

## CORPORATE GOVERNANCE

Rule 26 of the AIM Rules requires that the Company must provide on its website details of a recognised corporate governance code that the board of directors of the Company has decided to apply, how the Company complies with that code, and where it departs from its chosen corporate governance code an explanation of the reasons for doing so.

Ian P. Bankier, in his capacity as Chairman, is responsible for leading the Board in the setting and monitoring of its strategic objectives. The Chairman ensures that the executive directors and non-executive directors work as a team to fulfil those objectives and is responsible for setting the style and tone of Board discussions in order to create the conditions necessary for overall Board and individual Director effectiveness. The Chairman recognises that good corporate governance is vital in providing effective leadership and assisting in the efficient running of the Company. Accordingly, the Chairman's responsibilities include following best practice in corporate governance appropriate to the Company's size and nature, and in accordance with the regulatory framework that applies to AIM companies.

The Company has decided to apply the Quoted Companies Alliance Corporate Governance Code 2018 (the "**QCA Code**") as the relevant corporate governance code for the Company. The Board believes that this corporate governance framework is appropriate for the Company with the QCA Code providing a robust framework which will ensure the Company's high standards of corporate governance are maintained. In an effort to uphold strong systems of corporate governance, the Board periodically reviews the QCA Code and updates the Company's corporate governance framework if necessary.

### The Principles of the QCA Code

The QCA has identified ten principles which will enable companies to deliver growth in long-term shareholder value by maintaining an efficient, effective and dynamic management framework, accompanied by good communication which helps to promote confidence and trust. In order to claim that the QCA Code has been adopted, a company must apply the ten principles and also publish certain related disclosures. These disclosures may be published in the company's annual report, on its website or through a combination of these two approaches. The QCA Code specifies the recommended location for each disclosure and these are set out in the third column below.

The corporate governance arrangements that the Company has adopted are designed to ensure that the Group delivers medium to long term value to its shareholders while recognising the Company's responsibilities to stakeholders including supporters, customers and employees. It seeks to give both shareholders and stakeholders the opportunity to express their views and expectations for the Group in a manner that encourages regular engagement with the Company. The Company's approach to corporate governance is also influenced by the need to manage the Company in an efficient and ethical manner with effective risk management.

### Application and disclosures

The Directors decided to adopt the QCA Code in May 2018 and, as such, the Company did not fully comply with QCA Code during the year ended 30 June 2018. However, the Board acknowledges the importance of the ten principles set out in the QCA Code and considers that the Company has established processes which indicate its compliance with these principles going forward.

The table below sets out details of how the Company has complied with each of the ten principles of the QCA Code. This includes full details of information required to be disclosed on the Company's website and, where appropriate, references to sections of the Company's annual report containing additional disclosure information. The table of disclosures will be updated in due course to reflect the Company's full compliance with the QCA Code throughout the year ended 30 June 2019: the first full year in which the Company has resolved to comply with the QCA Code.

The key governance related matter that occurred during the financial year ended 30 June 2018 was the Directors' resolution in May 2018 to adopt the QCA Code as the relevant corporate governance code for the Company.

Ian P. Bankier, Chairman

*This disclosure was last reviewed and updated on 27 September 2018. The table of disclosures currently refers to the Company's annual report for the year ended 30 June 2017. The Company's annual report for the year ended 30 June 2018 is expected to be published by the end of October 2018 at which point the disclosures will be updated accordingly.*

Principle	Application	Disclosure	Compliance by Celtic plc
1. Establish a strategy and business model which promote long-term value for shareholders	The board must be able to express a shared view of the company's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future.	<b>ANNUAL REPORT &amp; ACCOUNTS DISCLOSURE:</b> • Explain the company's business model and strategy, including key challenges in their execution (and how those will be addressed).	Please refer to the following sections of the Company's annual report for the year ended 30 June 2017: 1. "Strategy and Business Model" on page 5; and 2. "Principal Risks and Uncertainties" on pages 8 to 10.
2. Seek to understand and meet shareholder needs and expectations	Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base.  The board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.	<b>WEBSITE DISCLOSURE:</b> • Explain the ways in which the company seeks to engage with shareholders and how successful this has been. This should include information on those responsible for shareholder liaison or specification of the point of contact for such matters.	<b>Shareholder engagement</b>  The Company's website is used to provide information on an ongoing basis and the Group Financial Statements and other information are published there shortly after release.  Match day and other events are used as informal methods of communicating with major shareholders. A number of the Company's major shareholders attend matches regularly and have the opportunity to meet the Board and any

