee only after the CC has discharged it from its duties at a time at which all the obligations with which the Divestiture Trustee has been entrusted have been implemented.

14. Effect of invalidity

14.1 The Vendors undertake that should any provision of these Undertakings be contrary to law or invalid for any reason the Vendors and each member of the Stericycle Group shall continue to observe the remaining provisions.

14.2 The Vendors undertake that no member of the Stericycle Group shall rely on any default or want of authority on the part of any member of the Stericycle Group or of any officer or employee thereof in the execution of these Undertakings unless directed so to do by the CC.

15. Provision of information to the CC and the OFT

15.1 The Vendors undertake that they shall and will procure that each member of the Stericycle Group shall promptly provide to the CC such information as the CC may reasonably require for the purpose of performing any of its functions under these Undertakings or under sections 82, 83 and 94(7) of the Act.

15.2 The Vendors undertake that they shall and will procure that each member of the Stericycle Group shall promptly provide to the OFT such information as the OFT may reasonably require for the purpose of performing any of its functions under these Undertakings or under sections 92, 93(6) and 94(6) of the Act.

15.3 The Vendors undertake that should they or any of them at any time be in breach of any provision of these Undertakings such of them as are in breach will Notify the CC:

(a) that there has been a breach; and

(b) of all the circumstances,

within five days from the time that the relevant Vendor or Vendors might reasonably have been expected to have become aware of the breach.

16. Service

16.1 The Vendors hereby authorize the Approved Person to accept on their behalf service of all documents (including any document of any kind which falls to be served on or sent to the Vendors or any of them in connection with any proceedings in Courts in the UK) orders, requests, notifications or other communications connected with these Undertakings.

16.2 Any document, order, request, notification or other communication shall be validly served on a Vendor if it is served on their nominated Approved Person; and service shall be deemed to have been acknowledged by any Vendor or Vendors if it is acknowledged by the Approved Person.

16.3 This paragraph has effect irrespective of whether, as between any Vendor and the Approved Person, the Approved Person has or continues to have any authority to accept and acknowledge service on that Vendor's behalf; and no failure or mistake by the Approved Person (including a failure to notify a Vendor of the service of any document, order, request, notification or other communication) shall invalidate any action taken in respect of these Undertakings including any proceeding or judgment.

16.4 Any communication between any of the Vendors and the CC under these Undertakings shall be addressed to the Secretary to the Remedies Standing Group, Competition Commission, Victoria House, Southampton Row, London WC1B 4AD or such other person or address as the CC may direct in writing.

16.5 Any communication between any of the Vendors and the OFT under these Undertakings shall be addressed to Director of Mergers, Office of Fair Trading, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JY or such other address as the OFT may direct in writing.

17. Compliance

17.1 The Vendors undertake to comply with such reasonable written directions as the CC or the OFT may from time to time give to take such steps within their competence for the purpose of carrying out or securing compliance with these Undertakings.

18. Subsidiaries

18.1 The Vendors undertake to procure that their Subsidiaries comply with these Undertakings as if they had been given by those Subsidiaries.

19. Governing Law

19.1 The Vendors recognize that these Undertakings shall be governed and construed in all respects in accordance with English law.

19.2 In the event that a dispute arises concerning these Undertakings, the Vendors undertake to submit that dispute to the courts of England and Wales.

20. Termination

20.1 The Vendors recognize that these Undertakings shall be in force until such time as they are varied, released or superseded under the Act.

20.2 The Vendors recognize that the variation, release or supersession of these Undertakings shall not affect the validity and enforceability of any rights or obligations that arose prior to such variation, release or supersession.

Signed by duly authorized signatories:

FOR AND ON BEHALF OF STERICYCLE INC

..... Signature

..... Name

..... Title

..... Date

FOR AND ON BEHALF OF STERICYCLE INTERNATIONAL LLC

..... Signature

..... Name

..... Title

..... Date

FOR AND ON BEHALF OF STERICYCLE INTERNATIONAL LIMITED

..... Signature	..... Signature
..... Name	..... Name
..... Title	..... Title
..... Date	..... Date

FOR AND ON BEHALF OF STERICYCLE IRELAND LIMITED

..... Signature	..... Signature
..... Name	..... Name
..... Title	..... Title
..... Date	..... Date

Mandate of the Divestiture Trustee

1. The Divestiture Trustee will be required to carry out its duties in accordance with the provisions of these Undertakings, but subject to this overriding obligation shall protect the legitimate financial interests of the Vendors.

2. The Divestiture Trustee will have the sole right to sell the Incinerator Business, or any asset or part thereof, during the Trustee Divestiture Period.

3. Neither the Vendors nor any member of the Stericycle Group will take any steps towards the sale of the Incinerator Business, or any asset or part thereof, once the Divestiture Trustee has been appointed, save at the direction of the Divestiture Trustee.

4. The Divestiture Trustee shall account for sale monies and for all costs and expenses incurred in connection with the sale to the Vendors and after the deduction of all the sums properly payable to the Divestiture Trustee or to any person out of the sale proceeds shall pay the balance to the Vendors in such proportion as the Vendors have jointly directed the CC.

5. The terms of the remuneration of the Divestiture Trustee may provide the Divestiture Trustee with an incentive provided that such incentive does not give rise to any conflict of interest and does not create any impediment to a prompt sale to remedy the SLC.

6. The Vendors shall assist the Divestiture Trustee to carry out its duty in accordance with the terms of these Undertakings.

7. The Divestiture Trustee shall provide the CC with such information and reports as the CC may require to ascertain whether the Vendors, and/or the members of the Stericycle Group, and or alternatively, the Divestiture Trustee, are complying with their obligations under and in relation to these Undertakings and shall promptly report to the CC if it concludes that the Vendors, and/or the members of the Stericycle Group, are failing to comply with any of their obligations under this paragraph.

Part I

Interpretation

The Interpretation Act 1978 shall apply to this Appendix B as it does to Acts of Parliament.

Save as provided herein the definitions set out in subparagraph 1.16 of these Undertakings shall not apply to this Appendix B, for the purposes of which:

'**the Act**' means the Enterprise Act 2002;

'**an affiliate**' of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act;

'**business**' has the meaning given by section 129(1) and (3) of the Act;

'**the CC**' means the Competition Commission;

'**Commencement Date**' has the meaning given to it in subparagraph 1.16 of these Undertakings;

'**control**' shall be construed in accordance with section 26 of the Act and in the case of a body corporate, a person shall be deemed to control it if he holds, or has an interest in, shares of that body corporate which amount to 10 per cent or more of its issued share capital or which carry an entitlement to vote at meetings of that body corporate of 10 per cent or more of the total number of votes which may be cast at such meetings;

'**key staff**' means staff in positions of executive or managerial responsibility and/or whose performance affects the viability of the business;

'**Effective Disposal**' has the meaning given to it in subparagraph 1.16 of these Undertakings;

'**the merger**' means the creation of the relevant merger situation between the businesses of Stericycle LLC and STG;

'**new customer**' means a customer to which the merged Stericycle business does not currently provide services;

'**the OFT**' means the Office of Fair Trading;

'**the Order**' means the order made on 18 July 2006 by the CC under section 81 of the Act;

'**the ordinary course of business**' means matters connected to the day to day supply of services by the Stericycle business and the STG business and does not include matters involving significant changes to the organizational structure or related to the post-merger integration of these businesses;

'**the reference**' means the reference made by the OFT to the CC under section 22 of the Act concerning the completed merger of the businesses of Stericycle LLC and STG;

'**the schedule**' means Part II of this Appendix B;

'**the specified period**' means the period beginning on the Commencement Date and terminating on Effective Disposal;

'**Stericycle**' means Stericycle International Limited;

'**Stericycle LLC**' means Stericycle International LLC and its subsidiaries;

'**the merged Stericycle business**' means the business or businesses carried on by Stericycle or STG as at 12 December 2006;

'**the Stericycle business**' means that part of the merged Stericycle business which corresponds to the business carried on by or under the control of Stericycle as at 26 February 2006 in the UK with the changes made to that business as specified in the schedule to the Order;

'**the STG business**' means that part of the merged Stericycle business which corresponds to the business carried on by STG as at 26 February 2006 in the UK, but excluding the business carried on by Sterile Technologies (NI) Limited, with the changes made to that business as specified in the schedule to the Order;

'**STG**' means Stericycle Ireland Limited (formerly Sterile Technologies Group Limited) and its subsidiaries including Sterile Technologies (UK) Limited but excluding Sterile Technologies (Ireland) Limited, Sterile Technologies (NI) Limited and Transafe Limited;

'**subsidiary**', unless otherwise stated, has the meaning given by section 736 of the Companies Act 1985 (as amended);

'**Undertakings**' means the Undertakings of which this Appendix forms part; and

Unless the context requires otherwise, the singular shall include the plural and vice versa.

