

FILE NAME: Cape Asbestos (CAPE)

DATE: 1981 Apr 7

DOC#: CAPE113

DOCUMENT DESCRIPTION: Legal - Examination of Edward George Rudland
[Legal - Tibbs Case Exhibit 11]

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY
PENNSYLVANIA DIVISION

ANTHONY A BARBER, ET AL

Plaintiffs

vs

PITTSBURGH CORNING CORPORATION

CHARTER CONSOLIDATED LTD, ET AL

Defendants

3218972
RECEIVED MAY 16 1986

General Docket no GD79-21544

SKALC
DISCOVERY
FILE COPY

EXAMINATION OF EDWARD GEORGE RUDLAND
taken by the Plaintiff, pursuant to agreement, on

Tuesday 7 April 1981
at the offices of Linklaters & Paines, Barrington House
59-67 Gresham Street, London, England

Before: Irene Last, ACR and
Jacqueline Roper, ACR
Verbatim Reporters of
Tennyson & Company
198 Epsom Road
Marrow, Guildford
Surrey, England.

APPEARANCES:

WERNER L POLAK, ESQ,
Attorney for the Defendant Charter Consolidated
Shearman & Sterling
53 Wall Street, New York, NY 10005

DAVID J ARMSTRONG, ESQ and GEORGE E McGRANN, ESQ
Attorneys for the Plaintiff **PPG Industries**
Dickie, McCamey & Chilcote
3180 US Steel Building
Pittsburgh, Pennsylvania 15219

THORP REED & ARMSTRONG
2900 Grant Building, Pittsburgh, Pennsylvania 1521
BY: WILLIAM M WYCOFF, ESQ of Counsel

BREDHOFF GOTTESMAN COHEN & WEINBERG
Suite 1300, 1000 Connecticut Avenue, NW
Washington, DC 20036
BY: FRANK PETRAMALO, JR, ESQ of Counsel

ALSO PRESENT:

Plaintiff
MR P TRINCA (Freshfields)
MR CJD STYLE (Linklaters & Paines)

1 A When I was in Zimbabwe - Anglo American in Africa is a household name.
2 When I worked for Syfrets I did do the tax returns for a director of Anglo
3 American.

4 Q As part of your duties at Syfrets?

5 A It was a service they provided for clients.

6 Q Is this what led to a reference to Anglo American?

7 A I did not get a reference. I came back to the United Kingdom and
8 applied to several companies which operated in Africa. I secured a job
9 with Anglo American Corporation. I had no recommendation.

10 Q Anglo American Corporation of South Africa Limited, the top company,
11 you said is located in its principal office in Johannesburg?

12 A That is right.

13 Q In South Africa?

14 A Yes.

15 Q Is that an operating company or strictly a holding company?

16 A A holding company.

17 Q Are you familiar with any of its subsidiaries?

18 A I am not.

19 Q Do you know the name of any of its subsidiaries?

20 A Rand Selection Corporation, African and European Investments Company
21 Limited, Purlined Limited, I think. I cannot recall any others at the
22 moment.

23 MR POLAK: For clarification, are these the ones you know at the
24 present time, or were they at that time?

25 BY THE WITNESS:

26 A Ones I know at this time.

27 BY MR ARMSTRONG:

28 Q When you use the term "subsidiary", what definition do you give to it?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

A 50 per cent plus.

Q You would not say 51 per cent plus, but 50 per cent plus?

A 50 per cent plus.

Q Do you use the term "associated companies"?

A We use the term in this country to mean a 20-per-cent-plus investment

Q Using that definition---

A Up to 50 per cent.

Q At which point, then, it would become a subsidiary?

A Yes.

Q Mr Rudland, using that definition, can you identify any associated companies of Anglo American?

A To the best of my knowledge and belief I am not familiar with all the actual shareholdings that Anglo American has, but I would say Free State Geduld, Freestate Seaplass, Western Holdings, Botswana RST Limited, Western Deep Levels. I cannot recall details of the others.

Q Do you know the identity of any of the directors of Anglo American?

A Yes.

Q Tell us who they are.

