



CELTIC PLC

SCRIP DIVIDEND SCHEME

TERMS AND CONDITIONS

Terms and Conditions of the Celtic plc Scrip Dividend Scheme as at 18 November 2014

1 Definitions

The following definitions apply in these Terms and Conditions, unless the context otherwise requires:

"AIM"	AIM, a market of the London Stock Exchange;
"AIM Rules"	the rules applicable to companies whose shares are admitted to trading on AIM or such other rules and regulations as may be applicable to the Company from time to time;
"Articles"	the articles of association of the Company;
"Company"	Celtic plc;
"CPO Shares"	convertible preferred ordinary shares of £1 each in the capital of the Company;
"CPO Shareholders"	holders of CPO Shares;
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK and Ireland Limited is the Operator (as defined in the CREST Regulations);
"CREST Regulations"	the Uncertificated Securities Regulations 2001, as amended and/or re-enacted from time to time;
"Directors"	the directors of the Company;
"Dividend"	any dividend (whether interim, final or fixed) approved, declared or payable in accordance with the Articles in respect of Shares;
"election"	an election to participate in the Scheme pursuant to a valid and subsisting Scrip Dividend Mandate (and "elect" shall be construed accordingly);
"Future Dividend"	any Dividend to which a Shareholder, from whom and in respect of which there subsists a valid Scrip Dividend Mandate becomes entitled during the period for which and in respect of the Shares specified in such Mandate remains in force;
"London Stock Exchange"	the London Stock Exchange plc;
"New Ordinary Share"	an Ordinary Share credited as fully paid, and allotted subject to these Terms and Conditions;
"Non Eligible Person"	any person located in the USA, Canada, Australia or Japan; and/or any resident of the USA, Canada, Australia or Japan (including the estate of any such person) or any corporation or other entity organised under the laws of the USA, Canada, Australia or Japan or any political subdivision thereof other than a branch or agency of a bank or insurance company organised and regulated under USA law that is operating outside the USA for valid business reasons as a locally regulated branch or agency engaged in

the banking or insurance business and not principally for the purpose of investing in securities not registered under the Securities Act 1933 as amended; and/or an estate or trust the income of which is subject to United States federal income taxation regardless of its source.

References to the USA, Canada, Australia or Japan include (where applicable) their respective territories and possessions.

"Ordinary Shares"	ordinary shares of 1p each in the capital of the Company;
"Ordinary Shareholders"	holders of Ordinary Shares;
"Participant"	a Shareholder who elects or has elected to receive New Ordinary Shares, or a combination of New Ordinary Shares and cash, by properly completing and returning a Scrip Dividend Mandate;
"Preference Shares"	convertible cumulative preference shares of 60p each in the capital of the Company;
"Preference Shareholders"	holders of Preference Shares;
"Record Date"	any time and date set out in the Articles, the Company's published interim or final results or otherwise notified to Shareholders by the Directors by reference to which the Articles or the Directors declare a Dividend entitlement to be determined;
"Registrars"	Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE ;
"Return Date"	in respect of any Dividend, the time and date (as stated in the Company's published interim or final results or otherwise notified to Shareholders by the Directors) by which a Scrip Dividend Mandate must be received by the Registrars if the instructions contained in it are to be applied to that Dividend;
"Scheme"	the Celtic plc Scrip Dividend Scheme as comprised by these Terms and Conditions (as amended or modified from time to time);
"Scrip Dividend or Mandate"	Mandate" a mandate, in a form provided by the Company from a Shareholder to the Company to allot, under the Scheme, New Ordinary Shares in lieu of cash Dividends to which a Shareholder may become entitled from time to time;
"Shares"	Ordinary Shares and/or CPO Shares and/or Preference Shares as appropriate;
"Shareholder"	a holder of Ordinary Shares and/or CPO Shares and/or Preference Shares as appropriate; and
"Terms and Conditions"	the terms and conditions set out in this document.

2 **Allotment of New Ordinary Shares**

The allotment of New Ordinary Shares pursuant to the Scheme is conditional upon all necessary authorities being in full force and effect, including the passing of such resolutions as may be required by the Articles, law or the AIM Rules. If New Ordinary Shares cannot be allotted for any reason, or a Mandate is invalid or cannot be actioned for legal reasons, Shareholders will receive the Dividends in respect of which they have completed a Mandate, in cash.

3 **Elections to participate**

In order to receive any Dividend in the form of New Ordinary Shares, Shareholders must complete a valid Mandate and return it to the Registrars by the relevant Return Date. The election will automatically apply to the entire holding of Shares, subject to any election pursuant to paragraph 4, registered in the name(s) of the relevant Shareholder(s) at the Record Date in respect of the first Dividend due to be paid after such election. The election will also apply to the Shareholder's entire holding at subsequent Record Dates for each Future Dividend if the Company has made provision for this in the Mandate. All elections will be subject to these Terms and Conditions and are non-transferable. Dividends will be paid in cash in respect of those Shares in relation to which no election is made.

