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HANSON ON THE REGISTER

Hanson gained a 43.5 per cent shareholding in Renison Goldfields Consolidated (RGC) in July 1989 as a result of its acquisition of Consolidated Gold Fields. Shortly after this RGC obtained advice relating to options available to it to re-establish its independence, free of its new major shareholder.[1] These included RGC being the buyer of the Hanson holding or replacing it with a new single shareholder. Another option was the establishment of a 'mining house' structure in which investors could hold direct interests in 'pure' mining operations, with mining infrastructure owned by the multiple mining operations. In this form, RGC could be divided into three companies—mineral sands, tin and gold—with a jointly owned services company. RGC could be allocated shares in all three listed companies. A variety of other options were explored, although none were implemented. Instead, Hanson retained a shareholding in RGC for nearly a decade before exiting its holding through an arrangement with another listed company, Westralian Sands.

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1 An internal note prepared by the RGC finance director, Bryce Wauchope, contained background information on Hanson for the information of executives and directors. It included the following: Hanson Plc was incorporated in England on 8 November 1959 under the name C Wiles Limited; it became a public company in March 1964. The name Hanson Trust Limited was adopted on 14 November 1969 and changed to Hanson Trust Public Limited Company on 11 November 1981 and changed to Hanson Plc on 3 December 1987. Three United States forays and one in the United Kingdom had occurred: in March 1986, SCM Corporation, manufacturer and seller of chemicals, coatings resins and typewriters; April 1986, Imperial Group Plc, a company engaged in tobacco, brewing and leisure industries; March 1987, Kaiser Cement Corporation, a US cement manufacturer; December 1987, Kiddie Investments, a diversified US-based manufacturing and services company (Renison Goldfields Consolidated Limited, 'Memorandum: C McC Anderson from BE Wauchope, Hanson Plc', Renison Goldfields Consolidated Archives (RGCA), Box 5336).

RGC operated independently, yet with a watchful and often demanding major shareholder that was represented on the board by three directors nominated by Lord Hanson. Christopher Collins, later to become vice-chairman of Hanson and chairman after Lord Hanson retired, had come to live in Australia and was a director of RGC from 1989.[2] He returned to the United Kingdom in May 1991 although had a continuing oversight of RGC's activities through a corporate development role at Hanson. Collins rejoined the RGC board in 1994 and, as chairman of one part of the then demerged Hanson group, played an instrumental role in the merger of Westralian Sands and RGC. When Collins returned to London, Brian Gatfield, who worked with the advisory firm Gatfield Robinson Wareing, replaced him as a director. Rudolph Agnew stepped down as a director of RGC and was replaced by Tony Cotton, a Hanson executive.[3] RC (Richard) Mason was the other of the three Hanson-nominated directors on the board.

Max Roberts and Campbell Anderson had achieved an understanding from Hanson that they had a right to place the Hanson shareholding in the hands of others. Amid the market conditions and poor financial start to the 1990s, attempts were made to place the Hanson shareholding. In advising AGL (Anthony) Alexander, Hanson's chief operating officer, in October 1990, Collins wrote:

> CA [Campbell Anderson] updated the board on his conversation with you, in which you indicated that disposal of the holding was on the back burner in the present climate and that achieving the 90/91 budget was now the chief priority in Hanson minds. He still felt that a long term solution should be sought and he would maintain his efforts in this area.[4]

Late the following year Alexander advised Anderson that Hanson 'remains a willing seller, at an appropriately realistic price'.[5] In fact, Hanson was active in seeking buyers for its stake. RGC's prime consideration in relation to potential acquirers was to ensure an arrangement that minimised the likelihood of a full takeover offer if more than 20 per cent of Hanson's

2 See Brummer and Crowe, *Hanson: The Rise and Rise of Britain's Most Buccaneering Businessman*, p. 9.

3 See Appendix 3 for a biographical profile of Tony Cotton.

4 Fax from Christopher Collins to Anthony Alexander, 5 October 1990, 'To: AGLA, From: CDC, 4 October 1990, RGC September Board Meeting and Visit to Tasmania', RGCA, Box 17848, RGC 28661.