Management of the merged Stericycle business until Effective Disposal

1. Except with the prior written consent of the CC, Stericycle LLC, Stericycle and STG shall not during the specified period take any action separately or jointly which might:

   (a) lead to the further integration of the Stericycle business with the STG business;

   (b) transfer the ownership or control of either of the Stericycle business or the STG business to any third party;

   (c) otherwise further impair the ability of each of the Stericycle business and the STG business to compete independently in any of the markets affected by the acquisition; or

   (d) prejudice the reference or impede the taking of any action under the Act which may be justified by the CC's decisions on the reference.

2. Without prejudice to the generality of paragraph 1, Stericycle LLC, Stericycle and STG will at all times during the specified period, procure to the extent within their control that except with the prior written consent of the CC:

(a) the Stericycle business is carried on under different names from the STG business and a separate brand identity is maintained for each of the Stericycle business and the STG business;

(b) the Stericycle business and the STG business are maintained as going concerns;

(c) except in the ordinary course of business, no substantive changes are made to the organizational structure of, or the management responsibilities within, either of the Stericycle business or the STG business except to the extent that such changes are required by this order. The termination of the contracts of employment of the individuals listed in the schedule to the Order had already been made, on 16 July 2006 and any change in responsibilities flowing directly from these terminations does not fall within this paragraph 2*(c)*;

(d) except in the ordinary course of business, in relation to the assets of each of the Stericycle business and the STG business:

(i) the assets, including facilities and goodwill, are maintained and preserved and for the avoidance of doubt the sites at [✂] shall not be closed;

(ii) none of the assets are disposed of; and

(iii) no interest in the assets is created or disposed of;

(e) the nature, description, range and standard of goods and/or services currently supplied in the UK by each of the Stericycle business and the STG business are in all material respects maintained and preserved;

(f) there is no integration of the information technology systems (including but not limited to accounting and financial management systems) of the Stericycle business with the information technology systems of the STG business; data is to be stored on separate servers; and the respective software and hardware platforms of the Stericycle business and of the STG business shall remain essentially unchanged, except for routine changes and maintenance and except as provided for in the schedule to this order;

(g) the customer and supplier lists of the Stericycle business and the STG business shall be operated and updated separately and any negotiations with STG's customers or suppliers in relation to the STG business will be carried out by and for the STG business alone; any negotiations with Stericycle's customers or suppliers in relation to the Stericycle business will be carried out by and for the Stericycle business alone;

(h) all existing contracts shall continue to be serviced by the business to which they were awarded (except to the extent that the other party to the contract terminates the contract in accordance with its terms);

(i) no key staff are transferred between the Stericycle business and the STG business except to the extent that they have already been transferred as described in the schedule to this order and no contracts of employment shall be terminated by Stericycle or STG;

(j) for the purpose of preventing pre-emptive action generally and specifically to ensure compliance with paragraph 2*(l)* below, Stericycle and STG shall ensure that insofar as there are existing separate teams able to carry out the following

functions: commercial and marketing; finance and accounting; and environment, health and safety (for the purposes of this paragraph the 'Relevant Functions') on behalf of the STG business, such separate teams shall be preserved; and insofar as the Relevant Functions are not being carried out by existing separate teams, Stericycle and STG shall ensure that the Relevant Functions are carried out by separate teams as set out in the CC's directions of 25 August 2006;

(k) all reasonable steps are taken to encourage all key staff of the Stericycle business and the STG business to remain with the business in relation to which they were employed prior to the merger;

(l) no additional business secrets, know-how, commercially sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the Stericycle business and the STG business ('Confidential Information') shall pass, directly or indirectly from the Stericycle business (or any of its employees, directors, agents or affiliates) to the STG business (or any of its employees, directors, agents or affiliates) or vice versa, except where strictly necessary in the ordinary course of business;

(m) notwithstanding the provisions set out above, Confidential Information flow is permitted between STG and Stericycle LLC arising from and to the extent necessary to fulfil any obligation on Stericycle to report to Stericycle LLC insofar as this is necessary to comply with any regulatory obligations.

Contracts with new customers

3. Stericycle shall comply with the statement of principles set out in the Annex to this Part I of Appendix B when tendering for contracts with new customers.

Compliance

4. Stericycle LLC, Stericycle and STG shall procure that each of their respective subsidiaries comply with the obligations in Part I of this Appendix B as if they had given them.

5. The CEO of Stericycle LLC shall provide a compliance statement fortnightly to the CC confirming that Stericycle LLC and Stericycle have complied with Part I of this Appendix. The CEO of Stericycle and STG will fortnightly provide the CC with a compliance statement in the form set out in Part II of this Appendix. The Hold Separate Manager appointed to manage the business of STG will fortnightly provide a compliance statement in the form set out in Part II of this Appendix to the CC.

6. At all times, Stericycle will actively keep the CC informed of any material developments relating to the Stericycle business and, so far as it is aware, of any such developments relating to the STG business including but not limited to:

(a) details of staff who leave or join the Stericycle business or STG business;

(b) any Stericycle or STG business plant breakdowns which have halted production for more than 24 hours or changes in the Stericycle or STG businesses' production arrangements which have affected the working pattern of more than five Stericycle or STG business employees;

(c) all substantial customer volumes won or lost by the Stericycle business or STG business including any substantial changes in customers' demand; and

(d) substantial changes in the Stericycle or STG businesses' contractual arrangements or relationships with key suppliers.

7. Stericycle LLC, Stericycle and STG will each comply insofar as it is able with such written directions as the CC may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with the obligations in this Part I of Appendix B.

Annex to Part I

Principles for the division of tenders for new business between Stericycle and STG

Definitions

'**Customer**' shall mean an entity or part of an entity that enters into contracts for the provision of healthcare risk waste management services;

'**Incumbent Brand**' shall mean the brand under which services are being provided to the customer;

'**New Business**' shall mean new work, whether or not for an existing customer;

'**STG brand**' shall mean a brand owned by Stericycle Ireland Limited (formerly Sterile Technologies Group Ltd);

'**Stericycle brand**' shall mean a brand owned by Stericycle International LLC and/or Stericycle International Ltd including but not limited to White Rose Environmental (WRE);

Principles

1. If either an STG brand or a Stericycle brand is the Incumbent Brand then only the Incumbent Brand will submit a tender.

2. If a Customer is an existing Customer of both STG and Stericycle then the company that received the greater revenue from that Customer in the 12 months preceding the date of the tender request shall submit a tender.

3. If the Customer requires a certain specification that only STG or Stericycle can meet, eg 820l or 770l bins, then only STG or Stericycle (as appropriate) will submit a tender.

4. Where neither an STG brand nor a Stericycle brand is the Incumbent Brand, but where one or other of STG or Stericycle has previously provided services to that Customer, whichever of them has most recently provided services to that Customer shall submit the tender.