			<p>new Director.</p> <p>The Annual General Meeting in particular is used to encourage participation of shareholders. At each of these events shareholders are invited to ask questions and to meet with the Directors informally.</p> <p>Furthermore, there are ad hoc meetings with shareholders throughout the year to respond to particular concerns. Shareholders often requisition resolutions at the Annual General Meeting and the Board looks to implement the resolutions requisitioned as far as possible where these are in the best interests of the shareholders as a whole.</p> <p>Further information is available at page 19 of the Company's annual report for the year ended 30 June 2017.</p>
<p>3. Take into account wider stakeholder and social responsibilities and their implications for long-term success</p>	<p>Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the company's stakeholders and understand their needs, interests and expectations.</p> <p>Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated in to the company's strategy and business model.</p> <p>Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.</p>	<p><b>WEBSITE DISCLOSURE:</b></p> <ul style="list-style-type: none"> <li>• Explain how the business model identifies the key resources and relationships on which the business relies.</li> <li>• Explain how the company obtains feedback from stakeholders and the actions that have been generated as a result of this feedback (e.g. changes to inputs or improvements in products).</li> </ul>	<p><b>Stakeholder engagement</b></p> <p>The Board recognises the Company's responsibilities to stakeholders including supporters, customers and employees.</p> <p>Regular consultation meetings take place with supporters' associations, supporter clubs, shareholder groups and customer groups on general issues, as well as on specific proposals.</p> <p>The primary business of Celtic is as a football club. It is run on a professional business basis with no political agenda. However, the Board recognises that the Club has a wider role and the responsibility of being a major Scottish social institution promoting health, well-being and social integration.</p> <p><b>Supporter Relations</b></p> <p><i>Supporter Liaison Officer ("SLO")</i></p> <p>The Club's SLO is John Paul Taylor. The SLO's role is to provide supporters with a link into the Club, allowing fans to put their thoughts and views forward on any subject they wish.</p> <p>The role, which is backed by UEFA, is designed to ensure that fans have a dedicated point of contact at Celtic and someone who will best represent the needs of fans within the Club and ensure that the most common issues are raised at the highest level within Celtic Park.</p> <p>The SLO is an independent position which reports directly to the CEO and is not affiliated to any single Department within Celtic Park. This means that fans have an independent representative putting their views forward.</p> <p>John Paul is based at Celtic Park and is accessible to supporters whether by telephone on 0141 551 4209, jptaylor@celticfc.co.uk, @CelticFCSLO, or face to face at Celtic Park should fans wish to call in to discuss any issue involving their dealings with Celtic either on a match day or otherwise.</p> <p>During the season, the SLO has met with all of the recognised supporters groups on a regular basis and has represented the Club and our fans at all matches.</p> <p>The SLO along with the Clubs Disability Access Officer meets regularly with Celtic Disabled Supporters Association and attends all domestic matches during the season home and away in order to provide as much information and assistance as possible for all fans travelling to support the team.</p> <p><i>Supporters' Forum</i></p> <p>Following a resolution approved at the 2016 AGM, the Company was delighted to establish a Supporters' Forum. This is a consultative body with a remit to jointly discuss matters of importance and interest to the Celtic support regarding the Company in an open and transparent environment, taking into account at all times all legal and regulatory requirements and duties of confidentiality to which the Company and its Directors are bound.</p> <p>The Forum comprises representatives of the Company and the Celtic support, including delegates from the recognised Celtic supporter organisations. The Forum meets on at least three occasions in the course of the football season, such dates being set at the beginning of each season after fixtures have been settled.</p>