5 AGL Alexander letter to C McC Anderson, 4 December 1991, RGCA, Box 17848, RGC 28661.

total shareholding was offered to an individual company. At the June 1991 board meeting, the chairman advised that an investment bank had been briefed in relation to potential acquirers. Alexander advised that while it remained a willing seller, it 'would not accept anything less than $7 per share at the present'.[6] The share price at the time was in the five dollars. RGC's assessment was that the book value of the Hanson shareholding in RGC was approximately $2.60. From RGC's perspective, Hanson's preoccupation with achieving a value higher than where the share price was trading was an impediment to the divestment of its shareholding. The adviser confirmed that a total placement of the Hanson stake would be difficult and would 'certainly demand a deep discount'. Anderson proffered the view that National Mutual—with which RGC had a close association—might agree to acquire part of the Hanson stake.[7]

This did not progress and instead, in 1991 and 1992, plans were put in train to establish a strategic relationship with Sumitomo Corporation, a large conglomerate and one of Japan's leading trading firms with interests in steel, chemicals and other materials. The arrangement envisaged allowing Sumitomo to take a shareholding in RGC, sufficient for it to be the company's largest shareholder. Sumitomo would not acquire more than 20 per cent of RGC and therefore not be obliged to make a full takeover bid for the company. Hanson's remaining 24 per cent shareholding was planned to be distributed to institutional investors. The proposed arrangement with Sumitomo Corporation followed an earlier engagement with Sumitomo Metal Mining in the first half of 1990, which came close to being executed at a contemplated price of $12 for each RGC share. However, this did not proceed associated with the collapse of the Japanese share market.[8] Mark Bethwaite made multiple visits to Japan to pursue the arrangement with Sumitomo. Daiwa Securities was retained as an adviser to engage with Sumitomo, with Anderson informing Daiwa that 'our present largest shareholder … has confirmed … that they would be willing to negotiate the sale of their shareholding in order to facilitate such a strategic partnership'.[9] The progression of the arrangements with

6 Notes of Renison Board Meeting Held Thursday, 27 June 1991, p. 2, RGCA, Box 17848, RGC 28661.

7 Facsimile to Mr AR Cotton from Brian PR Gatfield, 'Notes on RGC Board Meeting—Thursday 18 June 1992', 22 June 1992, RGCA, Box 17848, RGC 28661.

8 FMB [Francis Mark Bethwaite], Statement to Hanson Plc, 13 December 1991, RGCA, Box 17848, RGC 28661.

9 Campbell McC Anderson to Daiwa Securities, 21 November 1991, RGCA, Box 17848, RGC 28661.

Sumitomo was influenced by Mount Isa Mines' shareholding in RGC and its longstanding relationship with Sumitomo. When Sumitomo became aware that Mount Isa Mines was contemplating an acquisition of RGC this complicated the situation. It was believed Sumitomo would be reluctant to interrupt a potential offer by Mount Isa Mines and, in fact, may instead work with Mount Isa Mines on a joint bid for RGC.[10]

To expedite progress, Anderson proposed a three-way discussion involving Hanson, RGC and Sumitomo to determine that, if Sumitomo 'could give some reasonable price expectations', Hanson would be willing to put Sumitomo into 'the box seat' and deal exclusively with Sumitomo for a specified period. Anderson realised that unless 'RGC (and therefore effectively Hanson) "could knock MIM [Mount Isa Mines] out of the race" then Sumitomo because of their relationships with MIM were *most unlikely* … to take this matter any further'.[11] The arrangement with Sumitomo did not proceed. Work was also pursued in relation to the identification of potential North America mining companies with a 'troublesome shareholder', with the concept that RGC would offer to acquire the 'troublesome shareholder' in exchange for assistance in breaking up the Hanson shareholding and establishing a cross shareholding.[12]

