

**COMPLETED JOINT VENTURE BETWEEN CARLYLE AND PALAMON
CAPITAL PARTNERS LP FOR THE ACQUISITION OF INTEGRATED DENTAL
HOLDINGS GROUP AND ASSOCIATED DENTAL PRACTICES**

**UNDERTAKINGS IN LIEU OF A REFERENCE TO BE GIVEN BY CARLYLE,
PALAMON AND TURNSTONE BIDCO TO THE OFFICE OF FAIR TRADING
PURSUANT TO SECTION 73 OF THE ENTERPRISE ACT 2002**

WHEREAS:

- (a) On 11 May 2011 Carlyle and Palamon completed a deal to jointly control IDH and ADP.
- (b) The OFT believes that, as a consequence of that transaction, a relevant merger situation in the UK has been created.
- (c) The OFT has a duty to refer a merger to the CC for further investigation where it believes that it is or may be the case that the creation of that merger situation has resulted, or may be expected to result, in a substantial lessening of competition within any market or markets in the UK for goods or services.
- (d) Under section 73 of the Act the OFT may, instead of making such a reference and for the purpose of remedying, mitigating or preventing the substantial lessening of competition concerned or any adverse effect which has or may have resulted from it, or may be expected to result from it, accept undertakings to take such action as it considers appropriate, from such of the parties concerned as it considers appropriate, in particular having regard to the need to achieve as comprehensive a solution as is reasonable and practicable to the substantial lessening of competition and any adverse effects resulting from it.
- (e) The OFT considers that, in the absence of appropriate undertakings, it would be under a duty to refer the acquisition of IDH and ADP by Carlyle and Palamon to the CC.
- (f) The OFT further considers that the undertakings given below by Carlyle, Palamon and Turnstone Bidco are appropriate to remedy, mitigate or prevent the substantial lessening of competition, or any

adverse effect which may be expected to result from it, as specified in the Decision.

NOW THEREFORE Carlyle, Palamon and Turnstone Bidco hereby gives to the OFT the following undertakings for the purpose of remedying, mitigating or preventing the substantial lessening of competition, or any adverse effect which may be expected to result from it.

Effective date of the undertakings

- 1.1 These undertakings shall take effect from the date that, having been signed by Carlyle, Palamon and Turnstone Bidco, they are accepted by the OFT.

Undertaking by Carlyle and Palamon

- 2.1 Carlyle and Palamon shall use reasonable endeavours to procure compliance by Turnstone Bidco with these undertakings and not take any action that would obstruct compliance by Turnstone Bidco with these undertakings.

Divestment of the Divestment Businesses

- 3.1 IDH or ADP as the case may be shall, prior to acceptance of these undertakings by the OFT, enter into legally binding agreements to divest, to the satisfaction of the OFT, each of the Divestment Businesses, as a going concern, to the relevant Divestment Purchaser approved by the OFT.
- 3.2 Without prejudice to the generality of paragraph 3.1 above, Turnstone Bidco shall use all reasonable endeavours to ensure the transfer of Key Staff with the divestment of the Divestment Businesses.
- 3.3 Turnstone Bidco shall be deemed to have complied with the obligation at paragraphs 3.1 and 3.2 if, prior to acceptance of these undertakings by the OFT, IDH or ADP has entered into a legally binding agreement or agreements with each Divestment Purchaser, conditional on OFT approval, provided that the completion of the

divestment of each of the Divestment Businesses contemplated by such agreements takes place:

- (a) within a period not exceeding three months after the approval of the Divestment Purchaser by the OFT (or within three months of the effective date of these undertakings, as set out in paragraph 1.1 above, whichever is later) or
- (b) within a period not exceeding 10 Working Days after all the necessary approvals and consents from third parties have been obtained,

whichever is later.

3.4 Without prejudice to the generality of paragraph 3.1 above, Turnstone Bidco shall take the following measures to the extent legally permissible and thought necessary in the reasonable opinion of the OFT to effect the sale of the Divestment Businesses in accordance with the provisions of these undertakings:

- (a) the transfer or vesting of property, assets, rights, personnel, liabilities or obligations (including without prejudice any contracts, licences, authorisations, permits or consents);
- (b) the adjustment of contracts, whether by discharge or reduction or assignment of any liability or obligation or otherwise;
- (c) the creation, allotment, transfer, surrender or cancellation of any shares, stock or securities; and
- (d) the formation or winding up of a company,

provided that, for the avoidance of doubt, nothing in this paragraph 3.4 shall be interpreted as (i) preventing or precluding Turnstone Bidco from using the IDH or ADP (or similar) brand used to denote dental practices or (ii) requiring Turnstone Bidco to transfer or licence any such brand to a third party.