			<p>The issues raised at the Forum are communicated to the Board and acted upon where appropriate. Each meeting of the Forum has been well attended and it has developed well as a channel of communication between the Club and the supporters.</p> <p><b>Our People</b></p> <p>Colleagues at all levels are kept informed regularly of matters that affect the progress of the Company and Group and may be of interest. Press and media announcements are circulated throughout the business. Members of senior management also meet formally with employee representatives nominated by relevant business units to consult on business development, safety and operational matters.</p> <p>The Group operates a detailed annual appraisal system for all regular employees. This provides the opportunity for feedback and comment.</p> <p>Celtic remains the only professional football club in Scotland to hold the prestigious Investors in People award, having first been accredited in 2007. The Club was re-assessed in March 2017 and continue to be recognised at the Silver level of award. This demonstrates the continued commitments shown by the Club to invest in its people, and while we are proud of this achievement we continue to strive for further improvement. This will be done through the continued review and consideration of the recommendations made following our re-assessment, with the aim of ensuring employee voices are heard and acted upon.</p> <p>The Club reviewed its salary rates in January 2018 and as at 1 July 2018 all permanent members of staff are paid a minimum rate of at least £8.75 per hour, which is at the same level of the Living Wage currently recommended by the Living Wage Foundation. This shows the results of the interface and dialogue between the Club and its employees.</p> <p>Further information is available at pages 8, 15, 19 and 20 of the Company's annual report for the year ended 30 June 2017.</p>
<p>4. Embed effective risk management, considering both opportunities and threats, throughout the organisation</p>	<p>The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company's supply chain, from key suppliers to end-customer.</p> <p>Setting strategy includes determining the extent of exposure to the identified risks that the company is able to bear and willing to take (risk tolerance and risk appetite).</p>	<p><b>ANNUAL REPORT &amp; ACCOUNTS DISCLOSURE:</b></p> <ul style="list-style-type: none"> <li>Describe how the board has embedded effective risk management in order to execute and deliver strategy. This should include a description of what the board does to identify, assess and manage risk and how it gets assurance that the risk management and related control systems in place are effective.</li> </ul>	<p>Please refer to the following sections of the Company's annual report for the year ended 30 June 2017:</p> <ol style="list-style-type: none"> <li>"Reporting and Internal Controls" on pages 20; and</li> <li>"Principal Risks and Uncertainties" on pages 8 to 10.</li> </ol>
<p>5. Maintain the board as a well-functioning, balanced team led by the chair</p>	<p>The board members have a collective responsibility and legal obligation to promote the interests of the company, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board.</p> <p>The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight.</p> <p>The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a board judgement.</p> <p>The board should be supported by committees (e.g. audit,</p>	<p><b>ANNUAL REPORT &amp; ACCOUNTS DISCLOSURE:</b></p> <ul style="list-style-type: none"> <li>Identify those directors who are considered to be independent; where there are grounds to question the independence of a director, through length of service or otherwise, this must be explained.</li> <li>Describe the time commitment required from directors (including non-executive directors).</li> <li>Include the number of meetings of the board (and any committees) during the year, together with the attendance record of each director.</li> </ul>	<p>Please refer to the following sections of the Company's annual report for the year ended 30 June 2017:</p> <ol style="list-style-type: none"> <li>"Independence" on page 18; and</li> <li>"Attendance" on page 19.</li> </ol>