Westralian Sands remained an interested observer of the fate of the Hanson shareholding in RGC. Its managing director, Malcolm Macpherson, approached Robert de Crespigny of Normandy Poseidon to determine whether his company might have an interest in acquiring the gold assets of RGC, with Westralian Sands acquiring the mineral sands assets. Macpherson received the feedback from de Crespigny that none of the major mining houses were interested in acquiring RGC due to the 'complexity of the situation' and the 'over-priced nature of the company'.[13] Despite this response, Poseidon's legal adviser had approached the Foreign Investment Review Board (FIRB) seeking approval for a 19.9 per cent bid for RGC, although this also did not proceed.[14] In 1993, Westralian Sands held discussions with Western Mining Corporation to determine

10 File Note, 16 December 1991, RGCA, Box 17848, RGC 28661.

11 File Note CMcCA, 23 December 1991, RGCA, Box 17848, RGC 28661. Emphasis in original.

12 ibid.

13 Westralian Sands Limited, File, Phone Conversation with Mr Robert de Crespigny, Normandy Poseidon, MH Macpherson, 13 April 1992, RGCA, File IND021.

14 Note for File, Normandy Poseidon Bid for Renison, HR Dent, Assistant Secretary Foreign Investment Review Board, 15 September 1993, National Archives of Australia (NAA), A9275 F1992/4302 Part 2.

the basis of a potential joint proposal to Hanson to acquire RGC's mineral sands assets in Australia, with a view that Westralian Sands acquire the Capel assets and Western Mining Corporation acquire the assets in the Geraldton region.

In 1992, several other options were considered as part of attempts to free RGC of the Hanson shareholding. A proposal was presented by Anderson to the RGC board in a paper entitled 'Possible Disposal of RGCMS [RGC Mineral Sands] to Hanson Plc'.[15] The paper proposed that Hanson acquire the mineral sands division and at the same time divest its shareholding in RGC. While the board accepted the advantages of facilitating the disposal of Hanson's shareholding, the proposal did not progress. An 'acceptable value' for the RGC mineral sands assets was not considered achievable, while an expansion into the North American gold industry—as was proposed—was not considered 'strategically attractive' and the company's balance sheet was such that retention of existing equity was required, rather than the cancellation of existing shares.[16] In 1993, Hanson also investigated the placement of its shareholding with a range of Australian institutions. An investment bank indicated its willingness to underwrite the placement of the entire share and convertible note holding of Hanson.[17] This provided the opportunity for RGC's shareholding base to be transformed and for Hanson to exit at an attractive share price. As with other proposals, it did not proceed.

As early as May 1991, Roberts had corresponded with Alexander regarding his retirement. The understanding before Hanson had become the major shareholder of RGC was that Anderson would succeed Roberts as chairman, allowing Bethwaite to step into the role of managing director. Alexander expressed Hanson's 'strong view' that the roles of chairman and chief executive should be kept separate and, in the context of Hanson's concerns with the financial performance of RGC, indicated its preference for 'a strong independent Chairman', with reservations expressed 'about Campbell [Anderson] "moving upstairs" '.[18]

15 Renison Goldfields Consolidated Limited, 'Minutes of Meeting of Directors', 30 July 1992, p. 4, RGCA, Box 1130, BRD38/05.

16 ibid., p. 5.

17 Renison Goldfields Consolidated Limited, 'Minutes of Meeting of Directors', 27 August 1992, p. 6, RGCA, Box 1130, BRD38/05.

18 AGL Alexander to MJ Roberts, 9 May 1991, RGCA, Box 17848, RGC 28662.

In late 1992 and during 1993 an event occurred that created a near-crisis in the relationship between the independent directors of RGC and Hanson. In December 1992, Hanson, through its Australian legal advisers, approached the FIRB in relation to overturning aspects of the 1981 naturalisation status of the company, with discussion about the position of the chairman and chief executive officer as part of these representations. The approach to the FIRB had been made without the initial knowledge of the independent directors of RGC. The matter was advised to Roberts by the legal firm acting on behalf of Hanson. It was evident that Hanson wished to appoint its own executive chairman and take action in relation to the portfolio composition, potentially retaining only mineral sands and an interest in coal. The chief executive of Hanson, DC Bonham, in his representations to the FIRB, wrote:

> You will obviously be aware that we have been concerned at the direction taken by the company and the reduction in profits and dividends over the last three years … In view of our inability to play an active role, we looked at ways of disassociating ourselves from RGC. The fact that the market was too weak to allow us to exit would tend to indicate that others have also become disillusioned with RGC's present business prospects. Under the existing circumstances RGC will not receive any additional capital investment through the Hanson Plc group, which itself makes capital raising from other outside sources more difficult … We would certainly wish to be more active in managing RGC and have a greater say in the selection of its chief operating executives.[19]

The situation was so serious that at a board meeting, Roberts requested Anderson to read the July 1989 press release concerning the acquisition of Consolidated Gold Fields by Hanson and its undertakings at the time. The board minute recorded:

> The Chairman commented that he had no knowledge as to Hanson's reasons for making its application to FIRB. He surmised that its attitude to RGC would reflect Hanson's failure to sell its shareholding in a falling market; its belief that the Company had consistently failed to achieve Budget profitability due to declining metal prices; its view that poor management decisions led to overinvestment in the mineral sands industry, and the Group's decision not to sell its Porgera investment. Hanson may be

19 DC Bonham, Chief Executive, Hanson Plc to AM Hinton, The Treasury, 18 March 1993, NAA, A9275 F1992/4302, Part 1.

> dissatisfied and [wish] to control the Board and then introduce Hanson management direction. The Board would need to consider the interests of all shareholders in reaching a response to Hanson's application.[20]

The Hanson-appointed directors were unable or unwilling to shed any light on Hanson's motivations, although one noted that 'Hanson was not a passive investor and might be expected to want a more active say if it believed changes to improve shareholder value were required'.[21] The independent directors expressed their concerns as to what some saw as a possible attempt by Hanson to gain management control, and by means of its 40 per cent shareholding, effective control of the company. For independent directors, this would be detrimental to the interests of other shareholders. According to Anderson, Hanson's application would have the effect of cancelling the company's naturalised status, with management control increasing from London, to the detriment of the company's prospects.[22] A contrary view expressed by one of the Hanson-appointed directors was 'that if the public were appraised of Hanson's application he anticipated the share price would respond favourably'.[23] Nonetheless, the determination was that the non-Hanson directors would oppose the Hanson application to the FIRB.

The RGC directors remained resolute in their opposition to Hanson's attempt to overturn the company's naturalised status; seen as a means of acquiring control of the company without paying a premium for such control. The challenges associated with its major shareholder were occurring at a time when Standard & Poor's had downgraded RGC's credit rating from BBB+ to BBB, the Government of Papua New Guinea was seeking to increase its shareholding in the Porgera gold mine and the financial performance of the company continued to deteriorate.

Collins attended a board meeting held in Queenstown, Tasmania, in March 1993. At the board meeting it was agreed that a professional 'head-hunter' be engaged to identify a replacement for Roberts as chairman. It was agreed that Anderson be considered for the role.[24]

20 Renison Goldfields Consolidated Limited, 'Minutes of Meeting of Directors', 5 January 1993, p. 2, RGCA, Box 1130, BRD38/05.

21 ibid.

22 ibid., pp. 3–4.

23 ibid., p. 4.

24 Renison Goldfields Consolidated Limited, 'Minutes of Meeting of Directors', 29 March 1993 and 19 April 1993, p. 2, RGCA, Box 1130, BRD38/05.

The following month, further consideration at board level occurred in relation to the Hanson matter. At this meeting, it was revealed that Hanson had made a further application to the FIRB, this time explicitly related to its desire to be able to appoint an executive chairman. Such an outcome would effectively displace the roles provided by Roberts and Anderson and place Bethwaite's position, as deputy managing director, in doubt, as it was planned that he would be next in line to be appointed managing director.

