

# THE TAKEOVER PANEL

## CORPORATE SERVICES GROUP PLC

On 30 March Corporate Services Group Plc ("CSG") announced that it had received a requisition of an extraordinary general meeting from certain shareholders of CSG for the purpose of considering resolutions to remove Messrs Fowler, Abrahamson, Holland-Bosworth, de Young and Hulbert as directors of CSG and to appoint certain additional directors to the Board of CSG.

On 1 April Carlisle Holdings Limited ("Carlisle") and BHI Corporation ("BHI") announced their intention to form a merged company ("New Carlisle") and also announced the terms of a proposed offer by New Carlisle for CSG conditional (amongst other things) on there being no changes to the board of CSG as constituted at 30 March.

On 8 April CSG announced that Mr Fowler had stepped down as Chairman and as a director of CSG and had resigned his executive responsibilities with immediate effect.

On 9 April Carlisle and BHI announced that they were considering whether or not to waive, in whole or in part, the condition of the proposed offer for CSG regarding the composition of the board of CSG and that no decision had yet been taken.

On 13 April the Board of CSG announced that it had resolved to convene an extraordinary general meeting as soon as possible to appoint Messrs Avenel, Button and Davis as directors of CSG. The Board of CSG also announced that Mr de Young was resigning as a director of CSG with immediate effect and that Messrs Hulbert and Holland-Bosworth would resign as directors at the time of the extraordinary general meeting. Also on 13 April Carlisle and BHI announced that Rea Brothers Limited

(advisers to New Carlisle) had approached the Panel on 12 April seeking to invoke the condition concerning the composition of the Board.

The Executive has considered whether New Carlisle should be permitted to invoke the condition of its offer for CSG regarding the composition of the Board of CSG in consequence of Mr Fowler's resignation alone or in the event that any or all of the changes to the Board of CSG contemplated in CSG's announcement of 13 April were to take effect.

The Executive has ruled that New Carlisle may not invoke such condition in any or all of such circumstances because the Executive considers such changes to the CSG Board cannot be regarded as sufficiently material to justify invoking the condition. Accordingly, New Carlisle should proceed with its offer.

21 April 1999