A HF Oppenheimer, Sir Keith Acutt, Relly, Wardell, BW Pain, Carey-Smit Nicholson, Philip Oppenheimer, Ogilvie Thompson, Neil Clarke, Murray Hofmeyr Sydney Spiro, N Oppenheimer - and I cannot recall the others.

Q Which of those persons is the managing director?

A I do not think Anglo American has a managing director.

Q Which person is the chairman?

A HF Oppenheimer.

Q Do you know whether he has any position with De Beers?

A To the best of my knowledge and belief he is probably a director.

Q Is he chairman of the board of De Beers?

1 A I cannot be sure. He may be.

2 Q Turning to the directors identified for Anglo American, has any of
3 those directors ever been associated in any way with Charter Consolidated
4 Limited?

5 A Certain of those directors have been on the board of Charter
6 Consolidated.

7 Q Which ones have been?

8 A HF Oppenheimer, still a current member, Murray Hofmeyer, Sydney Spiro
9 Ogilvie Thompson, Philip Oppenheimer, Gavin Rally; Sir Keith Acutt may have
10 been in the past. I cannot be sure.

11 Q Clarke?

12 A Neil Clarke is on the board of Anglo American.

13 Q Do you know whether if that is the Clarke who is on that board of
14 Charter?

15 A That is the same Clarke, yes. Carey-Smith, Beville Pain.

16 Q N Oppenheimer?

17 A No.

18 Q Does Mr Peter Burnell have any association known to you with Anglo
19 American?

20 A Peter Burnell is a director of Charter. He is presently located in
21 Brazil.

22 Q He gives as his business address Anglo American Corporation Brasil
23 Limitada. Do you know what his association with Anglo American Corporation
24 is in Brazil?

25 A I am not sure of his exact title out there, but he would be a senior
26 man in that organisation.

27 Q His business address translated, I am told, is Anglo American
28 Corporation of Brazil Limited. Do you know what the relationship is between

1 that company and Anglo American Corporation?

2 A Anglo American have an interest in that company. I do not know the
3 extent of it.

4 Q You do not know whether it is an associated company or a subsidiary?

5 A I cannot be sure.

6 Q Another present member of the board of Charter is John Collins. Do
7 you know whether Mr Collins has any association with Anglo American
8 Corporation?

9 A Not to my knowledge.

10 Q Another would be Mr Hambro?

11 A Not to my knowledge.

12 Q Geoffrey Higham is also such a director of Charter. Do you know of
13 any association between him and Anglo American Corporation?

14 A No.

15 Q Francis John Adrian Howard is a director of Charter. Do you know of
16 any association between him and Anglo American?

17 A I believe he used to be employed at one stage by Anglo American.

18 Q He was also employed by Diamond Trading Company. Have you ever
19 heard of that company?

20 A Yes.

21 Q What is its relationship with Anglo American Corporation?

22 A I do not know.

23 Q Do you know whether it has any?

24 A I do not know.

25 Q Another director is Anthony Ouston, a director of Charter. Do you
26 know whether there is any relationship between Mr Ouston and Anglo American
27 Corporation?

28 A I cannot recall whether he has an association with Anglo.

1 A He is.

2 Q Is he presently the chairman?

3 A I believe he is.

4 Q That is a subsidiary of Charter?

5 A A 67.3 per cent subsidiary.

6 Q Charter has owned approximately that interest since 1969?

7 A 1969 was the date when Charter increased its interest as a result
8 of a bid for the proportionally outstanding shares not owned by Charter.
9 I am not quite sure in 1969 what its interest was after that acquisition.
10 It would be in that sort of area.

11 Q What does Anthony Dwyer do? What is his employment?

12 A He is a director of Charter.

13 Q Is he employed by Charter or either of the service companies?

14 A He would be employed by one of the service companies.

15 Q What does he do?

16 A His specific responsibility is for mining operations.

17 Q Beville Pain, is he also employed by Charter in addition to being
18 a director, or is he employed by either of the two service companies?

19 A To the best of my knowledge all Charter people are employed by
20 service companies.

21 Q He is an employee of one of the service companies?

22 A To the best of my knowledge he would be, but I think I should make
23 it clear that I do not know the personal employment relationships with the
24 directors in Charter. This would not be discussed with me.