- 3.5 Turnstone Bidco shall use all reasonable endeavours to ensure that each sale and purchase agreement entered into for the purposes of paragraphs 3.1 and 3.3 above include a warranty or similar undertaking or evidence that the purchaser has the financial resources, expertise (including the managerial, operational and technical capability), incentive and intention to maintain and operate the relevant Divestment Businesses as part of a viable and active business in competition with IDH and/or ADP and other competitors in the supply of NHS general dental and, where applicable, orthodontic provision.
- 3.6 In the event that Turnstone Bidco fails to divest one or more of the Divestment Businesses in accordance with paragraphs 3.1, 3.2 and 3.3 above, the OFT may, whether or not initiating the Trustee Functions set out below require Turnstone Bidco to divest that or those remaining Divestment Businesses as a going concern to a purchaser or purchasers approved by the OFT.
- 3.7 The whole of paragraphs 3.1 to 3.6 shall not apply where a PCT has given written notice to IDH, ADP or Turnstone Bidco that it will not consent, or where the OFT has given written notice to IDH, ADP or Turnstone Bidco that a PCT is not expected to consent, to the assignment of the relevant NHS Contracts associated with any of the Divestment Businesses.

Failure to assign NHS Contracts as part of the Divestment Businesses

- 4.1 Notwithstanding paragraphs 3.1 to 3.6 above, where a PCT has given notice in writing to either IDH, ADP or Turnstone Bidco that it will not consent, or where the OFT has given written notice to IDH, ADP or Turnstone Bidco that a PCT is not expected to consent, to the assignment of the NHS Contracts associated with any of the Divestment Businesses and instead will re-tender the relevant NHS Contracts (or another contract of which it is a part) then the obligations of IDH, ADP and Turnstone Bidco under these undertakings will be met if:
- (a) IDH and/or ADP gives notice to terminate the NHS Contract associated with the relevant Divestment Business not before

one month and no later than three months following the effective date of these undertakings;

- (b) In the event that a PCT gives written notice to IDH, ADP or Turnstone Bidco within one month of the effective date of these undertakings, requesting IDH and/or ADP to give notice to terminate the NHS Contract associated with the Relevant Divestment Business not before a specified date not exceeding three months from the effective date of these undertakings, IDH and/or ADP gives notice to terminate the NHS Contract associated with the relevant Divestment Business on such specified date, provided that IDH, ADP or Turnstone Bidco shall be entitled to give such notice to terminate at any time after the date of the launch of the re-tender of the NHS Contract associated with the relevant Divestment Business and within three months of the effective date of these undertakings;
- (c) from the effective date of these undertakings to the date of the termination of the NHS Contracts, IDH, ADP and Turnstone Bidco continue to operate any relevant Divestment Businesses in accordance with the requirements of paragraph 12.1 below;
- (d) IDH, ADP and Turnstone Bidco use reasonable endeavours, in the period between the effective date of these undertakings and the date of termination of the NHS Contracts, to continue to supply NHS general dental, and where applicable orthodontic, provision on terms the same or substantially the same as the NHS Contract associated with the relevant Divestment Business;
- (e) neither IDH, ADP or Turnstone Bidco shall bid for any re-tendered NHS Contract associated with any of the relevant Divestment Businesses without written consent from the OFT;
- (f) following the re-tender of any relevant NHS Contracts, IDH, ADP and Turnstone Bidco shall, at the option of the successful bidder or bidders and upon receipt of written notice from the successful bidder or bidders, within one month of the award of the relevant NHS Contracts, of their intention to acquire the

relevant Divestment Businesses, divest at an Agreed Price determined by an Independent Assessor, the relevant Divestment Businesses to the successful bidder or bidders of the re-tendered NHS Contracts.

Appointment and Remuneration of the Independent Assessor

5.1 The appointment of the Independent Assessor shall be agreed by Turnstone Bidco and the successful bidders of the re-tendered NHS Contracts. In the event of a disagreement between Turnstone Bidco and the successful bidders of the re-tendered NHS Contracts each shall submit to the OFT the names of two individuals who:

- (a) are suitably qualified to carry out an effective valuation of any of the relevant Divestment Businesses;
- (b) are independent of Turnstone Bidco and of any the successful bidders of the re-tendered NHS Contracts;
- (c) are not likely to become exposed, either directly or indirectly, to a conflict of interest that impairs or may be likely to impair their objectivity or independence in carrying out an effective valuation of any of the relevant Divestment Businesses; and

the OFT shall appoint the Independent Assessor.

