

COMPANY DIRECTORS DISQUALIFICATION ACT 1986

DISQUALIFICATION UNDERTAKING

IN RE: CANTILLON LIMITED (Company number 00916538) ("CANTILLON") and CANTILLON HOLDINGS LIMITED (Company number 05017698) ("CH") (together "CCH")

CASE 50697: CMA INVESTIGATION INTO THE SUPPLY OF DEMOLITION AND RELATED SERVICES IN THE UNITED KINGDOM

I, Michael William Cantillon, of [REDACTED] hereby undertake to the Competition and Markets Authority ("the CMA"), on the basis set out in the schedule attached to this disqualification undertaking, that, in accordance with section 9B of the Company Directors Disqualification Act 1986 ("CDDA"):

I WILL NOT, for a period of **7 years and 6 months**:

- a) be a director of a company, act as a receiver of a company's property or in any way, whether directly or indirectly, be concerned or take part in the promotion, formation or management of a company unless (in each case) I have the leave of the court; or
- b) act as an insolvency practitioner.

Further, I understand that, if I act in contravention of the above disqualification undertaking:

- a) I may be prosecuted for a criminal offence (CDDA section 13); and
- b) I may be personally responsible for all the relevant debts of a company (CDDA section 15).

The scope and effect of the disqualification undertaking that I hereby give have been explained to me in the CMA's letter of 6 February 2022.

I am aware that (i) my co-operation with the CMA investigation, and (ii) my prompt offer of this undertaking to the CMA has led the CMA to accept a shorter disqualification period than it would have otherwise accepted.

I further confirm and undertake to the CMA that I will use my best endeavours to cooperate with, and assist, the CMA in its director disqualification investigation in relation to Case 50697 and any related proceedings.

The CMA has explained that I may seek legal or professional advice on the effect of this undertaking, and I was given the opportunity to do so before signing the undertaking.

Signed

[REDACTED]
MICHAEL WILLIAM CANTILLON

.....
Date

2/2/2023

7 February 2023

.....
Date

[REDACTED]
For the Competition & Markets Authority

Note: the period of disqualification commences at the end of **60 days** beginning with the day on which the disqualification undertaking is accepted by the CMA, and that commencement date is **9 April 2023**.

**SCHEDULE TO THE DISQUALIFICATION UNDERTAKING GIVEN BY
MICHAEL WILLIAM CANTILLON**

Solely for the purpose of the CDDA 1986, and for any other purposes under the provisions of the CDDA 1986 and other legislation consequential to the giving of a disqualification undertaking, I admit the following matters:

BACKGROUND

1. Cantillon Limited ('**Cantillon**') was incorporated on 28 September 1967. Cantillon Holdings Limited ('**CH**') was incorporated on 16 January 2004. Throughout the Relevant Periods (defined below) Cantillon was wholly owned by CH.
2. CH was a family-owned and run business until February 2015. Between 2013 to February 2015, I held a majority shareholding in CH. In February 2015, MWC Investments Ltd purchased a majority shareholding in CH. At this time, I held a 10% interest in MWC Investments Ltd.
3. I commenced working at Cantillon in 1979 and was a director of Cantillon at all times from 6 March 1992 to 17 July 2020 and a director of CH at all times from 16 January 2004 to 17 July 2020.
4. I held the role of Managing Director of both Cantillon and CH (together, '**CCH**') until February 2015, when CH's ownership structure changed.
5. During my time as Managing Director, I had complete oversight of the Cantillon business and managed operations on a day-to-day basis. Following the change in ownership of CH, I maintained my role as a director, and held the role of Chairman, until July 2020. During this time, my role changed. After a three-month handover with the new Managing Director, my role became focussed on providing consultancy services, maintaining client relationships, business development and market intelligence rather than direct operational oversight, and I was remunerated for this work on a consultancy basis.

BREACH OF COMPETITION LAW

6. As provisionally found by the CMA in its Statement of Objections issued on 23 June 2022 (the '**Statement**') and admitted by Cantillon and CH in settlement of case 50697, Cantillon infringed the prohibition imposed by section 2(1) in the Competition Act 1998 (the '**Chapter I Prohibition**') by participating in nine 'cover bidding' agreements, three of which featured compensation payment arrangements. I was personally involved in the following seven cover bidding agreements (together, '**the Admitted Infringements**'), during the time periods set out below (the '**Relevant Periods**'):
 - 6.1. **Admitted Infringement 2:** Between at least 14 June 2013 and 20 June 2013, Cantillon and Scudder (as defined in the Statement) infringed the Chapter I Prohibition by participating in an agreement or concerted practice in the form of a cover bidding and compensation payment arrangement. Subject to this

arrangement, Scudder submitted a cover bid in return for Cantillon agreeing to make a compensation payment to Scudder.¹ I confirm that the payment was never in fact made. This agreement had, as its object, the prevention, restriction or distortion of competition in relation to the supply of Demolition Services and Asbestos Removal Services for the Metropolitan Police Service Training and Operations Centre, Hendon. The contract sum was £4,528,972.18, and it was awarded to Cantillon.