	<p>remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively.</p> <p>Directors must commit the time necessary to fulfil their roles.</p>		
6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	<p>The board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The board should understand and challenge its own diversity.</p> <p>The board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board.</p> <p>As companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change.</p>	<p><b>ANNUAL REPORT &amp; ACCOUNTS DISCLOSURE:</b></p> <ul style="list-style-type: none"> <li>• Identify each director.</li> <li>• Describe the relevant experience, skills and personal qualities and capabilities that each director brings to the board (a simple list of current and past roles is insufficient); the statement should demonstrate how the board as a whole contains (or will contain) the necessary mix of experience, skills, personal qualities (including gender balance) and capabilities to deliver the strategy of the company for the benefit of the shareholders over the medium to long-term.</li> <li>• Explain how each director keeps his/her skillset up-to-date.</li> <li>• Where the board or any committee has sought external advice on a significant matter, this must be described and explained.</li> <li>• Where external advisers to the board or any of its committees have been engaged, explain their role.</li> <li>• Describe any internal advisory responsibilities, such as the roles performed by the company secretary and the senior independent director, in advising and supporting the board.</li> </ul>	<p>Please refer to the following sections of the Company's annual report for the year ended 30 June 2017:</p> <ol style="list-style-type: none"> <li>1. "Directors and their Interests in the Company's Share Capital" on pages 13 and 14;</li> <li>2. "Review of Director Performance" on page 18; and</li> <li>3. "Directors, Officers and Advisers" on page 64.</li> </ol>
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	<p>The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors.</p> <p>The board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team.</p> <p>It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become indispensable.</p>	<p><b>ANNUAL REPORT &amp; ACCOUNTS DISCLOSURE:</b></p> <ul style="list-style-type: none"> <li>• Include a high-level explanation of the board performance effectiveness process.</li> <li>• Where a board performance evaluation has taken place in the year, provide a brief overview of it, how it was conducted and its results and recommendations. Progress against previous recommendations should also be addressed.</li> </ul> <p><b>WEBSITE DISCLOSURE:</b></p> <ul style="list-style-type: none"> <li>• Include a more detailed description of the board performance evaluation process/cycle adopted by the company. This should include a summary of: <ul style="list-style-type: none"> <li>• The criteria against which board, committee, and individual effectiveness is considered;</li> <li>• How evaluation procedures have evolved from previous years, the results of the evaluation process and action taken or planned as a result; and</li> <li>• How often board evaluations take place.</li> </ul> </li> <li>• Explain how the company approaches succession planning and the processes by which it determines board and other senior management appointments, including any links to the board evaluation process.</li> </ul>	<p>Please refer to the following sections of the Company's annual report for the year ended 30 June 2017:</p> <ol style="list-style-type: none"> <li>1. "Review of Director Performance" on page 18.</li> </ol> <p><b>Review of Director Performance</b></p> <p>The Board conducts annual evaluation of its performance and that of its Committees, the Chairman and each of the non-executive Directors. This is done principally by way of individual discussions with the Chairman. The results are considered by the Board, and comments noted. The performance of the Chairman is discussed by the Board without the Chairman being present.</p> <p>All non-executive Directors were considered to have met the high standards expected of a Director of the Company during the financial year ending 30 June 2017. Where any training or development need for non-executive Directors arises or is identified, the Company will fund attendance at relevant seminars and courses.</p> <p>The Company is committed to the ongoing assessment of the independence of the non-executive Directors of the Company. Accordingly, Directors who have held office for more than 9 years retire annually.</p> <p>The performance of executive Directors is evaluated formally by the Remuneration Committee against specific objectives set in the financial year.</p> <p><b>Succession planning</b></p> <p>All Directors stand for election at the first opportunity arising after appointment, and for re-election at least every three years after that. Directors who have held office for more than 9 years retire annually.</p> <p>The Nomination Committee considers and recommends new appointments to the Board and senior positions in the Company for succession purposes. Re-</p>