5.2 Where paragraph 4.1(f) applies, Turnstone Bidco shall pay the Independent Assessor a reasonable remuneration for the services it provides in carrying out its valuation of any of the relevant Divestment Businesses, and shall pay the Independent Assessor in a way that does not impede the independent and effective valuation of any of the relevant Divestment Businesses.

Approval of purchaser and terms of divestment

6.1 For the purposes of the OFT approving a Divestment Purchaser in accordance with these undertakings, Turnstone Bidco shall, save as required or permitted by the OFT, satisfy the OFT that:

- (a) the acquisition by the Divestment Purchaser remedies, mitigates or prevents the substantial lessening of competition concerned or any adverse effect which has or may have resulted from it, or may be expected to result from it, in particular, having regard to the need to achieve as comprehensive a solution as is reasonable and practicable to the substantial lessening of competition and any adverse effects resulting from it;
- (b) the Divestment Purchaser is independent of and unconnected to IDH or ADP and the Group of Interconnected Bodies Corporate to which IDH or ADP belongs and any Associated Person or Affiliate of IDH or ADP or such Group of Interconnected Bodies Corporate;
- (c) the Divestment Purchaser has the financial resources, expertise (including the managerial, operational and technical capability), incentive and intention to maintain and operate the relevant Divestment Business as part of a viable and active business in competition with IDH and/or ADP and other competitors in the supply of general dental or ,where applicable, orthodontic provision;
- (d) the Divestment Purchaser is reasonably to be expected to obtain all necessary approvals, licences and consents from any regulatory or other authority including landlord's consent to the transfer of any leasehold interest; and
- (e) the acquisition by the Divestment Purchaser of the relevant Divestment Business (or Divestment Businesses) does not create a realistic prospect of a substantial lessening of competition within any market or markets in the UK.

6.2 The OFT may require Turnstone Bidco to provide it with such information and documentation as it may reasonably require to satisfy the OFT that the proposed purchaser will fulfil the requirements set out in paragraph 6.1 above.

Appointment of a Trustee

- 7.1 The provisions of paragraphs 7.2 to 7.7 below shall apply only as long as Turnstone Bidco has not satisfied, or in the case where the divestment of any of the Divestment Businesses has not completed due to circumstances beyond the control of Turnstone Bidco only after consulting further with Turnstone Bidco in order to agree a process to achieve the divestment of that or those remaining Divestment Businesses as a going concern to a purchaser or purchasers approved by the OFT, or the OFT has reasonable grounds for believing that Turnstone Bidco will not satisfy, all or any part of the obligation to divest each of the Divestment Businesses in accordance with paragraphs 3.1, 3.2 and 3.3 above.
- 7.2 Within 15 Working Days of the OFT notifying in writing Turnstone Bidco that it must do so, Turnstone Bidco shall propose to the OFT for approval:
- (a) the names of at least two individuals to exercise the Trustee Functions; and
 - (b) the full terms of a mandate in accordance with which the Trustee shall carry out the Trustee Functions.
- 7.3 Turnstone Bidco and/or any individuals nominated pursuant to paragraph 7.2 shall satisfy the OFT that, save as required or permitted by the OFT:
- (a) such nominated individuals have the necessary qualifications to carry out their mandates, and are employees or partners of an investment bank, bank, building society or law firm or accountancy firm with an established reputation either nationwide or in a substantial part of the UK or in another EU member state;
 - (b) such nominated individuals are each independent of Turnstone Bidco and of the Group of Interconnected Bodies Corporate to which Turnstone Bidco belong and of any Associated Person or Affiliate of Turnstone Bidco or of such Group of Interconnected Bodies Corporate and of any proposed purchasers of the Divestment Businesses and, in the reasonable opinion of

Turnstone Bidco, are appropriate to be appointed as Trustee;
and

- (c) such nominated individuals neither are nor are likely to become exposed, either directly or indirectly, to a conflict of interest that impairs or may be likely to impair their objectivity or independence in discharging the Trustee Functions.