5. Where neither an STG brand nor a Stericycle brand is the Incumbent Brand and where neither STG nor Stericycle has provided services to that Customer, and provided both STG and Stericycle can meet the Customer's specification [✂] shall choose which brand should submit the tender, taking into account the following principles (not listed in order of importance):

    - logistics of collecting and disposing of the waste;
    - availability and suitability of transport;
    - proximity and appropriateness of any treatment facility;
    - capacity of treatment facilities; and

- any need to keep a particular incinerator operating at a particular capacity level.

In addition to this list, [✂] shall also be permitted to take account of any significant staff resourcing issues which render an STG brand or a Stericycle brand incapable of submitting the tender.

6. [✂] will provide to the CC, before staff in either Stericycle or STG are advised about the tender and before the tender is submitted, reasons why the tender should be submitted by either STG or Stericycle, with reference to the principles set out above. If [✂] has taken account of any staff resourcing issues in choosing which brand should submit the tender he should also provide to the CC a full explanation of the reasons why these staff resourcing issues mean that the tender cannot be submitted by an STG brand or a Stericycle brand, as appropriate. Staff in Stericycle or STG shall not be advised about the tender and the tender shall not be submitted until the CC's approval has been provided in writing. Such approval not to be unnecessarily withheld or delayed.

Part II

Compliance Statement for Stericycle and STG

I [insert name] confirm on behalf of Stericycle/STG that:

(a) Stericycle/STG has complied with the obligations in Part I of Appendix B of the Undertakings of [insert date] in the period from [insert date] to [insert date].

(b) Stericycle/STG's subsidiaries have also complied with Part I of Appendix B in the period from [insert date] to [insert date].

(c) No action has been taken by Stericycle/STG in the period from [insert date] to [insert date] that will impede the taking of any action by the CC which may be justified by its decision on the reference.

(d) Stericycle/STG and its subsidiaries remain in full compliance with the obligations in Part I of Appendix B.

(e) The Stericycle/STG business has been maintained as a going concern and sufficient resources have been made available for the development of the Stericycle/STG business, on the basis of its pre-merger business plans.

(f) The STG business's customer/supplier lists have been operated and updated purely for the purposes of the STG business without any involvement of Stericycle.

(g) All customer/supplier negotiations for the STG business have been carried out independently of Stericycle.

(h) There have been no substantive changes to the nature, description, range and quality of any goods and/or services currently supplied in the United Kingdom by the Stericycle/STG business.

Assets—including facilities and goodwill

(i) Except in the ordinary course of business, none of the assets of the Stericycle/STG business have been disposed of.

(j) Except in the ordinary course of business, no interest in the assets of the Stericycle/STG business has been created or disposed of.

(k) Except in the ordinary course of business, all of the assets of the Stericycle/STG business have been maintained and preserved as they were on the Commencement Date.

Contracts

(l) All existing contracts continue to be serviced by the business to which they were awarded.

Information technology systems

(m) There have been no changes to the software and hardware platforms of the STG business, beyond routine changes and maintenance.

Staff

(n) No changes have been made to or to the key staff or the organizational structure of the Stericycle/STG business or to the management responsibilities within the Stericycle/STG business since the Commencement Date.

Material developments

(o) Except as listed in paragraph *(p)* below there have been no:

(i) plant breakdowns at the Stericycle/STG business which have halted production for more than 24 hours or changes in the Stericycle/STG business's production which have affected the working pattern of more than five employees of the Stericycle/STG business;

(ii) substantial customer volumes won or lost for the Stericycle/STG business and no substantial changes to the Stericycle/STG business's customer contracts; or

(iii) substantial changes in the Stericycle/STG business contractual arrangements with key suppliers.

(p) [list of material developments].

Confidential information

(q) No business secrets, know-how, commercially sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to the two businesses, has passed, directly or indirectly, from STG (or any of its employees, directors, agents or affiliates) to Stericycle (or any of its employees, directors, agents or affiliates), or vice versa.

FOR AND ON BEHALF OF STERICYCLE/STG

Signature .....

Name .....

Title .....

Date .....

Part III

1. To monitor compliance by Stericycle LLC, Stericycle and STG, with the provisions of Appendix B to the Undertakings accepted by the CC on 30 January 2007 (the Undertakings); and, so far as possible, to ensure their full and effective compliance, Stericycle and STG shall ensure the continuation of the appointment of the Monitoring Trustee. The functions of the Monitoring Trustee shall be as set out below. The Monitoring Trustee shall act on behalf of the CC and shall be under an obligation to the CC to carry out his functions to the best of his abilities.

2. Stericycle LLC, Stericycle and STG shall cooperate fully with the Monitoring Trustee, in particular as set out below. Stericycle and STG shall ensure that the terms and conditions of appointment of the Monitoring Trustee shall reflect and give effect to the functions and obligations of the Monitoring Trustee, Stericycle and STG as set out in this document.

General

3. The Monitoring Trustee shall possess appropriate qualifications and experience to carry out his functions.

4. The Monitoring Trustee shall neither be nor become exposed to a conflict of interest.

5. The Monitoring Trustee shall be remunerated and reimbursed by Stericycle and STG for all reasonable costs properly incurred in accordance with the terms and conditions of his appointment. This shall be done in such a way that does not impede his independence or his ability effectively to carry out his functions.

6. The continuation of the appointment of the Monitoring Trustee for the purpose of these directions shall be confirmed by Stericycle and STG as soon as is reasonably practicable and in any event by midnight on the day on which the Undertakings are accepted by the CC and the Monitoring Trustee shall continue to act until the CC is satisfied that Effective Disposal (as defined in the Undertakings) has taken place and that there are no outstanding matters under the Part I of Appendix B or under these directions or otherwise that require the attention of the Monitoring Trustee.

7. Any amendment to the terms and conditions of appointment of the Monitoring Trustee shall be subject to the approval of the CC (ie the CC shall have a veto). Stericycle and STG shall provide the CC with a copy of the agreed terms and conditions of appointment.

Primary Functions

8. The Primary Functions of the Monitoring Trustee shall be to monitor compliance by Stericycle LLC, Stericycle and STG, as appropriate, with the Part I of Appendix B; and, so far as possible, to ensure their full and effective compliance, during his term of appointment.

9. The Monitoring Trustee shall take all steps that he reasonably considers to be necessary in order for him effectively to carry out his Primary Functions. Those steps may include, but shall not be limited to, the monitoring of communications including written and electronic communications, telephone conversations and meetings.

10. The Monitoring Trustee shall comply with any requests made by the CC for the purpose of ensuring the full and effective compliance by Stericycle and STG with Part I of Appendix B.

The obligations of Stericycle LLC, Stericycle and STG

11. Stericycle LLC, Stericycle and STG (including all employees, officers, directors, advisers and consultants) shall cooperate fully with the Monitoring Trustee, in particular by providing the Monitoring Trustee with all cooperation, assistance and information as the Monitoring Trustee may reasonably require including but not limited to:

    (a) the provision of such facilities as are necessary for the discharge by the Monitoring Trustee of the Monitoring Trustee's functions, including the provision of an office with a workstation, telephone, fax machine and a computer at such premises of the merged Stericycle business as the Monitoring Trustee may reasonably require; and

    (b) the provision of full and complete access to all personnel, books, records, documents, facilities and information of the merged Stericycle business as the Monitoring Trustee may reasonably require.

12. If Stericycle LLC, Stericycle or STG are in any doubt as to whether any action or communication would infringe Part I of Appendix B, it should contact the Monitoring Trustee to clarify the position.

13. If Stericycle LLC, Stericycle or STG have any reason to suspect that Part I of Appendix B might have been breached, it should notify the Monitoring Trustee and the CC immediately.