Instead, Lord Hanson offered Roberts the services of a full-time Hanson executive, Tony Cotton, as an executive chairman of RGC. Lord Hanson wrote to Roberts:

> We feel strongly that the only way to tackle RGC's endemic problems is for us to nominate and the board to appoint, an executive chairman with the experience necessary to focus full time, with RGC's executive team, on RGC's problems. The profit decline from over A$100m in 1989/90 to a loss in 1991/92 confirms that Renison has a serious financial problem … Renison's current malaise means there is a huge task for Tony Cotton and the executive team. I would have thought Mark Bethwaite as managing director and Cotton as executive chairman, would be an excellent combination.[25]

By this stage, there was little trust and minimal goodwill between the two parties. Roberts wrote to Lord Hanson that the future intentions of Hanson with regard to RGC were:

> Insufficiently specific, in regard both to the future direction of the company and to management responsibilities, to allow the Board to make an informed judgement on supporting or opposing your application to be released from the 1991 undertakings …
>
> Despite extensive involvement with the company for four years, Hanson has explicitly declined … to provide further details, other than to nominate the specific Hanson employee sought as a full-time Executive Chairman … Hanson's request is effectively a carte blanche to take operational, investment and financial control.[26]

25 Lord Hanson to Max Roberts, 20 April 1993, NAA, A9275 F1992/4302, Part 1.
26 Max Roberts to Lord Hanson, 19 April 1993, NAA, A9275 F1992/4302, Part 1.

The views of the independent RGC directors were presented with civility but concern. One director stated:

> Hanson in its documentation showed a consistent disinclination to be specific regarding its intention for the Company. RGC has repeatedly and consistently stated itself to be a mining and mineral exploration group whereas Hanson's position, at least up until now, had been that it would prefer the Company's dismemberment.[27]

For another, his concerns were summarised as:

> Hanson appeared to have no interest in the mining industry and had quickly disposed of CGF's mining interests, retaining only the ARC Roadstone Division. Hanson was now proposing no definite business plan for the Group, although it was asking the Board to cede control to it … The language presently being used by Hanson was very similar to that used in correspondence to CGF at the time of its takeover by Hanson.[28]

Anderson expressed his views:

> If Hanson nominated the chairman then the chairman should be non-executive but in the absence of written plans concerning their intentions for the Group he [Anderson] would be unable to support such an appointment. A non-executive chairman with 40% shareholding equates to control with there being little difference between an executive or non-executive chairman in this situation unless there are detailed written commitments.[29]

By May 1993, Roberts in representations to the minister for resources made clear his disdain for the nature of Hanson's approach and its intentions:

> Being caught by a falling market, they now wish to take over without a take-over offer … As part of its application to FIRB, Hanson has found it convenient to make a number of statements about its intentions for RGC. Most of these have lacked specific content. In relation to others, Hanson has been unwilling to make a <u>commitment</u> to adhere to them. I also note that Hanson has not disowned a continuing intention to close or sell mines, reduce

27 Renison Goldfields Consolidated Limited, 'Minutes of Meeting of Directors', 19 April 1993, p. 3, RGCA, Box 1130, BRD38/05.

28 ibid., p. 4.

29 ibid., p. 6.

> exploration expenditure, close the Australian head office etc. Further, in response to a specific request from RGC, Hanson has refused to commit RGC to having a majority of its assets invested in the mining industry, unless independent directors agree to the contrary. At the same time as being unwilling to give any specific commitments to RGC's future participation in the Australian mining industry, Hanson is proposing the appointment of a U.K.–employed Hanson executive, with no previous involvement in the resource industry, as an Executive Chairman of RGC … In short, Hanson has, over an extended period of time, sought to move RGC in the direction of a liquidation of many of its assets and the abandonment of its role as a major Australian mining house with the capacity and function of discovering and developing this nation's mineral resources.[30]

Anderson, likewise, 'saw it as inconceivable' that Cotton would come to Australia 'to manage a mining company' and that while 'Hanson's correspondence refers to expansion being undertaken as opportunities arise … it has liquidated all its mining assets'. While he believed Hanson's attitude may change, 'it is unlikely to have changed with regard to mining'.[31] Anderson's proposals to the board were recorded as the following:

> The Managing Director suggested that if the Board was to cede control, i.e. allow Hanson to appoint its nominee as chairman, the Board should—
>
> i. obtain Hanson's clear understanding that on the basis of a Board of 13 members, five would be independent and Hanson would not vote its shares on their re-election. The five would nominate their own replacements and Hanson would neither nominate alternatives nor vote on replacements.
> ii. in recognition that it would be unreasonable to prohibit Hanson from moving away from mining, obtain a clear understanding that to undertake fundamental diversification agreement by a majority of the five independent directors would be necessary.
> iii. obtain Hanson's approval for a re-capitalisation of the Company prior to the ceding of control to ensure that the independent directors do not need to go cap in hand to the controlling

30 The Hon Michael Lee, Minister for Resources and Tourism from MJ Roberts, Chairman RGC, 20 May 1993, NAA, A9275, F1992/4302 Part 1. Emphasis in original.
31 Renison Goldfields Consolidated Limited, 'Minutes of Meeting of Directors', 19 April 1993, p. 3, RGCA, Box 1130, BRD38/05.

> shareholder to obtain essential capital. A rights issue at a deep discount, perhaps a 1 for 2 at $2.00, prior to ceding control could provide appropriate re-capitalisation.[32]

For Anderson, in his engagement with the Treasury officials handling this matter, Hanson's philosophy and approach was that of an 'absentee landlord' wishing to maintain tight control from London, while Roberts was convinced that Hanson was not a long-term investor in RGC or Australian resources.[33]

Discussion by directors concurred that, if a takeover was being planned by Hanson, this should not occur without a premium being paid. By August 1993, a resolution—or at least a compromise—to what had been a tense and vexatious situation was determined. It was clear, given Hanson was dissatisfied with the operational management of the company's assets, that its concerns lay with Anderson and Roberts in their management and strategic oversight of the direction of the company.[34] The arrangement determined was that Anderson leave the company, Bethwaite be appointed managing director, Roberts be re-elected and remain as chairman for a further year and Cotton be appointed deputy chairman and assume the chairmanship on Roberts's retirement. The draft announcement circulated at the board meeting stated, in part:

> The company's largest shareholder, Hanson Plc, has indicated that upon Mr. Roberts' retirement they would wish to see the appointment of a Chairman other than from within the company itself … As it is now apparent that Hanson Plc will not endorse the appointment of Mr. Anderson as Chairman, it has been mutually agreed that Mr. Anderson will retire from the company's employment.[35]

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32 ibid.

33 Note for File, Meeting with Representatives from Renison Goldfields Consolidated (RGC), 18 February 1993 and Submission to Foreign Investment Review Board on Behalf of The Board of Renison Goldfields Consolidated Limited, 20 January 1992, p. 17, NAA, A9275 F1992/4302, Part 1.

34 Lord Hanson had communicated to the federal treasurer in July 1993: 'May I reiterate a statement made by Tony Cotton, one of our directors, to Tony Hinton at the FIRB that "We should emphasise that Hanson respects RGC's operational management. Hanson believes that the mines are well run and does not anticipate having to make a major input in this area" ' (The Hon John Dawkins, The Treasurer, from Lord Hanson, 23 July 1993, NAA, A9275 F1992/4302, Part 2).

35 Renison Goldfields Consolidated Limited, 'Minutes of Meeting of Directors', 23 September 1993, p. 10; 'RGC Announcement to the Australian Stock Exchange and the Press', 6 September 1993, RGCA, Box 1130, BRD38/05.

There was discussion among the directors of the appropriate wording to avoid any professional slight to their colleague Anderson. The final release issued stated that Anderson had accepted the position as chief executive officer of North Broken Hill Peko Limited and, as a result, it was mutually agreed that Anderson would retire from the company's employment, effective 25 September 1993. As such, shareholders were spared the details of what had been an acrimonious and highly unsettled period for the company. At Anderson's final board meeting, Roberts conveyed his appreciation for Anderson's contribution and their friendship, commenting that he could not have asked for more of the relationship with his managing director. Anderson shortly thereafter became managing director of North Broken Hill. Hanson's application to the FIRB resulted in RGC losing its naturalised status. Bethwaite was appointed managing director and chief executive officer in what was an unenviable set of circumstances for a new leader of the company.