7.4 Within 20 Working Days of the OFT approving, at its discretion, one or more of the persons nominated by Turnstone Bidco and their proposed mandates pursuant to paragraph 7.2 above, and subject to any modifications the OFT deems necessary for the Trustee to carry out the Trustee Functions, Turnstone Bidco shall use its best endeavours to appoint from the persons so approved one person to carry out the Trustee Functions in accordance with the mandate approved by the OFT pursuant to paragraph 7.2.

7.5 In the event that:

- (a) Turnstone Bidco fails to propose any person or persons in accordance with paragraph 7.2 above; or
- (b) none of the persons proposed by Turnstone Bidco pursuant to paragraph 7.2 is approved by the OFT; or
- (c) Turnstone Bidco are unable for any reason to appoint within the time limit stipulated in paragraph 7.4 any such person following approval by the OFT, Turnstone Bidco shall use its best endeavours to appoint from persons nominated by the OFT one person to carry out the Trustee Functions on the terms of a mandate approved by the OFT. Turnstone Bidco shall use its best endeavours to make such appointment within seven Working Days of receiving the nominations from the OFT.

7.6 The appointment of the Trustee pursuant to paragraph 7.4 or 7.5 shall be irrevocable unless:

- (a) a conflict of interest that impairs or may be likely to impair the objectivity or independence of the Trustee in discharging the Trustee Functions arises;
- (b) the Trustee ceases to perform the Trustee Functions; or
- (c) the OFT is otherwise satisfied that there is good cause for the appointment to be terminated in advance of the satisfactory fulfilment of the Trustee Functions.

7.7 In the event that the appointment of the Trustee is terminated in accordance with paragraph 7.6 above, Turnstone Bidco shall, if requested to do so in writing by the OFT, use its best endeavours to appoint from persons nominated by the OFT one person to carry out the Trustee Functions in accordance with such mandate as is approved by the OFT. Turnstone Bidco shall use its best endeavours to make such appointment within seven Working Days of receiving the nominations from the OFT. Where required by the OFT, the outgoing Trustee shall continue as Trustee until a new Trustee is in place and a full handover of all relevant information has taken place.

The Mandate

- 8.1 The terms of the mandate proposed by Turnstone Bidco pursuant to paragraph 7.2 above shall, as a minimum, contain all provisions necessary to enable the Trustee to carry out the Trustee Functions including, without limitation to the generality of this paragraph:
- (a) an exclusive, irrevocable mandate to sell any of the Divestment Businesses as required by paragraph 9.1 below to a purchaser or purchasers approved in writing in advance by the OFT at no minimum price and on such reasonable terms and conditions as the Trustee considers appropriate to effect an expedient sale;
 - (b) a mandate to take any other steps necessary for, or incidental to, the Trustee's mandate under sub-paragraph (a) above;
 - (c) a comprehensive power of attorney to the Trustee (including the authority to grant sub-powers of attorney to the Trustee's officers, employees and agents) to enable it to take all steps

necessary or appropriate to effect the sale of such Divestment Businesses;

- (d) a mandate to comply with any orders and/or directions given by the OFT; and
- (e) a mandate to appoint at Turnstone Bidco's expense such advisers as the Trustee reasonably considers necessary or appropriate in connection with the performance of the Trustee Functions.

Functions of Trustee

- 9.1 The Trustee shall seek to procure, within such period as may be specified in writing by the OFT, the completion of the sale of the Divestment Businesses at no minimum price, to a purchaser or purchasers approved by the OFT in accordance with paragraph 9.3 below.
- 9.2 Without prejudice to the generality of paragraph 9.1, the Trustee shall take any of the measures set out in paragraphs 3.4 above in relation to the Divestment Businesses to the extent to which such measures may be necessary to effect the divestment of the Divestment Businesses in accordance with that provision.
- 9.3 The Trustee shall not sell or permit the divestment of any of the Divestment Businesses to a proposed purchaser unless it has obtained the OFT's prior written approval in respect of the identity of that proposed purchaser. The Trustee shall notify the OFT of the identity of a proposed purchaser as soon as reasonably practicable prior to the signing of a legally enforceable agreement and in any event at least 20 Working Days in advance of the proposed completion of the proposed sale and purchase agreement in question.
- 9.4 Pending the divestment of the Divestment Businesses pursuant to paragraph 9.1 above, the Trustee shall monitor Turnstone Bidco's compliance with their obligations under paragraphs 10.1 and 10.2 of these undertakings and shall take such measures as it considers necessary to ensure such compliance.

