

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

A handwritten signature in black ink, appearing to read 'Diana Guy', with a stylized flourish at the end.

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 [✂].