25 Q What is his specific area of interest?

26 A Finance.

27 Q Does he work for Mr Howard?

28 A No.

1 Q Does Mr Howard work for him?

2 A I think they work independently.

3 Q Do they work in different areas of finance?

4 A Mr Pain works in the more general area. Mr Howard works more
5 generally on the investment side.

6 Q Since Mr Stuke left the board, has he any association with Charter
7 at this time?

8 A No.

9 Q Since his departure, are there now 16 members of the board of
10 directors of Charter?

11 A I am slightly perplexed. It was my understanding there were 15.
12 Reading that, there are 16.

13 Q Reading Exhibit GG?

14 A Yes.

15 Q So of the present 16 directors, eight - being Mr Clarke,
16 Mr Hofmeyer, Mr Thompson, Harry Oppenheimer, Philip Oppenheimer, Pain,
17 Relly and Richardson - are also directors of Anglo American. Do I have
18 that correct?

19 A Yes, that is correct.

20 Q Of the other eight, one - Mr Burnell - is an employee of Anglo
21 American Corporation of Brazil Limited?

22 A I do not know exactly his employment arrangements.

23 Q You gave as his business address Anglo American Corporation of
24 Brazil Limited. Where did you get that information?

25 A Off our records. The secretarial records would have the addresses
26 recorded of the directors.

27 Q Another - Mr Higham - is chairman of the board of directors and an
28 employee of Cape. Is that correct?

1 A It is correct.

2 Q And all of the others, except Mr Collins and Mr Hambro, such as
3 Mr Howard, Mr Ouston, are executive directors, that is, employees of one
4 of the two service companies, except for Mr Thomas. Is that correct?

5 A That is correct.

6 Q So that there are only three members of the board who are outside
7 directors with no apparent association with Anglo American?

8 MR POLAK: I do not understand that at all.

9 BY THE WITNESS:

10 A Could I look at GG please? (Exhibit GG handed to the witness) The
11 inside directors are Richardson, Pain, Ouston, Howard - Higham is an
12 executive director - Clarke; Dr Spinks is a non-executive chairman;
13 Sir Philip Oppenheimer is an outside director. Burnell could be regarded
14 as an outside director. Collins is. Hambro is. Hofmeyer is an outside
15 director. Oppenheimer is an outside director. So are Relly, Thomas,
16 Ogilvie Thompson.

17 BY MR ARMSTRONG:

18 Q When you speak of being an "executive director", what does that mean,
19 "executive director"?

20 A It means he is remunerated by Charter for services he performs for
21 Charter. He is a working director. He is a part-time working director
22 of Charter.

23 Q He works for Charter?

24 A Yes.

25 Q Which means he must be an employee of one of the two service
26 companies?

27 A No. I am not sure. I do not know the arrangement for the
28 remuneration to Mr Higham, but it would not necessarily follow. He is

1 primarily a Cape director, but has some executive responsibility with Charter

2 Q What work does he do at Charter?

3 A He provides advice with our industrial companies, but I do not know
4 any more than that.

5 Q The asterisk on this exhibit and the designation "executive director"
6 means he is a working director of Charter?

7 A "Executive" means working director.

8 Q Of Charter?

9 A Yes, but he is a part-time working director.

10 Q For Charter?

11 A Yes.

12 Q The question I was putting was that, considering the entire board,
13 there are only three persons who are outside directors who are not members of
14 the board of directors of Anglo American or Anglo American Corporation of
15 Brazil Limited. Those three are Collins, Hambro and Thomas.

16 MR POLAK: I have an objection to your question, because I do not
17 understand how you can define "outside director" in such a fashion when
18 in fact, the witness just indicated and read to you who are the inside
19 directors and the outside directors. He has just indicated to you - and
20 maybe you were not listening - that he considered the people on the
21 board of Anglo American as outside directors. You are saying that
22 somehow or another they are not outside directors.

23 MR ARMSTRONG: Would you like to have the question read back?

24 MR POLAK: No. I have it clearly in mind.

25 MR ARMSTRONG: You don't.

26 MR POLAK: Yes, I do.

27 MR ARMSTRONG: Then you are making an irrational comment.

28 MR POLAK: What I would like you to do instead is to ask him to