- 6.2. **Admitted Infringement 5:** Between at least 30 May and 9 June 2014, Cantillon and Scudder infringed the Chapter I Prohibition by participating in an agreement or concerted practice in the form of a cover bidding and compensation payment arrangement for Cantillon to submit a cover bid in return for Scudder making a compensation payment to Cantillon.² This agreement had, as its object, the prevention, restriction or distortion of competition in relation to the supply of Demolition Services for Station Hill, Reading. The contract sum was £4,529,263, and it was awarded to Scudder.
- 6.3. **Admitted Infringement 6:** Between at least 4 August 2014 and 1 September 2014, Scudder and Cantillon infringed the Chapter I Prohibition by participating in an agreement or concerted practice in the form of a cover bidding and compensation payment arrangement for Scudder to pay Cantillon £100,000.³ This agreement had, as its object, the prevention, restriction or distortion of competition in relation to the supply of Demolition Services for Lots Road Power Station. The contract sum was £9,600,237.80, and it was awarded to Scudder.
- 6.4. **Admitted Infringement 13:** Between at least 28 October 2016 and 7 December 2016, Keltbray (as defined in the Statement) and Cantillon infringed the Chapter I Prohibition by participating in an agreement or concerted practice in the form of a cover bidding arrangement, as recorded in email exchanges from that period. This agreement had, as its object, the prevention, restriction or distortion of competition in relation to the supply of Demolition Services and Asbestos Removal Services for Wellington House. The contract sum was £13,446,493, and it was awarded to Deconstruct.
- 6.5. **Admitted Infringement 14:** Between at least:
- (a) 16 November 2016 and 18 November 2016, Cantillon and Keltbray;
 - (b) 18 November 2016 and 6 December 2016, Cantillon and John F Hunt (as defined in the Statement);
 - (c) 18 November 2016 and 1 December 2016, Cantillon and Erith (as defined in the Statement);

¹ I accept that a compensation payment was agreed. A record of a text message sent by me to ██████████ of Scudder on 26 March 2015 records that the payment agreed was £20,000. This is consistent with an extract from a notebook belonging to me, which also records the payment agreed as being £20,000. I confirm however that the payment was never in fact made.

² I accept that compensation payments were agreed. An extract from a notebook belonging to me records the compensation as totalling £65,000 or £75,000.

³ I accept that a compensation payment was agreed. An extract from a notebook belonging to me records the compensation as totalling £100,000.

infringed the Chapter I Prohibition by participating in one or more agreements or concerted practices in the form of a cover bidding arrangement or arrangements, as evidenced in contemporaneous email and SMS exchanges. The agreement, or agreements, had, as their object, the prevention, restriction or distortion of competition in relation to the supply of Demolition Services for Ilona Rose House. The contract sum was £20,550,000, and it was awarded to Cantillon.

6.6. **Admitted Infringement 15:** Between at least 19 January 2017 and 28 April 2017, McGee (as defined in the Statement) and Cantillon infringed the Chapter I Prohibition by participating in an agreement or concerted practice in the form of a cover bidding arrangement, as evidenced in contemporaneous email correspondence. This agreement had as its object the prevention, restriction or distortion of competition in relation to the supply of Demolition Services and Asbestos Removal Services for 44 Lincoln's Inn Fields. The contract sum was £5,141,954, and it was awarded to McGee.

6.7. **Admitted Infringement 17:** Between at least:

(a) 7 June 2017 and 19 July 2017, Cantillon and Erith;

(b) 7 June 2017 and 19 July 2017, Cantillon and Scudder;

infringed the Chapter I Prohibition, as evidenced in contemporaneous email and SMS exchanges, by participating in one or more agreements or concerted practices in the form of a cover bidding arrangement or arrangements which had as its object the prevention, restriction or distortion of competition in relation to the supply of Demolition Services for 135 Bishopsgate. The contract sum was £4,769,237, and it was awarded to Cantillon.

7. I understand that each of the Admitted Infringements constitute separate and freestanding breaches of competition law (and do not form part of a single continuous infringement).

8. I accept that:

(a) each of the Admitted Infringements had the object of restricting competition;

(b) Cantillon breached competition law by engaging in the Admitted Infringements;

(c) at all material times, Cantillon was wholly owned by CH; and

(d) accordingly, for the reasons set out in the Statement, as admitted by CCH and summarised above, the first condition for a competition disqualification order is satisfied (namely, that the relevant company of which I was a director committed a breach of competition law).