- 9.5 The Trustee may give written directions to Turnstone Bidco to take such steps as may be specified or described in the directions for the purpose of securing Turnstone Bidco's compliance with its obligations under these undertakings or enabling the Trustee to carry out the Trustee Functions. The Trustee may not require Turnstone Bidco to accept any actual or contingent liability towards a purchaser or otherwise in connection with the divestment of the Divestment Businesses which would be unusual in scope, duration or financially having regard to the price and usual market practice in relation to similar disposals.
- 9.6 The Trustee shall, as soon as reasonably practicable, comply at all times with any reasonable instructions or written directions made by the OFT for the purposes of carrying out or securing compliance with the undertakings (or any matter incidental thereto) and shall provide to the OFT such information and reports in relation to the carrying out of the Trustee Functions as the OFT may require. The Trustee shall promptly report in writing to the OFT if the Trustee concludes on reasonable grounds that Turnstone Bidco is failing to comply with any of its obligations under these undertakings.
- 9.7 For the purpose of fulfilling the Trustee Functions, the Trustee shall not be bound by instructions of Turnstone Bidco nor shall the Trustee Functions be extended or varied in any way by Turnstone Bidco save with the prior express written consent of the OFT.

Obligations of Turnstone Bidco following appointment of Trustee

- 10.1 Turnstone Bidco shall not give any instruction or request to the Trustee which conflicts with the Trustee Functions.
- 10.2 Turnstone Bidco shall take all such steps as are reasonably necessary to enable the Trustee to carry out the Trustee Functions, including but not limited to:
- (a) complying with such written directions as the Trustee may from time to time give pursuant to paragraph 9.5 above; and

- (b) providing the Trustee with all such assistance and information as it may reasonably require in carrying out the Trustee Functions.

Remuneration of Trustee

11.1 Turnstone Bidco shall pay the Trustee a reasonable remuneration for the services it provides in carrying out the Trustee Functions, and shall pay the Trustee in a way that does not impede the independent and effective fulfilment of the Trustee Functions, which shall be set out in the Trustee's mandate referred to in paragraph 8.1 above.

Interim action

12.1 Pending the divestment of the Divestment Businesses to the satisfaction of the OFT in accordance with the provisions of these undertakings, Turnstone Bidco shall ensure that:

- (a) without accepting any duty to make any substantial capital investment additional to investment arrangements in place at the time the Acquisition completed, each of the Divestment Businesses is maintained as a going concern and sufficient resources are made available for the development of each of the Divestment Businesses on the basis of its pre-merger plans;
- (b) except in the ordinary course of business, no substantive changes are made to the organisational structure of the Divestment Businesses or the management responsibilities within the Divestment Businesses;
- (c) except with the prior written consent of the OFT, the Divestment Businesses are maintained and preserved, including facilities and goodwill;
- (d) the nature, description, range and standard of goods and services currently supplied by the Divestment Businesses are maintained and preserved;

- (e) except in accordance with paragraphs 3.1, 3.2, 3.3 or 3.4 above, no assets of the Divestment Businesses are disposed of, and no Interest in such assets is created or disposed of, other than in the ordinary course of business; and
- (f) all reasonable steps are taken to encourage all Key Staff to remain with the Divestment Businesses,

provided that, upon divestment of any of the Divestment Businesses, any records or copies (electronic or otherwise) of Confidential Information held by Turnstone Bidco in relation to that Divestment Business (or vice versa) shall be returned to the relevant business and any copies destroyed.

12.2 For the avoidance of doubt, paragraph 12.1 above shall not apply in respect of the relevant Divestment Business once the NHS Contract associated with the relevant Divestment Business is terminated pursuant to paragraph 4.1 above.

Continued separation

13.1 Except with the prior written consent of the OFT, following the divestment of a Divestment Business, IDH or ADP or any member of the Group of Interconnected Bodies Corporate to which IDH or ADP belongs:

- (a) shall not, directly or indirectly, hold, acquire, re-acquire:
 - (i) any Interest in that Divestment Businesses other than (a) any overriding leasehold interest reversionary to a leasehold interest of that Divestment Business granted pursuant to section 19 Landlord and Tenant (Covenants) Act 1995; or (b) any leasehold interest in a property associated with a Divestment Businesses following a default by the owner of the relevant Divestment Businesses in complying with the terms of the relevant lease;
 - (ii) any Interest in any company carrying on or having Control of that Divestment Business (other than (a) any

investments made in the ordinary course of the operation of any of the employee benefit and pension schemes of IDH or ADP or of any members of the Group of Interconnected Bodies Corporate to which IDH or ADP belongs which are managed on a discretionary basis; or (b) any investments made in the ordinary course of the operation of any of the other employee benefit and pension schemes of IDH or ADP or of any members of the Group of Interconnected Bodies Corporate to which IDH or ADP belongs of not more than five per cent in aggregate of the issued equity share capital in any such company, whose shares are listed or dealt with on any recognised investment exchange, which carries no more than five per cent of the voting rights exercisable at meetings of such company); or