			<p>appointment of Directors is not automatic. When a position becomes or is likely to become available, the Board, through the Nomination Committee, seeks high quality candidates who have the experience, skills and knowledge which will further the interests of the Company and its shareholders.</p> <p>Further information is available at pages 14 and 18 of the Company's annual report for the year ended 30 June 2017.</p>
<p>8. Promote a corporate culture that is based on sound ethical values and behaviours</p>	<p>The board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage.</p> <p>The policy set by the board should be visible in the actions and decisions of the chief executive and the rest of the management team. Corporate values should guide the objectives and strategy of the company.</p> <p>The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the company.</p> <p>The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the company.</p>	<p><b>ANNUAL REPORT &amp; ACCOUNTS DISCLOSURE:</b></p> <ul style="list-style-type: none"> <li>• Include in the chair's corporate governance statement how the culture is consistent with the company's objectives, strategy and business model in the strategic report and with the description of principal risks and uncertainties.</li> </ul> <p>The statement should explain what the board does to monitor and promote a healthy corporate culture and how the board assesses the state of the culture at present.</p>	<p>Please refer to the following sections of the Company's annual report for the year ended 30 June 2017:</p> <ol style="list-style-type: none"> <li>1. "Corporate Governance" on pages 18 to 20.</li> </ol>
		<p><b>WEBSITE DISCLOSURE:</b></p> <ul style="list-style-type: none"> <li>• Explain how the board ensures that the company has the means to determine that ethical values and behaviours are recognised and respected.</li> </ul>	<p><b>Ethical values and behaviours</b></p> <p>The Company is committed to ensuring that it operates according to the highest ethical standards for which the Board has primary responsibility. The Company is proud of its charitable origins and operates policies designed to encourage social inclusion.</p> <p><i>Safeguarding</i></p> <p>Safeguarding continues to be high on the Club's agenda. As the first club in Scotland to appoint a dedicated Safeguarding Manager, back in March 2013, we continue to lead the way in the implementation and improvement of safeguarding processes, training and communications. These continue to provide a safe environment for all children and vulnerable adults working for and engaging with the Club – employees and fans alike.</p> <p>In October 2016, the SFA issued a number of directives to improve the consistency of safeguarding children across Scottish Football. The Club has adopted and implemented the following guidance including:</p> <ol style="list-style-type: none"> <li>3. Policy Statements</li> <li>4. Code of conduct for safeguarding children's wellbeing</li> <li>5. Anti-bullying guidelines</li> <li>6. Procedure for responding to concerns about a child</li> <li>7. Procedure for responding to concerns about the conduct of an adult</li> <li>8. Procedure for reviewing the management of concerns</li> <li>9. Safeguards: best practice guidelines</li> </ol> <p><i>Employment Policies</i></p> <p>The Company and its subsidiaries are all equal opportunity employers and committed to positive policies in recruitment, training and career development for all colleagues (and potential colleagues) regardless of marital status, age, religion, colour, race, ethnic origin or disability. A registration is maintained with Disclosure Scotland.</p> <p>Full consideration is given to applications for employment by disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing colleagues become disabled it is the Group's policy, where practical, to provide continuing employment under similar terms and conditions and to provide training and career development. The Department for Work and Pensions has recognised the Club as a "Disability Confident" employer. Investors In People status continues, following the Club's re-accreditation in 2017, which resulted in the Club securing a Silver award for the first time and the Club's Youth Academy retaining its Gold award for the Investors in Young People accreditation. Good practice in relation to pregnant</p>

