

Resolution and supporting statement to the Celtic PLC AGM 2021 from the Celtic Trust

This AGM instructs the Chairman of the Board of Directors of Celtic PLC to:

1. Take immediate, transparent steps to satisfy shareholders that the existing Non-Executive Directors are genuinely independent and, given the length of time some of them have been in place, to publicise plans for their replacement in the near future
2. To set up a Relationship Agreement between the principal shareholder, Dermot Desmond, which is designed to protect the interests of all other shareholders.

Supporting statement

On 6/9/2021 the current Company Secretary responded in writing to the Celtic Trust regarding a to a number of concerns which the Trust had raised with the PLC. These concerns related to the standard of corporate governance and compliance with the Quoted Companies Alliance (QCA) Corporate Governance Code which Celtic PLC adopted in 2018.

Specifically, the Trust raised concerns about the independence of the Non-Executive Directors and the position of the largest shareholder, Dermot Desmond, which, it was suggested, should be regulated by way of, what is known as a relationship agreement. This is a common approach in a situation in which there is a dominant shareholder, which seeks to protect the rights of smaller shareholders. Specifically, we said:

“Accepted good practice may include putting in place contractual arrangements such as a relationship agreement’. Mr Desmond can be properly described as a dominant shareholder and, very likely, a controlling shareholder when non-voting untraced shares and full dilution are accounted for.”

The response to both issues were that the PLC’s position was:

- I. The PLC apply the code and have satisfied themselves that the current NED’s remain independent and
- II. That there is no legal or regulatory requirement for a relationship agreement and that

“The Board and its Nomad (Canaccord Genuity) are satisfied that Celtic’s governance structures are appropriate and protect the interests of all shareholders..”

There is evidence in the public domain to suggest that the disconnect between the PLC Board and the supporters/small shareholders is wider than it has been for decades. Increasing concern about both the governance of the club and the competence of its directors must be addressed in order to resolve this issue. The proposals made here seek to ensure that the governance of the PLC is not only of a high standard but is transparently so. The existing mechanisms highlighted in the Annual Report and on the company website are insufficient for that purpose.

NAME _____

ADDRESS _____

SIGNED _____ DATE _____