(iii) other than in the ordinary course of business, any of the assets of that Divestment Business;

(b) shall procure that no employee or director of IDH or ADP or of any member of the Group of Interconnected Bodies Corporate to which IDH or ADP belongs, for so long as they are an employee or director of IDH or ADP or of any member of the Group of Interconnected Bodies Corporate to which IDH or ADP belongs, holds or is nominated to any directorship or managerial position in that Divestment Business or any company or other undertaking utilising or having Control of that Divestment Business without the OFT's prior written consent;

(c) shall not participate in the formulation of, or (other than in the ordinary course of business) influence or attempt to influence, the policy of that Divestment Business or any company or other undertaking carrying on or having Control of that Divestment Business; and

(d) shall not enter into or carry out any agreement or arrangement with any person, if the carrying out of the agreement or arrangement is intended to result or will result in any Associated Person or Affiliate of IDH or ADP or of any member

of the Group of Interconnected Bodies Corporate to which IDH or ADP belongs directly or indirectly acquiring that Divestment Business or doing any of the things listed in subparagraphs (a), (b) and (c) above.

New Divestment if IDH or ADP obtains possession of a Divestment Business Property

14.1 In the event that, following divestment of a Divestment Business in a manner that has involved IDH or ADP assigning an existing lease to the purchaser of the Divestment Business, IDH or ADP benefits from or becomes subject to an Occupation Interest (so long as IDH or ADP so benefits or becomes so subject during the term of the lease assigned by IDH or ADP as part of such divestment), Turnstone Bidco shall:

- (a) within 10 Working Days of becoming aware that it is so benefitting or is so subject inform the OFT in writing of that fact; and
- (b) using its best endeavours and acting in good faith comply with such written directions as the OFT may give to Turnstone Bidco to effect a new divestment of the Occupation Interest to a new purchaser approved by the OFT in accordance with the provisions of these undertakings, provided always that such written directions must be of a similar nature to those contained in these undertakings with regard to the original divestment of the Divestment Business.

14.2 In determining, for the purposes of paragraph 14.1(b), whether to require Turnstone Bidco to effect a new divestment of the Occupation Interest to a new purchaser approved by the OFT in accordance with the provisions of these undertakings, the OFT may have regard to any change of circumstances since the Decision.

14.3 In the event that Turnstone Bidco fails to divest the Occupation Interest in accordance with paragraph 14.1 above, the OFT may, require Turnstone Bidco to divest the Occupation Interest at no minimum price to a purchaser approved by the OFT.

- 14.4 Turnstone Bidco shall notify the OFT in writing of the identity of each proposed purchaser that makes a written offer for the Occupation Interest together with the value and terms of such written offers as soon as reasonably practicable following the receipt of such offers and in any event within 10 Working Days of receipt of such written offers.
- 14.5 In the event that the OFT gives written directions under paragraph 14.1 for Turnstone Bidco to effect a new divestment of the Occupation Interest, paragraphs 6, 7, 8, 9, 10 and 11 shall apply to the new divestment in the same way that they applied to the original divestment obligation save that references to 'Divestment Business' in those paragraphs shall be construed as references to 'Occupation Interest'.

Compliance

- 15.1 Turnstone Bidco shall comply, using all reasonable endeavours, with such written directions as the OFT may from time to time give:
- (a) to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with these undertakings; or
 - (b) to do or refrain from doing anything so specified or described which it might be required by these undertakings to do or to refrain from doing.
- 15.2 Turnstone Bidco shall procure that any member of the same Group of Interconnected Bodies Corporate as Turnstone Bidco complies with these undertakings as if it had given them and actions and omissions of the members of the same Group of Interconnected Bodies Corporate as Turnstone Bidco shall be attributed to Turnstone Bidco for the purposes of these undertakings.
- 15.3 Where any Affiliate of Turnstone Bidco is not a member of the same Group of Interconnected Bodies Corporate as Turnstone Bidco, Turnstone Bidco shall use its best endeavours to procure that any

such Affiliate shall comply with these undertakings as if it had given them.