Reporting functions

14. On a fortnightly basis, the Monitoring Trustee shall provide the CC with a statement certifying whether or not, in his view, Stericycle and STG have complied with Part I of Appendix B. At the same time, the Monitoring Trustee shall provide the CC with a report setting out his views in relation to the following:

    (a) The reasons why the Monitoring Trustee has concluded that Part I of Appendix B has or has not been complied with. In particular, the Monitoring Trustee should set out and explain whether: (i) anything has caused him to be concerned as to whether Stericycle and STG were complying with Part I of Appendix B and, if it has, what steps he has taken so as to satisfy himself as to their compliance; (ii) he has any remaining doubts or uncertainties as to whether Stericycle and STG have complied with Part I of Appendix B; and (iii) anything causes him to be concerned about a possible future breach of Part I of Appendix B (whether deliberate or inadvertent).

    (b) The extent to which the Monitoring Trustee considers that he is in a good position to monitor the compliance of Stericycle and STG with Part I of Appendix B. The Monitoring Trustee should set out and explain if there is anything that he considers would assist him in monitoring the compliance of Stericycle and STG with Part I of Appendix B.

    (c) The extent to which Stericycle and STG have cooperated with the Monitoring Trustee in his task of monitoring their compliance with Part I of Appendix B. The

Monitoring Trustee should set out and explain if there are any aspects of the cooperation of Stericycle and STG that he considers could be improved.

15. When providing his reports to the CC, the Monitoring Trustee must ensure that he does not disclose any information or documents to the CC which Stericycle and/or STG would be entitled to withhold from the CC on the grounds of legal privilege; or which relate solely to Stericycle and/or STG's conduct of proceedings.

16. The Monitoring Trustee should notify the CC immediately if he forms a reasonable suspicion that Part I of Appendix B has been breached, or if he considers that he is not in a position effectively to carry out his functions. In that situation, the Monitoring Trustee should set out the reasons for his view and attach relevant supporting evidence (so far as he is permitted by paragraph 15).

17. All communications between the Monitoring Trustee and the CC (including the statements and reports of the Monitoring Trustee referred to in paragraph 14) shall be confidential and not disclosed to Stericycle and/or STG, save with the express written permission of the CC. In relation to the possibility of disclosure of such communications to third parties, the CC shall act in accordance with the provisions of Part 9 of the Enterprise Act 2002. The Monitoring Trustee shall not disclose such communications to third parties.

Interpretation

18. In these directions references to 'Part I of Appendix B' are references to Part I of Appendix B to the Undertakings. Terms and expressions defined in Part I of Appendix B shall have the same meaning in these directions, save as the context otherwise requires.

Part IV

Interpretation

In these Directions references to 'the Appendix' are references to Part I of Appendix B to the Undertakings accepted by the CC on 30 January 2007. Terms and expressions defined in the Appendix shall have the same meaning in these Directions, save as the context otherwise requires;

'**Part III Directions**' shall mean the Directions made by the CC under Part III of the Appendix;

[✂]

'**Confidential Information**' shall have the same meaning as in the Appendix and, for the avoidance of doubt, shall include information relating to existing or new suppliers or customers, information relating to current and future capacity and utiliz.0ation, know-how, in the form of weekly or monthly reports, or in any other form;

'**Directions**' shall mean these Directions, as amended from time to time;

'**Monitoring Trustee**' shall mean Grant Thornton;

'**Small Quantity**' business shall mean the business carried on by the small quantity group business of Stericycle known as Mediguard and the small quantity group business of STG known as Hygiene Services;

'**Specified Period**' means the period beginning on the Commencement Date and ending on Effective Disposal, and 'Commencement Date' and 'Effective Disposal' shall have the meanings accorded to them in the Undertakings accepted by the Commission on 30 January 2007;

'**Stericycle Interim Team**' shall mean the team described in paragraph 1 of the First Schedule to these Directions;

'**STG Interim Team**' shall mean the team described in paragraphs 3, 4, and 5 of the First Schedule to these Directions;

'**WRE**' shall mean 'White Rose Environmental'.

Now for the purpose of preventing pre-emptive action (within the meaning of section 80(10) of the Act) by Stericycle LLC, Stericycle and STG pursuant to paragraph 1 of the Appendix, the CC issues the following written directions under paragraph 7 of the Appendix:

1. Stericycle LLC, Stericycle and STG shall take such steps as are necessary to put in place and maintain the organizational arrangements set out in these Directions in order to achieve an appropriate separation of Relevant Functions within Stericycle and STG; and

2. Stericycle LLC and STG shall ensure the continued appointment of a Hold Separate Manager in accordance with the terms provided for in these Directions and Stericycle LLC, Stericycle and STG shall comply with the obligations set out in these Directions.

Stericycle Europe and the Senior Management of the Stericycle Business

1. [✂]

2. For the avoidance of doubt, if for any reason a person named above is not able to fulfil the function specified above, Stericycle LLC, Stericycle and STG shall take such steps as are necessary to find an alternative suitably qualified person and the Monitoring Trustee shall be kept informed.

Senior management of STG

3. [✂]

4. [✂]

5. [✂]

6. For the avoidance of doubt, if for any reason a person named above is not able to fulfil the function specified above, Stericycle LLC, Stericycle and STG shall take such steps as are necessary to find an alternative suitably qualified person and the Monitoring Trustee shall be kept informed.

Sales and marketing functions—senior and middle management

7. [✂]

8. [✂]

9. [✂]

Sales and marketing functions—other employees

10. [✂]

Operations functions—senior and middle management

11. [✂]

12. [✂]

13. [✂]

Operations functions—other employees

14. [✂]

Finance functions—senior and middle management

15. [✂]

16. All inter-company transactions shall be accounted for through arm's length charges to Stericycle or STG, as appropriate.

Finance functions—other employees

17. Other employees carrying out finance functions for Stericycle shall not be permitted to carry on functions for STG and vice versa except as expressly provided for in this schedule.

Logistics functions—senior and middle management

18. [✂]

19. [✂]

20. For the avoidance of doubt, no new supply contracts shall be entered into on behalf of the merged Stericycle business in accordance with paragraph 2*(g)* of the Appendix.

21. Any transport of waste by Stericycle on behalf of STG or by STG on behalf of Stericycle shall be monitored by the Monitoring Trustee and charged under terms negotiated on an arm's length basis.

22. Except with the prior written consent of the CC no change in bin size shall be effected by Stericycle or STG during the specified period.

23. No Stericycle technology shall be rolled out to STG and no STG technology shall be rolled out to Stericycle during the specified period, save as permitted in the schedule to the Order.

Logistics functions—other employees

24. Other employees carrying out logistics functions for Stericycle shall not be permitted to carry on functions for STG and vice versa except as expressly provided for in this schedule.

Environmental, health and safety function—senior and middle management

25. [✂]

26. [✂]

Environmental, health and safety functions—other employees

27. Other employees carrying out environmental, health and safety functions for Stericycle shall not be permitted to carry on functions for STG and vice versa except as expressly provided for in this schedule.

Human Resources functions—senior and middle management

28. [✂]

29. Payrolls for the Stericycle business and the STG business shall be maintained separately.

30. Wages and salaries shall be properly cross charged to Stericycle or STG, as appropriate.

31. No Stericycle employee or STG employee shall be transferred from his current employer. STG shall retain autonomy over remuneration and bonuses to ensure that STG employees are encouraged to remain with STG in accordance with paragraph 2*(k)* of the Appendix.

32. Recruitment shall be carried out for Stericycle and STG separately.

Human resources functions—other employees

33. Other employees carrying out human resources functions for Stericycle shall not be permitted to carry on functions for STG and vice versa except as expressly provided for in this schedule.

Contracts with new customers

34. [✂]

Confidential information

35. In accordance with paragraphs 2*(l)* and *(m)* of the Appendix and for the avoidance of doubt the Stericycle Interim Team shall not have access to Confidential Information relating to STG and the STG Interim Team shall not have access to confidential information relating to Stericycle, except that Confidential Information may be shared between the Stericycle interim team and the STG interim team if strictly necessary in the ordinary course of business.