MATTERS OF UNFITNESS

9. During the period I was a director of Cantillon and CH, Cantillon participated in the Admitted Infringements, and those further infringements detailed in the Statement. The Admitted Infringements took the form of 'cover bidding', and, in three cases, also

involved compensation payment arrangements. The infringements with which I was personally concerned involved contracts valued at a total of £32,104,965.98. As set out in paragraph 6 above, these infringements have been admitted by CCH.

10. I admit that my conduct as a director of Cantillon and CH was such as to make me unfit to be concerned in the management of a company. In particular, my conduct contributed to CCH's breaches of competition law: as the Managing Director of CCH, and as the person with final oversight over each tender issued until February 2015, and with continued responsibility for client relations, market intelligence and contract negotiation for the period from February 2015 to July 2020, I accept that Cantillon's participation in each of the Admitted Infringements resulted from my involvement.
11. In the case of each Admitted Infringement, I took a central role in either individually negotiating the cover bid arrangements with the other party / parties involved or in authorising Cantillon employees to undertake such negotiations. In those cases where I delegated the negotiations, Cantillon employees acted under my supervision, and at my direction.
12. In respect of Admitted Infringements 2, 5, 6, 14 and 15 above, I personally negotiated with CCH's competitor to agree each cover bidding arrangement. Infringements 2, 5 and 6 also involved the agreement of compensation payments. My involvement in infringements 14 and 15 is summarised directly below, with infringements 2, 5 and 6 and the negotiation of compensation payments addressed at paragraph 14:
 - 12.1. **Admitted Infringement 14:** I was the instigator of the conduct forming the basis of this infringement. It was important to me that Cantillon was awarded this contract. Accordingly, as explained during my interview with the CMA, I personally contacted the principal of each of Keltbray, John F Hunt and Erith to negotiate an agreement for them to submit cover prices. I had to dissuade a number of my competitors in circumstances where they had intended to compete with Cantillon and win the contract. I convinced them all to provide a cover bid. I then ensured the implementation of the arrangements by directing Cantillon employees to share confidential and commercially-sensitive pricing information with my competitors via email. This was for the purposes of enabling Keltbray, John F Hunt and Erith to submit cover bids at a price higher than Cantillon's.
 - 12.2. I also played an active role in the enforcement of this arrangement. For example, during the tender query stage, I received confidential information by way of emails, including from the client's project manager, regarding John F Hunt's response to post tender queries. This information indicated to me that, after tender bids were submitted, John F Hunt had tried to 'cheat' the arrangement and win the job despite agreeing to provide a cover bid. As explained in my interview with the CMA, I contacted and met with [REDACTED] (John F Hunt) to challenge him on his approach to the tender process. I subsequently became aware that [REDACTED] had informed other parties that John F Hunt had complied with the cover bidding arrangement. In an email dated 11 February 2017, I sent John F Hunt's updated final tender price to [REDACTED] (McGee)

and [REDACTED] (Erith) to make them aware that John F Hunt did not in fact comply with the agreement.

12.3. **Admitted Infringement 15:** I was also directly involved in agreeing to provide the cover bid that is the subject of Admitted Infringement 15. As explained in my interview with the CMA, in this Infringement, I personally negotiated with [REDACTED] (McGee) and agreed that Cantillon would provide a cover bid for the contract. [REDACTED] informed me of an acceptable cover bid price and, in email correspondence dated 19 January 2017, I provided his figures to Cantillon's estimator, [REDACTED] and directed [REDACTED] to contact his equivalent at McGee to discuss the cover bid further. I was then involved in further internal email and SMS correspondence with [REDACTED] in January and February 2017 in relation to Cantillon's tender figures and responses. At the tender query stage, I sent Cantillon's response to post-tender queries to [REDACTED] in an email of 6 February 2017, so that [REDACTED] could assist in answering the queries, ensuring Cantillon's cover bid was credible. When McGee provided a response to these queries, I subsequently discussed the figures with [REDACTED] in email correspondence for the purposes of responding to the client.

13. As well as individually negotiating cover bidding agreements, in the case of Admitted Infringements 2, 5 and 6, I also took the lead in agreeing arrangements for the payment of compensation in exchange for a cover bid. Each of these arrangements involved Cantillon and Scudder, and were negotiated directly between me and [REDACTED] (Scudder). My communications with [REDACTED] comprise the entirety of Cantillon's conduct which is the subject of these Admitted Infringements. My involvement is outlined as follows:

13.1. **Admitted Infringement 2:** As explained in my interview with the CMA, I spoke directly with [REDACTED] to agree a cover bidding arrangement. I really wanted to win this job, so I agreed with [REDACTED] that Cantillon would make a payment to Scudder to cover Scudder's costs in submitting a cover bid. In order to facilitate the agreement, I priced Cantillon's expected costs, and provided them to [REDACTED] so as to facilitate his cover bid. I stated in interview with the CMA that the compensation payment that was agreed was £20,000 although I note the Statement includes reference to documentary evidence (in the form of an extract from a notebook belonging to [REDACTED] (Scudder)) that the agreed figure was £50,000. I confirm that the payment was never in fact made.

