

## PRESS RELEASES

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### MURRAY & ROBERTS AGREES SETTLEMENT WITH COMPETITION COMMISSION AND CLOSES THE CHAPTER ON ANTI-COMPETITIVE PRACTICES

24 June 2013

Murray & Roberts has settled with the Competition Commission and thereby concluded the investigation into historical anti-competitive behaviour. Murray & Roberts has agreed to pay a penalty of R309 million in full and final settlement of all matters being investigated as part of the Commission's fast-track settlement process. The Commission will refer this settlement to the Competition Tribunal for final approval.

Henry Laas, Group Chief Executive, Murray & Roberts comments "After an exhaustive process, we have finally reached settlement with the Commission. The investigation and its subsequent burden on our reputation have weighed heavily on our employees and stakeholders. To the best of our knowledge, there is no anti-competitive conduct present within the Group and the Board and management continue to set the vision for and commitment to a morally and ethically sound culture within Murray & Roberts. We support a fully competitive culture in the industry."

The settlement amount is not materially higher from what was provided for by the Group and is payable in three payments - one third one month after the Tribunal confirms the settlement, one third after twelve months and one third after 24 months.

Uncovering historical collusive conduct within the Murray & Roberts group was one of the first steps taken towards rooting out any collusive practices in the South African operations. Most of the conduct identified during the fast-track settlement process related to persons who are no longer employed within the Group and largely to companies acquired by Murray & Roberts in 2006/7.

Today, employees continue to undergo comprehensive training and understand that there are severe consequences to contravening the Competition Act. Additional processes have also been implemented to prevent any anti-competitive behaviour namely; annual compliance declarations by all executives, as well as compliance declarations with each tender submitted.

"South Africa, led by Government, has defined a major infrastructure development programme, which sits at the heart of the plans for job creation and economic growth. Murray & Roberts, as well as other construction companies, have a substantial role to play in developing this new major infrastructure mandate and creating employment. We trust that the conclusion of the fast-track settlement process will restore Government's trust in the industry and serve as a catalyst for Government to accelerate the implementation of its infrastructure programme," concludes Laas.

#### Note to Editors:

A brief timeline is outlined below with regards to Murray & Roberts' investigations into collusive behaviour, the cooperation with the Commission and the corrective actions taken to address the issues:

In 2000 the management of Murray & Roberts at the time took an early industry lead to investigate and end collusive industry practices, followed in 2006 by a further initiative to root out any remaining collusive practices within our South African operations. Improper conduct that was identified and which, based on legal advice, was considered a contravention of the Competition Act ("the Act") was, as already noted, proactively brought to the Commission's attention.

Aware that the industry was struggling with a collusive culture that was proving difficult to eradicate, the Commission announced in **February 2011** a fast-track settlement process aimed at providing a resolution to its investigations into the construction industry. In terms of this process, firms who believed they were still afflicted by a legacy of collusive conduct were invited to apply to the Commission to settle the matters in question.

The Group conducted further, ongoing and extensive legal and forensic investigations in terms of the provisions of the fast-track process. This included extensive interviews with both current and former executives of the Group where possible, including those who had signed declarations of compliance in terms of the Act. A large number of past and present project tenders were subjected to audit.

Consistent with regular communication with stakeholders, the investigations identified a limited number of projects where the Competition Act may have been transgressed. As a consequence, in **April 2011**, Murray & Roberts participated in the Commission's fast-track settlement process.

In **2012** the Commission presented what it stated were unreported projects where previously unknown transgressions may have occurred.

In **June 2013** the Group concludes its Competition Commission investigation into historical anti-competitive behaviour in the construction sector and agrees to a full and final settlement of all collusive conduct as defined in the Commission's fast-track settlement process.

Initiatives across all operations led to a series of educational campaigns comprising seminars, workshop discussions and online competition training, among others, aimed at instilling a culture of compliance within the Group, and raising the awareness and understanding of the requirements of and obligations imposed by the Competition Act:

Anticompetitive and collusive conduct consequence matrix, which provides senior executives and all employees with guidance and a thorough understanding of the consequences of not abiding by the Competition Act.

More than 1 700 senior management and individuals completed competition law training. Refresher training and training of new personnel remains an ongoing function at Murray & Roberts.

Annual compliance declarations by all executives, as well as compliance declarations with each tender submitted.

Murray & Roberts ensures that employees understand the requirements and obligations set out in the Competition Act through regular employee and management education seminars, workshops and online training.

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#### **About Murray & Roberts:**

Murray & Roberts is a leading South African engineering, contracting and construction services company. It has created employment, developed skills, applied technology and delivered infrastructure since 1902.

The company offers civil, mechanical, electrical, mining and process engineering; general building, construction and infrastructure development services in the global underground mining market and selected emerging markets in the natural resources and infrastructure sectors.

The company operates in Southern Africa, the Middle East, Southeast Asia, Australasia and North and South America. The company is based in Johannesburg South Africa, where it has a public listing on the JSE Limited.

Murray & Roberts is a group of world-class companies and brands aligned to the same purpose and vision, and guided by the same set of values.

More information is available on the website.

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