Extension of time limits

16.1 The OFT may, in response to a written request from Turnstone Bidco, or otherwise at its own discretion, grant an extension to any time period referred to in these undertakings.

Provision of Information

17.1 Turnstone Bidco shall furnish promptly to the OFT such information within its possession or control, or the possession or control of a member of the same Group of Interconnected Bodies Corporate as Turnstone Bidco, as the OFT considers necessary in relation to or in connection with the implementation and/or enforcement of and/or the compliance with these undertakings, including for the avoidance of doubt, any Confidential Information.

Interpretation

18.1 The Interpretation Act 1978 shall apply to these undertakings as it does to Acts of Parliament.

18.2 References in these undertakings to any English law term for any legal status, interest, concept or thing shall in respect of any jurisdiction other than England and Wales be deemed to include what most nearly approximates in that jurisdiction to the English law term.

18.3 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.

18.4 For the purposes of these undertakings:

"Acquisition" means the acquisition by Carlyle and Palamon of IDH and ADP pursuant to a sale and purchase agreement dated 28 January 2011 and a subscription and shareholders agreement dated 28 January 2011;

“ADP” means Associated Dental Practices and any subsidiary;

“the Act” means the Enterprise Act 2002;

“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 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;

“Agreed Price” means a valuation price based on an agreed methodology, determined by an Independent Assessor appointed pursuant to paragraph 5.1, at a fair market value and as a going concern, based on the assumption that the Divestment Business has a NHS Contract as re-tendered by the relevant PCT;

“Associated Person” means a person or persons associated with Turnstone Bidco, IDH and ADP within the meaning of section 127(4) of the Act and includes any Subsidiary of such a person or persons, but for the avoidance of doubt, excludes any entity or fund who would otherwise be an ‘associated person’ only by virtue of the fact that they are a member of the global network of entities making up The Carlyle Group;

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

“Carlyle” means CEP III Participations S.à r.l. SICAR whose registered office is at 2m avenue Charles de Gaulle, L-1653, Luxembourg (registered in Luxembourg with registered No. B 127711);

“CC” means the Competition Commission;

“Confidential Information” means any business secrets, know-how, commercially sensitive information, intellectual property or any other information of a confidential or proprietary nature;

“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 amounting to 10

per cent or more of its issued share capital or carrying 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;

“Decision” means the OFT’s decision under section 22 of the Act dated 10 June 2011 in connection with the Acquisition;

“Divestment” shall include, in addition to the sale of freehold property, the transfer of a leasehold interest or the grant of a long lease on normal commercial terms of not less than 25 years duration and the word "divest" and its derivatives shall be construed accordingly; and "purchase", "purchaser", "acquire" and "acquisition" and "attempted divestment" shall be construed to include both freehold and leasehold transactions;

“Divestment Businesses” means the business from each numbered row of the table in Annex 1 comprising, in respect of each such business, the whole or substantially the whole of the rights, assets, interests and obligations of or associated with that business as operated immediately prior to the date of the Acquisition, including without prejudice to the foregoing, save as required or permitted by the OFT:

- (a) where capable of being transferred, all or substantially all tangible and intangible assets which contribute to the current operation or are necessary to ensure the viability or competitiveness of the business;
- (b) where capable of being transferred, all or substantially all licences, permits, consents and authorisations issued by any governmental organisation for the benefit of the business;
- (c) where capable of being transferred, all or substantially all contracts, (including the NHS Contracts), leasehold interests, commitments and customer orders of or associated with the business, provided that Turnstone Bidco are able to obtain any relevant third party consent to a transfer; and Turnstone Bidco shall use reasonable endeavours to obtain such consents. To the extent that such consent cannot be obtained within a reasonable period, Turnstone Bidco shall use reasonable endeavours to encourage the Divestment Purchaser and counterparty to enter into any contracts (including NHS Contracts), leasehold interests, commitments and customer orders on substantially the same terms and conditions; and

(d) all customer, credit and other records of the business,

provided that:

(i) where any of those assets (not including for the avoidance of doubt, internal group systems and processes), licences and/or contracts listed in (a) to (c) above are not used exclusively in relation to a particular Divestment Business, the only requirement shall be to seek to provide the benefit of such assets, licences and/or contracts in connection with that business, subject to any restrictions which may apply, and

(ii) for the avoidance of doubt, nothing in this definition shall be interpreted as (i) preventing or precluding Turnstone Bidco from using any IDH or ADP (or similar) brand used to denote dental practices or (ii) requiring Turnstone Bidco to transfer or licence any such brand to a third party; and

(iii) for the avoidance of doubt, excludes any NHS Contracts where a PCT has given notice in writing to either IDH, ADP or Turnstone Bidco that it will not consent, or where the OFT has given written notice to IDH, ADP or Turnstone Bidco that a PCT is not expected to consent, to the assignment of the NHS Contracts associated with any of the businesses and instead will re-tender the relevant NHS Contracts and paragraphs 4.1, 5.1 and 5.2 apply.