13.2. **Admitted Infringement 5:** Following initial tender bids, I participated in a telephone call with [REDACTED] in which I agreed that Cantillon would cease actively competing for the relevant contract in exchange for a compensation payment to cover Cantillon's costs. I stated during my interview with the CMA that the value of the compensation payment was £75,000, although I note that the Statement also includes reference to documentary evidence, in the form of an extract from a notebook belonging to [REDACTED] (Scudder), that the payment was in fact £60,000.

- 13.3. **Admitted Infringement 6:** Again, following the submission of initial tender bids, I agreed with [REDACTED] that Cantillon would cease competing in the final tender round, if Scudder agreed to make a compensation payment of £100,000. To facilitate the cover bid, I provided Cantillon's tender bid to [REDACTED] and undertook that Cantillon's final tender would stay at that price.
- 13.4. In order to facilitate the payments of compensation from Scudder, described above, I prepared a series of monthly invoices for fictional logistical support services in relation to a Selfridges contract under the authority of a separate company, [REDACTED]. I was the sole shareholder and director of [REDACTED] at the time. I used [REDACTED] to receive these compensation payments, as I viewed them as money owed to my family, as distinct from the Cantillon company, which I knew was soon to be sold. [REDACTED] raised nine invoices for an overall total of £175,000 (excluding VAT).
14. In addition to personally negotiating with my competitors, I was also directly responsible for authorising Cantillon's employees to liaise with Cantillon's competitors to agree cover bidding arrangements. In relation to Admitted Infringements 13 and 17, I arranged for employees of Cantillon to engage in the conduct the subject of the infringements as follows:
- 14.1. **Admitted Infringement 13:** This infringement involved Cantillon providing a cover bid for Keltbray. In order to facilitate this cover bid, by an email of 28 October 2016, I directed [REDACTED] Cantillon's estimator, to contact [REDACTED] (Keltbray) and get the price from Keltbray that Cantillon should bid. I followed up with [REDACTED] in an email of 1 November 2016 to ensure that Keltbray had received the information it needed to provide the cover bid. During the course of November 2016, I was emailed commercially-sensitive tender-specific information and pricing schedules by Keltbray which I then forwarded internally to [REDACTED] for the purposes of preparing Cantillon's cover bid, and responding to post-tender queries. I also circulated confidential tender figures to a third party, McGee, in an email to [REDACTED] of 14 November 2016, to assist them in providing a cover bid for Keltbray.
- 14.2. **Admitted Infringement 17:** This infringement involved Erith and Scudder providing cover bids for Cantillon. As I explained to the CMA during my interview on 8 December 2020, I accept that there was a cover bidding arrangement agreed between Cantillon and each of Scudder and Erith respectively. The documentary evidence shows that I oversaw the internal facilitation of the cover bidding arrangement. In an email dated 1 June 2017, I directed [REDACTED] a Cantillon estimator, to make contact with Scudder and Erith in relation to seeking an extension of time for the tender bids. In a subsequent email chain dated 15 June 2017, I discussed proposed tender figures with [REDACTED] approved the suggested cover bids to be provided by Erith and Scudder, and instructed [REDACTED] to relay the figures to them. I prepared a document comparing the tender quotes of Cantillon, Erith and Scudder and circulated it internally by way of an email dated 28 June 2017, and

authorised [REDACTED] to speak with Erith and Scudder for the purposes of finalising the cover prices. [REDACTED] conduct was all subject to my authorisation.

15. As a result of my conduct, as summarised above, I caused Cantillon to engage in conduct which created conditions of competition which did not correspond to the normal conditions of the market.
16. It was clear to me, given my position as an experienced director, that such interactions between competitors to agree cover bids and compensation payments carried unacceptable risks of infringing competition law.
17. I accept that cover bidding has been found to be a form of price fixing, and is therefore among the most serious types of competition law breach.
18. I also accept that cover bidding arrangements, in conjunction with compensation payment arrangements, have been found to be more serious than arrangements where no such inducement is offered.
19. My participation in the Admitted Infringements contributed to Cantillon's breaches of competition law and was central to Cantillon being made to pay a penalty of £1,920,000 under section 36(1) of the Competition Act 1998, which Cantillon has agreed to pay under the settlement agreement with the CMA dated 22 February 2022.