Roberts retired as a director in February 1994. A board colleague stated that 'Roberts steered RGC over the last 14 years from a group of related but unjoined companies to a unified group in the mineral industry' that 'saw both prosperity and difficult times'.[36] Cotton was appointed chairman on 24 February 1994. His appointment as chairman was publicly described as bringing with it a 'closer collaboration' with RGC's major shareholder, while the support of Hanson, particularly in the financial sense, was 'anticipated for RGC's growth strategy'.[37] The reality was that Hanson wished to exert greater control of RGC, particularly given the recent poor performance of the company and lack of confidence in executive management. A greater alignment of interests was conveyed, publicly at least, with Bethwaite saying to the media: 'Tony's [Cotton's] appointment means that I can get on with running the business rather than looking over my shoulder'.[38] Reflecting this greater Hanson oversight, Collins rejoined the RGC board in 1994 at the directive of Lord Hanson.

36 Comments by John Darling (Renison Goldfields Consolidated Limited, 'Minutes of Meeting of Directors', 24 February 1994, p. 7, RGCA, Box 14284, BRD38/08).

37 Renison Goldfields Consolidated Limited, *Annual Report 1994*, p. 2; *The Australian*, 27 December 1993.

38 *The Bulletin*, 16 November 1993, p. 87.

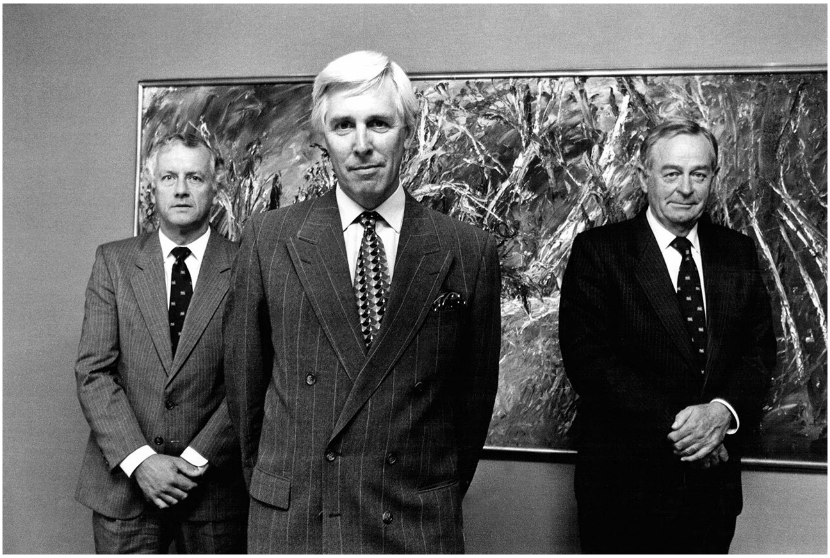

Figure 54. Mark Bethwaite, Tony Cotton and Max Roberts, 1993. Following the departure of Campbell Anderson, Bethwaite was appointed managing director and Tony Cotton, a Hanson executive, deputy chairman. Max Roberts stayed on as chairman for 12 months with Cotton succeeding him as chairman. Cotton assumed the executive chairmanship in 1998 after the departure of Bethwaite.

Source: Kate Callas, *Sydney Morning Herald*.

The evident dissatisfaction of Hanson with its investment in RGC formed the backdrop of RGC's business activities for the remainder of the 1990s. Hanson remained a shareholder of RGC until 1998 and, while generally supportive of management's efforts, its shareholding was premised on the ability to exit at an appropriate stage. This was hardly a favourable basis for the management of a mining company that required major investment over an extended period to rebuild parts of its portfolio that were both mature and technically challenged. The opportunity for Hanson to exit its shareholding arose when arrangements were put in place to initially reduce and subsequently exit its holding through a merger by scheme of arrangement between Westralian Sands and RGC.

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