“Divestment Business Property” means the relevant property associated with each of the Divestment Businesses as at the date of these undertakings.

“Divestment Purchaser” means the proposed purchaser or purchasers for the relevant Divestment Businesses;

“Group of Interconnected Bodies Corporate” has the meaning given in section 129(2) of the Act but, for the avoidance of doubt, excludes any entity or fund who is a member of the global network of entities making up The Carlyle Group who Carlyle does not control or have the ability to bind; references to a Group of Interconnected Bodies Corporate shall be to the Group of Interconnected Bodies Corporate as constituted from time to time;

“Independent Assessor” means the individual appointed, in accordance with paragraph 5.1, to carry out a valuation, pursuant to paragraph 4.1(f), of any the relevant Divestment Businesses following the re-tender of any of the NHS Contracts.

“Interest” includes shares, an interest in shares and any other interest carrying an entitlement to vote at shareholders’ meetings; and for this purpose “an interest in shares” includes an entitlement by a person other than the registered holder, to exercise any right conferred by the holding of these shares or an entitlement to Control the exercise of such right;

“IDH” means Integrated Dental Holdings Limited and any subsidiary;

“Key Staff” means employed staff within the Divestment Businesses in positions of executive or managerial responsibility and/or whose performance affects the viability of the relevant Divestment Businesses;

“NHS” means the National Health Service;

“NHS Contracts” means either the General Dental Services Contract or the Personal Dental Serviced Contract in respect of the business from each numbered row of the table in Annex 1.

“Occupation Interest” means an interest in the Divestment Business Property by virtue of which IDH or ADP enjoys an unconditional right or is under an unconditional obligation to occupy the Divestment Business Property provided always that: (i) the original purchaser (or his successor) is not in occupation of the Divestment Business Property; and/or (ii) before such interest in the Divestment Business Property arose, the most recent use to which the Divestment Business Property had been put was that of carrying on IDH or ADP;

“OFT” means the Office of Fair Trading;

“Palamon” means Palamon Capital Partners LP;

“PCT” means Primary Care Trust;

“**Subsidiary**” shall be construed in accordance with section 1159 of the Companies Act 2006, unless otherwise stated;

“**Turnstone Bidco**” means Turnstone Bidco 1 Limited, a company incorporated in England and Wales (registered no.7496765) whose registered office is at Lansdowne House, 57 Berkeley Square, London, W1J 6ER;

“**Trustee**” means the person appointed pursuant to paragraph 7.4, 7.5 or 7.7 to carry out the Trustee Functions;

“**Trustee Functions**” means the functions set out in paragraph 8.1;

“**UK**” means the United Kingdom of Great Britain and Northern Ireland; and

“**Working day**” means any day of the week other than a Saturday or a Sunday or any day that is a public holiday in England.

FOR AND ON BEHALF OF TURNSTONE BIDCO

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

Authorised Signatory

FOR AND ON BEHALF OF CARLYLE

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

Authorised Signatory

FOR AND ON BEHALF OF PALAMON

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

Authorised Signatory

**Annex 1 - Divestment Businesses and corresponding
Divestment Purchasers**

	Operator	Divestment Businesses	Postcode	Divestment Purchaser
1.	ADP	Taunton Blackbrook	TA1 2LB	Rodericks Limited
2.	ADP	Ramsgate	CT11 8RA	
3.	IDH	North Petherton	TA6 6PZ	Rodericks Limited
4.	ADP	Barnstaple Priory	EX31 1RJ	Dr Anshul Pangotra
5.	ADP	Barnstaple	EX32 8NX	Dr Anshul Pangotra
6.	ADP	Sandwich	CT13 9BB	
7.	ADP	Yeovil	BA21 4HD	Rodericks Limited
8.	ADP	Chard	TA20 1FA	Rodericks Limited
9.	ADP	Aldershot	GU11 1JR	Rodericks Limited
10.	IDH	Amesbury	SP4 7DL	
11.	IDH	Tidworth	SP9 7FH	