			<p>employees has also been commended through our accreditation received from the "Tommy's Pregnancy at work scheme".</p> <p><i>Social responsibility</i></p> <p>Waste paper and materials are recycled where possible and efforts are being made to reduce paper use and natural resources consumption through the use of more efficient printers, improved system controls and monitoring.</p> <p><i>Health and Safety</i></p> <p>The Company also places great importance on health and safety within the work place. The Club's 'Health &amp; Safety Steering Group' meets regularly throughout the year and we have continued to ensure that staff training receives top priority in this area.</p> <p>All companies within the Group operate strict health and safety regulations and policies. The requirements of the Green Guide on Safety at Sports Grounds (5th Edition) are adhered to, and the Company obtains its Safety Certificate each year from Glasgow City Council only after rigorous testing and review. Celtic seeks to achieve consistent compliance at all levels with the Health and Safety at Work etc Act 1974 and associated regulations.</p> <p>Senior executives meet regularly with employee representatives under the auspices of a Health and Safety Steering Group and with an independent external expert. The Steering Group is charged with day-to-day monitoring of health and safety and working practices and the creation and implementation of risk assessments throughout the business. Training is provided throughout the year on health and safety issues. Accident statistics are collated and reported at management, executive and Board meetings.</p> <p><i>Share dealing code</i></p> <p>The Company has adopted, and will operate as applicable, a code for Directors' and applicable employees' dealings in securities in accordance with rule 21 of the AIM Rules for Companies.</p> <p>Further information is available at pages 8, 15 and 16 of the Company's annual report for the year ended 30 June 2017.</p>
<p>9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</p>	<p>The company should maintain governance structures and processes in line with its corporate culture and appropriate to its:</p> <ul style="list-style-type: none"> <li>• size and complexity; and</li> <li>• capacity, appetite and tolerance for risk.</li> </ul> <p>The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the company.</p>	<p><b>WEBSITE DISCLOSURE:</b></p> <p>In addition to the high level explanation of the application of the QCA Code set out in the chair's corporate governance statement:</p> <ul style="list-style-type: none"> <li>• Describe the roles and responsibilities of the chair, chief executive and any other directors who have specific individual responsibilities or remits (e.g. for engagement with shareholders or other stakeholder groups).</li> <li>• Describe the roles of any committees (e.g. audit, remuneration and nomination committees) setting out any terms of reference and matters reserved by the board for its consideration.</li> <li>• Describe which matters are reserved for the board.</li> <li>• Describe any plans for evolution of the governance framework in line with the company's plans for growth.</li> </ul>	<p><b>Board of Directors</b></p> <p>As at 30 June 2017, the Board of Directors consisted of a non-executive Chairman, four other non-executive Directors and two executive Directors. Tom Allison is the Senior Independent Director.</p> <p>The Chairman's role is to lead the Board. The Chairman is responsible for setting the style and tone of Board discussions in order to create the conditions necessary for overall Board and individual Director effectiveness.</p> <p>The Chief Executive's role is to run the Group's business while being accountable and reporting to the Board. The Chief Executive is responsible for all executive management matters affecting the Group and implementing the strategy and long terms objectives approved by the Board and its Committees.</p> <p><b>Matters reserved for the board</b></p> <p>The Board of Directors has legal and financial responsibility for the affairs of the Company. The Board as a whole monitors Company performance against budgets and a rolling 5 year business plan as well as making specific decisions on key areas of the Company's business, risk management and setting future strategy. The Board operates, through the Audit Committee, a comprehensive set of internal financial controls which are reported on regularly by the internal auditor and reviewed each year by the external auditors.</p> <p>The Board provides leadership of the Group within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Company's strategic aims, ensuring that the necessary financial and human resources are in place for the Group to meet its objectives and review management performance.</p> <p>All Directors must act in what they consider to be the best interests of the Company, consistent with their statutory duties. To this end, key decisions,</p>