36. [✂]

37. For the avoidance of doubt in accordance with paragraph 2*(n)* of the Appendix. Confidential Information flow is permitted between STG and Stericycle LLC arising from and to the extent necessary to fulfil any obligation on Stericycle to report to Stericycle LLC or insofar as this is necessary to comply with any regulatory obligations. Subject to paragraph 38 below, if Confidential Information relating to STG is passed to Stericycle LLC, Stericycle LLC shall not pass such information to Stericycle. If Confidential Information relating to Stericycle is passed to Stericycle LLC, Stericycle LLC shall not pass such information to STG.

38. Confidential Information flow shall be permitted to the extent necessary for and limited to the coordination of Stericycle and STG's proceedings brought under s120 of the Act with the Competition Appeal Tribunal or any other court of law. The Monitoring Trustee shall monitor such Confidential Information flow and for the avoidance of doubt paragraph 15 of Part III of Appendix B shall apply.

Compliance statements

39. [✂]

The appointment of the Hold Separate Manager

40. Stericycle LLC and STG shall continue the employment of the current hold separate manager (the Hold Separate Manager) with the primary function described in paragraph 43 below.

41. Stericycle LLC and STG shall ensure that the terms of appointment of the Hold Separate Manager give effect to the provisions of the Appendix and that any changes to the terms of appointment will be approved by the CC in accordance with the provisions of paragraph 55 below.

42. Stericycle LLC and STG shall, and will ensure that their subsidiaries shall, cooperate fully with the Hold Separate Manager in accordance with the provisions of paragraphs 47 and 48 below.

43. The primary function of the Hold Separate Manager will be to exercise day-to-day management and control of the STG business so as to preserve the possibility of restoring effective competition in the markets affected by the merger through the separation from Stericycle of a viable, saleable, competitive STG business. The Hold Separate Manager will exercise management and control of the STG business in such a way as to ensure that it is held separate from the Stericycle business in line with these Directions.

44. In addition to the primary function, the Hold Separate Manager will also:

(a) assist the CC to monitor the extent of compliance by STG and shall in particular provide the CC with compliance statements on a fortnightly basis and also provide any information in the possession of the Hold Separate Manager that may suggest that a breach of the Appendix may have taken place as soon as is practicable after receipt of the information;

(b) assist the CC (at the request of the CC) to respond to any request that may be made by STG, Stericycle LLC or Stericycle to the CC for a consent under the Appendix; and

(c) otherwise assist the CC to prevent STG, Stericycle LLC and Stericycle taking pre-emptive action within the specified period;

and the 'Hold Separate Manager's functions' shall include the performance of the primary function, the performance of the functions in this paragraph 44, and the performance of any other act or task necessary for the performance of those functions of the Hold Separate Manager including the performance of the reporting obligations at paragraph 50 below.

45. In furtherance of the Hold Separate Manager's functions the Hold Separate Manager shall take such steps as the Hold Separate Manager reasonably considers necessary including but not limited to:

(a) giving such directions to the officers and staff of STG, including any person holding such position on a temporary basis as are necessary for the fulfilment of the Hold Separate Manager's functions;

(b) attending such meetings of employees, officers (including board meetings, and meetings of any committee of the board) and members of STG as the Hold Separate Manager considers necessary for the fulfilment of the Hold Separate Manager's functions;

(c) attending meetings of employees or officers of STG as the Hold Separate Manager may consider necessary (including meetings convened at the instigation of the Hold Separate Manager) for the fulfilment of the Hold Separate Manager's functions; and

(d) complying with such requests as the CC may reasonably make for the purpose of ensuring compliance by STG or Stericycle LLC with their obligations under or in relation to the Directions.

46. Stericycle LLC or STG shall remunerate the Hold Separate Manager, and shall reimburse the Hold Separate Manager in full for all reasonable costs and expenses properly incurred, in accordance with the terms and conditions of the Hold Separate Manager's appointment, provided that such remuneration and reimbursement shall not give rise to any conflict of interest or otherwise impair the ability of the Hold Separate Manager to discharge the Hold Separate Manager's functions and:

(a) for the avoidance of doubt such reimbursement shall include the fees and disbursements of such legal or other professional advisers, consultants and assistants as the Hold Separate Manager reasonably considers necessary for the discharge of the Hold Separate Manager's functions; and

(b) any appointment of advisers, consultants or assistants and any individual item of costs or expenses in excess of £1,000.00 shall not be reasonably incurred without the prior written consent (which may be general) of the CC. Where the CC grants the Hold Separate Manager consent to incur any such liability the Hold Separate Manager shall promptly inform STG and Stericycle LLC.

47. STG and Stericycle LLC and their subsidiaries shall comply with the directions of and cooperate fully with, and shall ensure that their employees, officers, advisers and consultants shall comply with the directions of and cooperate fully with the Hold Separate Manager in the performance by the Hold Separate Manager of the Hold Separate Manager's functions.

48. Without prejudice to the generality of paragraph 47, that cooperation shall include:

(a) the grant to the Hold Separate Manager of all such rights, powers and authorities as are necessary for the performance of the Hold Separate Manager's functions;

(b) the provision of such facilities as are necessary for the discharge by the Hold Separate Manager of the Hold Separate Manager's functions, including the provision of an office with a workstation, telephone, fax machine and a computer at such premises of the STG business as the Hold Separate Manager may reasonably require; and

(c) the provision of full and complete access to all personnel, books, records, documents, facilities and information of STG and Stericycle LLC as the Hold Separate Manager may reasonably require.

49. Nothing in the functions of the Hold Separate Manager shall require or entail the disclosure to the CC of information or documents that either of Stericycle LLC or STG would be entitled to withhold from the CC on the grounds of legal privilege.

50. The Hold Separate Manager should notify the CC immediately on the formation by the Hold Separate Manager of a reasonable suspicion that the Appendix has been breached, or if the Hold Separate Manager is unable effectively to carry out the Hold Separate Manager's functions. In either situation, the Hold Separate Manager should give reasons and attach any supporting evidence (so far as the Hold Separate Manager is permitted to do so by paragraph 49).

51. All communications between the Hold Separate Manager and the CC (including the statements and reports of the Hold Separate Manager referred to in paragraphs 44

and 50) shall be confidential and shall not disclosed to Stericycle LLC, Stericycle or STG by the Hold Separate Manager without the express written permission of the CC. In relation to the possibility of disclosure of such communications to persons other than Stericycle LLC or STG, the CC shall act in accordance with the provisions of Part 9 of the Act. The Hold Separate Manager shall not disclose such communications to third parties.

General

52. The Hold Separate Manager shall possess appropriate qualifications and experience to carry out the Hold Separate Manager's functions.

53. The Hold Separate Manager shall be independent of STG, Stericycle LLC and Stericycle and shall have no conflict of interest.

54. The remuneration and reimbursement of the Hold Separate Manager shall not impede the independence or effectiveness of the Hold Separate Manager.

55. Any amendment to the terms and conditions of the Hold Separate Manager's appointment shall be subject to the approval of the CC. The terms of the Hold Separate Manager's appointment shall include:

    (a) all the provisions necessary to give effect to these Directions (including any necessary conditions as to confidentiality and restrictions on future employment);

    (b) an indemnity by Stericycle LLC and STG by which the Hold Separate Manager and any assistant appointed by the Hold Separate Manager is held harmless against any losses, claims, damages, liabilities or expenses arising out of or in connection with the performance of the Hold Separate Manager's functions except to the extent that such losses, claims, damages, liabilities or expenses shall be caused by the bad faith or gross negligence of the Hold Separate Manager;

    (c) shall provide that the only method of termination of the appointment of the Hold Separate Manager is by Stericycle LLC and STG acting on the direction of the CC.

