

## **ANTICIPATED ACQUISITION BY IRON MOUNTAIN INCORPORATED OF RECALL HOLDINGS LIMITED**

### **Summary of hearing with HSBC on 2 March 2016**

1. Iron Mountain stored just short of [redacted] boxes and about [redacted] for HSBC. HSBC told us that its [redacted].
2. HSBC said that it had national coverage in the UK in terms of its branch network, processing and call centres. Consequently it was important that its document management provider [redacted].
3. Across the global market, [redacted] meet HSBC's requirements in terms of both global coverage and standards around managing fire risk and security standards. [redacted].
4. HSBC said that as an organisation, Recall was more innovative than Iron Mountain; there had been instances where [redacted].
5. HSBC did a global RFP [request for proposal] process about two and a half years ago [redacted].
6. Before the global RFP, [redacted].
7. [redacted] If they were to merge, it would significantly reduce the amount of competitors in the marketplace globally. HSBC said that the merger presented quite a significant challenge, particularly over the level of competition. HSBC expected [redacted].
8. [redacted], HSBC would do a RFP [redacted] in most other countries; there might be some local suppliers who were eligible and whoever won the RFP process was appointed.
9. [redacted], HSBC would go out across the market and expect to see significant competitive pressure on Iron Mountain [redacted].
10. HSBC was concerned that if the merger went ahead but the two companies were still operating as different operational entities for a period of time, there could be a reluctance from Iron Mountain to reduce its pricing as the competitive pressure would have gone. [redacted]

11. As the banking industry was so heavily regulated and security such a major issue, [REDACTED] quality and service for HSBC [REDACTED].
12. There were other players in the market with a large presence - Restore/Wincanton, Recall and Crown – [REDACTED].
13. Wide geographic coverage in the UK was not important to HSBC as long as a supplier could collect and deliver within 24 hours, with an option for more urgent deliveries to be made in five hours – a facility in every city was not deemed necessary. [REDACTED]. A good geographic footprint was less important than having the right level of security and other requirements. However, if all else was equal between suppliers greater geographic presence would be desirable.
14. [REDACTED]
15. [REDACTED]
16. [REDACTED]
17. HSBC had not seen a decline in documentation but there was the potential for that to happen in time as more information was captured digitally from customers. [REDACTED] However, on the regulatory front, some boxes [REDACTED] had a 'hold order' and could not be destroyed on the orders of the regulator. [REDACTED] Legacy paperwork would continue at much the same scale for the foreseeable future.