			<p>including financial policies, budgets, strategy and long term planning, major capital expenditure, material contracts, risk management and controls, health and safety and the appointment of the Group's principal external advisers, Directors, football manager and senior executives are all subject to Board approval. A list of matters reserved exclusively for decision by the Board is maintained and applied. Compliance is monitored by the Company Secretary.</p> <p>Formal Board meetings are held regularly throughout the year. Occasionally decisions require to be made at a time when a meeting is not due to be held. In such circumstances meetings can be held by telephone conference or proposals are circulated to the Board members for individual approval.</p> <p><b>Delegated authority</b></p> <p>The Board delegates day-to day operational responsibility to the executive Directors: the Chief Executive, Peter Lawwell and Financial Director, Christopher McKay. This includes authority to enter into and implement contracts authorised by the Board or otherwise falling within specified authorisation levels, conduct the Group's day-to-day operations and implement Board decisions and general strategy. Detailed written reports are provided at each Board meeting by the Chief Executive and the Financial Director and otherwise as needed or requested.</p> <p><b>Board Committees</b></p> <p>The Board has three standing committees to which certain responsibilities are delegated, namely: Audit, Remuneration and Nomination. Each Committee has written terms of reference.</p> <p>Membership of each standing Committee is restricted to non-executive Directors. Only independent non-executive Directors are entitled to sit on the Audit and Remuneration Committees with the exception that the Chairman sits on the Remuneration Committee. Executive Directors, the Company Secretary and other executives and advisers attend Committee meetings as required, but are not Committee members.</p> <p><b>Audit Committee</b></p> <p>The Audit Committee comprises Sharon Brown as Chairman, Dermot Desmond and Brian Wilson.</p> <p>The external auditor, Company Secretary, Financial Director, internal auditor and other members of the finance team attend routinely. Business is also conducted without executive Directors and the auditor being present, when appropriate.</p> <p>The Audit Committee has a number of key roles, including:</p> <ol style="list-style-type: none"> <li>1. review of the Group's accounting policies, internal controls and financial reporting;</li> <li>2. risk management and business continuity planning;</li> <li>3. monitoring the scope, quality and independence of the external and internal audit functions; and</li> <li>4. appointment and fees of the external auditor.</li> </ol> <p>The Audit Committee's terms of reference are available <a href="#">here</a>.</p> <p><b>Remuneration Committee</b></p> <p>The Remuneration Committee comprises Tom Allison as Chairman, Brian Wilson and Ian Bankier.</p> <p>The Remuneration Committee determines the terms of engagement and remuneration of the Company's executive Directors and Company Secretary on behalf of the Board. The objectives of the executive Directors are approved by the Remuneration Committee and performance against these reported to the Board. The Remuneration Committee also monitors the implementation of other executive and employee incentive and bonus schemes. A detailed report is included within the Annual Report.</p> <p>The Remuneration Committee's terms of reference are available <a href="#">here</a>.</p> <p><b>Nomination Committee</b></p>
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			<p>The Nomination Committee comprises Ian Bankier as Chairman, Dermot Desmond and Tom Allison.</p> <p>The Nomination Committee meets as necessary, principally to consider and recommend new appointments to the Board and senior positions in the Company for succession purposes.</p> <p>The Nomination Committee's terms of reference are available <a href="#">here</a>.</p> <p><b>Evolution of governance framework</b></p> <p>The Directors view corporate governance not just as a perfunctory exercise to serve bureaucratic expediency, but instead as a real and intrinsic part of the Company's culture and operations. The Board continues to apply corporate governance principles in a sensible and pragmatic fashion having regard to the individual circumstances of the Company's business, with the overarching objective to create, safeguard and enhance accountability, risk management, commercial success and shareholder value.</p> <p>Further information is available at pages 18 and 19 of the Company's annual report for the year ended 30 June 2017.</p>
<p>10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</p>	<p>A healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company.</p> <p>In particular, appropriate communication and reporting structures should exist between the board and all constituent parts of its shareholder base. This will assist:</p> <ul style="list-style-type: none"> <li>the communication of shareholders' views to the board; and</li> <li>the shareholders' understanding of the unique circumstances and constraints faced by the company.</li> </ul> <p>It should be clear where these communication practices are described (annual report or website).</p>	<p><b>ANNUAL REPORT &amp; ACCOUNTS DISCLOSURE:</b></p> <ul style="list-style-type: none"> <li>Describe the work of board committees undertaken during the year.</li> <li>Include an audit committee report (or equivalent report if such committee is not in place).</li> <li>Include a remuneration committee report (or equivalent report if such committee is not in place).</li> <li>If the company has not published one or more of the disclosures set out under Principles 1-9, the omitted disclosures must be identified and the reason for their omission explained.</li> </ul> <p><b>WEBSITE DISCLOSURE:</b></p> <ul style="list-style-type: none"> <li>Disclose the outcomes of all votes in a clear and transparent manner.</li> <li>Where a significant proportion of votes (e.g. 20% of independent votes) have been cast against a resolution at any general meeting, the company should include, on a timely basis, an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.</li> <li>Include historical annual reports and other governance-related material, including notices of all general meetings over the last five years.</li> </ul>	<p>Please refer to the following sections of the Company's annual report for the year ended 30 June 2017:</p> <ol style="list-style-type: none"> <li>"Board Committees" on page 19; and</li> <li>"Remuneration Report" on pages 21 to 24;</li> </ol> <p>Notices of all general meetings over the last five years and the outcomes of all votes are available <a href="#">here</a>.</p> <p>Historical annual reports and declared proxy votes from general meetings are available <a href="#">here</a>.</p>