56. The CC may issue such further directions as it considers necessary to ensure compliance with the Appendix, including, where the appointment of the Hold Separate Manager pursuant to these Directions has been terminated, directions for the appointment of a further Hold Separate Manager.

FIGURE 1

FIGURE 2

Operations (and logistics) structure

[✂]

FIGURE 3

Finance and accounting structure

"In order to comply with Final Undertakings given to the CC by us, we are obliged to provide you the following information.

First, we are required by the terms of the Final Undertakings to dispose of the high temperature healthcare risk waste incinerator businesses carried on by Stericycle at Redditch, Salford and Wrexham in order to remedy the substantial lessening of competition ('SLC') identified by the CC in its Report *Stericycle International LLC and Sterile Technologies Group Ltd: A report on the completed acquisition of Sterile Technologies Group Ltd by Stericycle International LLC* ('the report') published on 12 December.

Secondly, the CC wishes us to dispose of these businesses by the sale to a single purchaser of the companies that own them. However, the Commission may be prepared to allow the sale of the incinerator businesses at Redditch, Salford and Wrexham to more than one purchaser, or by way of an asset sale, or in part only, if it considers that in the light of all the circumstances that would be no less an efficient way of remedying the SLC.

Thirdly, we are required by the CC to tell you that, under paragraph 8 of the Final Undertakings, if you consider that the terms of sale that we offer you are not such as to enable you to compete in the supply of high temperature treatment services for healthcare risk waste you may make a representation to the CC. If, having considered any representation that we may make in response, the CC finds that the issues raised in your representation do need to be resolved to achieve an effective disposal it may direct us to alter the terms of sale or take such other steps as are necessary in all the circumstances.

If you wish to make a representation to the Commission under paragraph 8 of the Final Undertakings you should write to The Secretary to the Remedies Standing Group, CC, Victoria House, Southampton Row, London WC1B 4AD.

You will find a copy of the Final Undertakings and Report on the website of the CC at www.competition-commission.org.uk."

IN THE REFERENCE CONCERNING THE ACQUISITION BY STERICYCLE INTERNATIONAL LLC OF STERILE TECHNOLOGIES GROUP LIMITED

NOTICE OF DIRECTIONS ISSUED PURSUANT TO FINAL UNDERTAKINGS ACCEPTED BY THE COMPETITION COMMISSION ON 30 JANUARY 2007

To monitor compliance by Stericycle International LLC, Stericycle International Limited and Stericycle Ireland Limited with the provisions of Part I of Appendix B to the Undertakings accepted by the Competition Commission on 30 January 2007; and to ensure their full and effective compliance, Stericycle International LLC, Stericycle International Limited and Stericycle Ireland Limited are now directed to renew and continue the appointment of the Monitoring Trustee first appointed under directions issued on 18 July 2006 2006. The functions of the Monitoring Trustee and the duties of Stericycle International LLC, Stericycle International Limited and Stericycle Ireland Limited shall be as set out in the directions attached. The Monitoring Trustee shall act on behalf of the Competition Commission and shall be under an obligation to the Competition Commission to carry out his functions to the best of his abilities.

DIANA GUY for the Competition Commission
On behalf of the Group
30 January 2007

IN THE REFERENCE CONCERNING THE ACQUISITION BY STERICYCLE INTERNATIONAL LLC OF STERILE TECHNOLOGIES GROUP LIMITED: DIRECTIONS FOR THE APPOINTMENT OF A MONITORING TRUSTEE

General

1. The Monitoring Trustee shall possess appropriate qualifications and experience to carry out his functions.

2. The Monitoring Trustee shall neither be nor become exposed to a conflict of interest.

3. The Monitoring Trustee shall be remunerated and reimbursed by Stericycle and STG for all reasonable costs properly incurred in accordance with the terms and conditions of his appointment. This shall be done in such a way that does not impede his independence or his ability effectively to carry out his functions.

4. The continuation of the appointment of the Monitoring Trustee for the purpose of these directions shall be confirmed by Stericycle and STG as soon as is reasonably practicable and in any event by midnight on the day on which the Undertakings are accepted by the CC and the Monitoring Trustee shall continue to act until the CC is satisfied that Effective Disposal (as defined in the Undertakings) has taken place and that there are no outstanding matters under the Part I of Appendix B or under these directions or otherwise that require the attention of the Monitoring Trustee.

5. Any amendment to the terms and conditions of appointment of the Monitoring Trustee shall be subject to the approval of the CC (ie the CC shall have a veto). Stericycle and STG shall provide the CC with a copy of the agreed terms and conditions of appointment.

Primary Functions

6. The Primary Functions of the Monitoring Trustee shall be to monitor compliance by Stericycle LLC, Stericycle and STG, as appropriate, with the Part I of Appendix B; and, so far as possible, to ensure their full and effective compliance, during his term of appointment.

7. The Monitoring Trustee shall take all steps that he reasonably considers to be necessary in order for him effectively to carry out his Primary Functions. Those steps may include, but shall not be limited to, the monitoring of communications including written and electronic communications, telephone conversations and meetings.

8. The Monitoring Trustee shall comply with any requests made by the CC for the purpose of ensuring the full and effective compliance by Stericycle and STG with Part I of Appendix B.

The obligations of Stericycle LLC, Stericycle and STG

9. Stericycle LLC, Stericycle and STG (including all employees, officers, directors, advisers and consultants) shall cooperate fully with the Monitoring Trustee, in particular by providing the Monitoring Trustee with all cooperation, assistance and information as the Monitoring Trustee may reasonably require including but not limited to:

   (a) the provision of such facilities as are necessary for the discharge by the Monitoring Trustee of the Monitoring Trustee's functions, including the provision

of an office with a workstation, telephone, fax machine and a computer at such premises of the merged Stericycle business as the Monitoring Trustee may reasonably require; and

(b) the provision of full and complete access to all personnel, books, records, documents, facilities and information of the merged Stericycle business as the Monitoring Trustee may reasonably require.

10. If Stericycle LLC, Stericycle or STG are in any doubt as to whether any action or communication would infringe Part I of Appendix B, it should contact the Monitoring Trustee to clarify the position.

11. If Stericycle LLC, Stericycle or STG have any reason to suspect that Part I of Appendix B might have been breached, it should notify the Monitoring Trustee and the CC immediately.

Reporting functions

12. On a fortnightly basis, the Monitoring Trustee shall provide the CC with a statement certifying whether or not, in his view, Stericycle and STG have complied with Part I of Appendix B. At the same time, the Monitoring Trustee shall provide the CC with a report setting out his views in relation to the following:

(a) The reasons why the Monitoring Trustee has concluded that Part I of Appendix B has or has not been complied with. In particular, the Monitoring Trustee should set out and explain whether: (i) anything has caused him to be concerned as to whether Stericycle and STG were complying with Part I of Appendix B and, if it has, what steps he has taken so as to satisfy himself as to their compliance; (ii) he has any remaining doubts or uncertainties as to whether Stericycle and STG have complied with Part I of Appendix B; and (iii) anything causes him to be concerned about a possible future breach of Part I of Appendix B (whether deliberate or inadvertent).

(b) The extent to which the Monitoring Trustee considers that he is in a good position to monitor the compliance of Stericycle and STG with Part I of Appendix B. The Monitoring Trustee should set out and explain if there is anything that he considers would assist him in monitoring the compliance of Stericycle and STG with Part I of Appendix B.

(c) The extent to which Stericycle and STG have cooperated with the Monitoring Trustee in his task of monitoring their compliance with Part I of Appendix B. The Monitoring Trustee should set out and explain if there are any aspects of the cooperation of Stericycle and STG that he considers could be improved.

13. When providing his reports to the CC, the Monitoring Trustee must ensure that he does not disclose any information or documents to the CC which Stericycle and/or STG would be entitled to withhold from the CC on the grounds of legal privilege; or which relate solely to Stericycle and/or STG's conduct of proceedings.

14. The Monitoring Trustee should notify the CC immediately if he forms a reasonable suspicion that Part I of Appendix B has been breached, or if he considers that he is not in a position effectively to carry out his functions. In that situation, the Monitoring Trustee should set out the reasons for his view and attach relevant supporting evidence (so far as he is permitted by paragraph 15).

15. All communications between the Monitoring Trustee and the CC (including the statements and reports of the Monitoring Trustee referred to in paragraph 14) shall be confidential and not disclosed to Stericycle and/or STG, save with the express written permission of the CC. In relation to the possibility of disclosure of such communications to third parties, the CC shall act in accordance with the provisions of Part 9 of the Enterprise Act 2002. The Monitoring Trustee shall not disclose such communications to third parties.

Interpretation

16. In these directions references to 'Part I of Appendix B' are references to Part I of Appendix B to the Undertakings. Terms and expressions defined in Part I of Appendix B shall have the same meaning in these directions, save as the context otherwise requires.

IN THE REFERENCE CONCERNING THE ACQUISITION BY STERICYCLE INTERNATIONAL LLC OF STERILE TECHNOLOGIES GROUP LIMITED

NOTICE OF DIRECTIONS ISSUED PURSUANT TO FINAL UNDERTAKINGS ACCEPTED BY THE COMPETITION COMMISSION ON 30 JANUARY 2007

For the purpose of giving effect to the undertaking in paragraph 2*(j)* of Part I of Appendix B to the Undertakings accepted by the CC on 30 January 2007; and to continue the separation of a number of functions within the Stericycle group of companies as are more particularly specified in the directions below, Stericycle International LLC, Stericycle International Limited and Stericycle Ireland Limited are now directed to renew and continue the arrangements for the appointment of a hold separate manager, and other matters set out in the directions below, first appointed under directions issued on 25 August 2006.

DIANA GUY for the Competition Commission
On behalf of the Group
30 January 2007

IN THE REFERENCE CONCERNING THE ACQUISITION BY STERICYCLE INTERNATIONAL LLC OF STERILE TECHNOLOGIES GROUP LIMITED: DIRECTIONS FOR THE APPOINTMENT OF A HOLD SEPARATE MANAGER

Interpretation

In these Directions references to 'the Appendix' are references to Part I of Appendix B to the Undertakings accepted by the CC on 30 January 2007. Terms and expressions defined in the Appendix shall have the same meaning in these Directions, save as the context otherwise requires;

'**Part III Directions**' shall mean the Directions made by the CC under Part III of the Appendix;

[✂]

'**Confidential Information**' shall have the same meaning as in the Appendix and, for the avoidance of doubt, shall include information relating to existing or new suppliers or customers, information relating to current and future capacity and utilization, know-how, in the form of weekly or monthly reports, or in any other form;

'**Directions**' shall mean these Directions, as amended from time to time;

'**Monitoring Trustee**' shall mean Grant Thornton;

'**Small Quantity**' business shall mean the business carried on by the small quantity group business of Stericycle known as Mediguard and the small quantity group business of STG known as Hygiene Services;

'**Specified Period**' means the period beginning on the Commencement Date and ending on Effective Disposal, and 'Commencement Date' and 'Effective Disposal' shall have the meanings accorded to them in the Undertakings accepted by the CC on 30 January 2007;

'**Stericycle Interim Team**' shall mean the team described in paragraph 1 of the First Schedule to these Directions;

'**STG Interim Team**' shall mean the team described in paragraphs 3, 4, and 5 of the First Schedule to these Directions;

'**WRE**' shall mean 'White Rose Environmental'.

Now for the purpose of preventing pre-emptive action (within the meaning of section 80(10) of the Act) by Stericycle LLC, Stericycle and STG pursuant to paragraph 1 of the Appendix, the CC issues the following written directions under paragraph 7 of the Appendix:

1. Stericycle LLC, Stericycle and STG shall take such steps as are necessary to put in place and maintain the organizational arrangements set out in these Directions in order to achieve an appropriate separation of Relevant Functions within Stericycle and STG; and

2. Stericycle LLC and STG shall ensure the continued appointment of a Hold Separate Manager in accordance with the terms provided for in these Directions and Stericycle LLC, Stericycle and STG shall comply with the obligations set out in these Directions.

Stericycle Europe and the Senior Management of the Stericycle Business

1. [✂]

2. For the avoidance of doubt, if for any reason a person named above is not able to fulfil the function specified above, Stericycle LLC, Stericycle and STG shall take such steps as are necessary to find an alternative suitably qualified person and the Monitoring Trustee shall be kept informed.

Senior management of STG

3. [✂]

4. [✂]

5. [✂]

6. For the avoidance of doubt, if for any reason a person named above is not able to fulfil the function specified above, Stericycle LLC, Stericycle and STG shall take such steps as are necessary to find an alternative suitably qualified person and the Monitoring Trustee shall be kept informed.

Sales and marketing functions—senior and middle management

7. [✂]

8. [✂]

9. [✂]

Sales and marketing functions—other employees

10. [✂]

Operations functions—senior and middle management

11. [✂]

12. [✂]

13. [✂]

Operations functions—other employees

14. [✂]

Finance functions—senior and middle management

15. [✂]

16. All inter-company transactions shall be accounted for through arm's length charges to Stericycle or STG, as appropriate.

Finance functions—other employees

17. Other employees carrying out finance functions for Stericycle shall not be permitted to carry on functions for STG and vice versa except as expressly provided for in this schedule.

Logistics functions—senior and middle management

18. [✂]

19. [✂]

20. For the avoidance of doubt, no new supply contracts shall be entered into on behalf of the merged Stericycle business in accordance with paragraph 2*(g)* of the Appendix.

21. Any transport of waste by Stericycle on behalf of STG or by STG on behalf of Stericycle shall be monitored by the Monitoring Trustee and charged under terms negotiated on an arm's length basis.

22. Except with the prior written consent of the CC no change in bin size shall be effected by Stericycle or STG during the specified period.

23. No Stericycle technology shall be rolled out to STG and no STG technology shall be rolled out to Stericycle during the specified period, save as permitted in the schedule to the Order.

Logistics functions—other employees

24. Other employees carrying out logistics functions for Stericycle shall not be permitted to carry on functions for STG and vice versa except as expressly provided for in this schedule.

Environmental, health and safety function—senior and middle management

25. [✂]

26. [✂]

Environmental, health and safety functions—other employees

27. Other employees carrying out environmental, health and safety functions for Stericycle shall not be permitted to carry on functions for STG and vice versa except as expressly provided for in this schedule.

Human Resources functions—senior and middle management

28. [✂]

29. Payrolls for the Stericycle business and the STG business shall be maintained separately.

30. Wages and salaries shall be properly cross charged to Stericycle or STG, as appropriate.

31. No Stericycle employee or STG employee shall be transferred from his current employer. STG shall retain autonomy over remuneration and bonuses to ensure that STG employees are encouraged to remain with STG in accordance with paragraph 2*(k)* of the Appendix.

32. Recruitment shall be carried out for Stericycle and STG separately.

Human resources functions—other employees

33. Other employees carrying out human resources functions for Stericycle shall not be permitted to carry on functions for STG and vice versa except as expressly provided for in this schedule.

Contracts with new customers

34. [✂]

Confidential information

35. In accordance with paragraphs 2*(l)* and *(m)* of the Appendix and for the avoidance of doubt the Stericycle Interim Team shall not have access to Confidential Information relating to STG and the STG Interim Team shall not have access to confidential information relating to Stericycle, except that Confidential Information may be shared between the Stericycle interim team and the STG interim team if strictly necessary in the ordinary course of business.

36. [✂]

37. For the avoidance of doubt in accordance with paragraph 2*(n)* of the Appendix. Confidential Information flow is permitted between STG and Stericycle LLC arising from and to the extent necessary to fulfil any obligation on Stericycle to report to Stericycle LLC or insofar as this is necessary to comply with any regulatory obligations. Subject to paragraph 38 below, if Confidential Information relating to STG is passed to Stericycle LLC, Stericycle LLC shall not pass such information to Stericycle. If Confidential Information relating to Stericycle is passed to Stericycle LLC, Stericycle LLC shall not pass such information to STG.

38. Confidential Information flow shall be permitted to the extent necessary for and limited to the coordination of Stericycle and STG's proceedings brought under section 120 of the Act with the Competition Appeal Tribunal or any other court of law. The Monitoring Trustee shall monitor such Confidential Information flow and for the avoidance of doubt paragraph 15 of Part III of Appendix B shall apply.

Compliance statements

39. [✂]

The appointment of the Hold Separate Manager

40. Stericycle LLC and STG shall continue the employment of the current hold separate manager (the Hold Separate Manager) with the primary function described in paragraph 43 below.

41. Stericycle LLC and STG shall ensure that the terms of appointment of the Hold Separate Manager give effect to the provisions of the Appendix and that any changes to the terms of appointment will be approved by the CC in accordance with the provisions of paragraph 55 below.

42. Stericycle LLC and STG shall, and will ensure that their subsidiaries shall, cooperate fully with the Hold Separate Manager in accordance with the provisions of paragraphs 47 and 48 below.

43. The primary function of the Hold Separate Manager will be to exercise day-to-day management and control of the STG business so as to preserve the possibility of restoring effective competition in the markets affected by the merger through the separation from Stericycle of a viable, saleable, competitive STG business. The Hold Separate Manager will exercise management and control of the STG business in such a way as to ensure that it is held separate from the Stericycle business in line with these Directions.

44. In addition to the primary function, the Hold Separate Manager will also:

(a) assist the CC to monitor the extent of compliance by STG and shall in particular provide the CC with compliance statements on a fortnightly basis and also provide any information in the possession of the Hold Separate Manager that may suggest that a breach of the Appendix may have taken place as soon as is practicable after receipt of the information;

(b) assist the CC (at the request of the CC) to respond to any request that may be made by STG, Stericycle LLC or Stericycle to the CC for a consent under the Appendix; and

(c) otherwise assist the CC to prevent STG, Stericycle LLC and Stericycle taking pre-emptive action within the specified period;

and the 'Hold Separate Manager's functions' shall include the performance of the primary function, the performance of the functions in this paragraph 44, and the performance of any other act or task necessary for the performance of those functions of the Hold Separate Manager including the performance of the reporting obligations in paragraph 50 below.

45. In furtherance of the Hold Separate Manager's functions the Hold Separate Manager shall take such steps as the Hold Separate Manager reasonably considers necessary including but not limited to:

(a) giving such directions to the officers and staff of STG, including any person holding such position on a temporary basis as are necessary for the fulfilment of the Hold Separate Manager's functions;

(b) attending such meetings of employees, officers (including board meetings, and meetings of any committee of the board) and members of STG as the Hold Separate Manager considers necessary for the fulfilment of the Hold Separate Manager's functions;

(c) attending meetings of employees or officers of STG as the Hold Separate Manager may consider necessary (including meetings convened at the instigation of the Hold Separate Manager) for the fulfilment of the Hold Separate Manager's functions; and

(d) complying with such requests as the CC may reasonably make for the purpose of ensuring compliance by STG or Stericycle LLC with their obligations under or in relation to the Directions.

46. Stericycle LLC or STG shall remunerate the Hold Separate Manager, and shall reimburse the Hold Separate Manager in full for all reasonable costs and expenses properly incurred, in accordance with the terms and conditions of the Hold Separate Manager's appointment, provided that such remuneration and reimbursement shall not give rise to any conflict of interest or otherwise impair the ability of the Hold Separate Manager to discharge the Hold Separate Manager's functions and:

(a) for the avoidance of doubt such reimbursement shall include the fees and disbursements of such legal or other professional advisers, consultants and assistants as the Hold Separate Manager reasonably considers necessary for the discharge of the Hold Separate Manager's functions; and

(b) any appointment of advisers, consultants or assistants and any individual item of costs or expenses in excess of £1,000.00 shall not be reasonably incurred without the prior written consent (which may be general) of the CC. Where the CC grants the Hold Separate Manager consent to incur any such liability the Hold Separate Manager shall promptly inform STG and Stericycle LLC.

47. STG and Stericycle LLC and their subsidiaries shall comply with the directions of and cooperate fully with, and shall ensure that their employees, officers, advisers and consultants shall comply with the directions of and cooperate fully with the Hold Separate Manager in the performance by the Hold Separate Manager of the Hold Separate Manager's functions.

48. Without prejudice to the generality of paragraph 47, that cooperation shall include:

(a) the grant to the Hold Separate Manager of all such rights, powers and authorities as are necessary for the performance of the Hold Separate Manager's functions;

(b) the provision of such facilities as are necessary for the discharge by the Hold Separate Manager of the Hold Separate Manager's functions, including the provision of an office with a workstation, telephone, fax machine and a computer at such premises of the STG business as the Hold Separate Manager may reasonably require; and

(c) the provision of full and complete access to all personnel, books, records, documents, facilities and information of STG and Stericycle LLC as the Hold Separate Manager may reasonably require.

49. Nothing in the functions of the Hold Separate Manager shall require or entail the disclosure to the CC of information or documents that either of Stericycle LLC or STG would be entitled to withhold from the CC on the grounds of legal privilege.

50. The Hold Separate Manager should notify the CC immediately on the formation by the Hold Separate Manager of a reasonable suspicion that the Appendix has been breached, or if the Hold Separate Manager is unable effectively to carry out the Hold Separate Manager's functions. In either situation, the Hold Separate Manager should give reasons and attach any supporting evidence (so far as the Hold Separate Manager is permitted to do so by paragraph 49).

51. All communications between the Hold Separate Manager and the CC (including the statements and reports of the Hold Separate Manager referred to in paragraphs 44

and 50) shall be confidential and shall not be disclosed to Stericycle LLC, Stericycle or STG by the Hold Separate Manager without the express written permission of the CC. In relation to the possibility of disclosure of such communications to persons other than Stericycle LLC or STG, the CC shall act in accordance with the provisions of Part 9 of the Act. The Hold Separate Manager shall not disclose such communications to third parties.

General

52. The Hold Separate Manager shall possess appropriate qualifications and experience to carry out the Hold Separate Manager's functions.

53. The Hold Separate Manager shall be independent of STG, Stericycle LLC and Stericycle and shall have no conflict of interest.

54. The remuneration and reimbursement of the Hold Separate Manager shall not impede the independence or effectiveness of the Hold Separate Manager.

55. Any amendment to the terms and conditions of the Hold Separate Manager's appointment shall be subject to the approval of the CC. The terms of the Hold Separate Manager's appointment shall include:

    (a) all the provisions necessary to give effect to these Directions (including any necessary conditions as to confidentiality and restrictions on future employment);

    (b) an indemnity by Stericycle LLC and STG by which the Hold Separate Manager and any assistant appointed by the Hold Separate Manager is held harmless against any losses, claims, damages, liabilities or expenses arising out of or in connection with the performance of the Hold Separate Manager's functions except to the extent that such losses, claims, damages, liabilities or expenses shall be caused by the bad faith or gross negligence of the Hold Separate Manager;

    (c) shall provide that the only method of termination of the appointment of the Hold Separate Manager is by Stericycle LLC and STG acting on the direction of the CC.

56. The CC may issue such further directions as it considers necessary to ensure compliance with the Appendix, including, where the appointment of the Hold Separate Manager pursuant to these Directions has been terminated, directions for the appointment of a further Hold Separate Manager.

FIGURE 1

[✂]

FIGURE 2

Operations (and logistics) structure

FIGURE 3

Finance and accounting structure