4 **Partial Elections**

If Shareholders wish to elect to participate in the Scheme in respect of part only of their holding of Shares, they should contact the Registrars without delay using the contact details notified to them from time to time. The Registrars will inform the Shareholder of the action to be taken. Where a Shareholder exercises their right of election in respect of only some of their Shares, that election will only apply in respect of the first Dividend due to be paid after such election. If the Directors decide to offer New Ordinary Shares instead of any other future Dividend and the Shareholder wishes to continue with an election over only some of their Shares, the Shareholder should again contact the Registrars.

5 **Cancellation**

The Scrip Dividend Mandate may be cancelled by the Company at any time, or by the Shareholder giving written notice to the Registrars. Any such notice received from a Shareholder by the Registrars after a Return Date will not be treated as cancelled in relation to that particular Dividend.

A Scrip Dividend Mandate will automatically be revoked if the Company registers a transfer of all relevant Shares held by a Shareholder (e.g. following a sale of your entire holding of shares in the Company or shares of a particular class in the Company (as may be applicable) or if the Company receives notice of the death of a sole Shareholder

6 **Fractional entitlements**

No Participant shall receive a fraction of a New Ordinary Share and the calculation of a Participant's entitlement to New Ordinary Shares will always be rounded down to the nearest whole number of New Ordinary Shares. The balance of any cash dividend representing a fraction of a New Ordinary Share which cannot be allotted will be carried forward in a non-interest bearing account, and will be used towards the allotment of further New Ordinary Shares by inclusion in the calculation of New Ordinary Shares in respect of Future Dividends.

Any accumulated residual cash balance will be paid out in Sterling (without interest) if, at any time, a Shareholder:

- (i) disposes of their entire holding of Shares; or
- (ii) makes an election to receive New Ordinary Shares in respect of part only of their holding, or to receive the full cash dividend on the whole of their holding; or
- (iii) revokes their Scrip Dividend Mandate; or
- (iv) so requests in writing to the Registrars.

Such a payment will also be made to a duly appointed representative following the receipt of formal notification of the death of a sole Shareholder.

7 **Acquisitions/Disposals**

If a Shareholder who elects to participate in the Scheme in respect of all their Shares, acquires or disposes of Shares, the Scrip Dividend Mandate will continue to apply (until revoked) to such increased or decreased holding of Shares (of the same class, as the case may be). It should be noted that all New Ordinary Shares allotted on each election will automatically increase the shareholding on which any new entitlement to New Ordinary Shares will be calculated.

Where a Shareholder elects to participate in the Scheme in respect of part only of their holding of Shares, the election will apply to that number of Shares irrespective of any increase in their holding. However, if such as Shareholder disposes of Shares, the election will be deemed to apply to all of their remaining holding of Shares until either the partial election is varied downwards or Shares are acquired which raise the holding to or above the elected number.

8 **New Shareholders**

Scrip Dividend Mandates in respect of all Future Dividends to which a scrip dividend offer applies will be available online at the following website: www.celticfc.net.

9 **Basis of allotment**

The entitlement of a Participant will be determined by multiplying the number of Shares on which an election has been made by the relevant Dividend (disregarding any tax credit) and then dividing this by the price for each New Ordinary Share which shall be determined as explained below.

The price for each New Ordinary Share will be calculated based on the average of the middle market quotations of an Ordinary Share on AIM (or such other market as the Ordinary Shares may be admitted to trading on from time to time) on each of the first five consecutive business days on which the Ordinary Shares are quoted ex the relevant dividend or, in such other manner as may be determined by the Directors on such basis as they consider fair and reasonable.

10 **Eligibility**

Any person receiving a copy of this document in any territory other than the United Kingdom and the Republic of Ireland shall not treat this document as an invitation to receive New Ordinary Shares unless such an invitation could lawfully be made to them without compliance with any registration or other legal requirements. It is the responsibility of any person receiving a copy of this document outside the United Kingdom and the Republic of Ireland to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining any government or other consents which may be required and observing any other formalities in such territory.

Since the Shares have not been registered under the securities laws applicable in the USA, Canada, Australia or Japan the opportunity to elect to receive New Ordinary Shares in lieu of cash Dividends is not being offered to or for the account of any Non Eligible Person. Accordingly, neither this document, nor the Scrip Dividend Mandate will be sent to any Shareholder whose registered address is in the USA, Canada, Australia or Japan nor will any Scrip Dividend Mandate be accepted from any person who does not make the declaration set out in the Scrip Dividend Mandate that he is not and is not electing on behalf of a Non Eligible Person. Participants who become, or who come to hold Shares for the benefit of, a Non Eligible Person are responsible for immediately withdrawing from the Scheme in accordance with paragraph 5.

11 **Variation or Withdrawal**

A Participant may vary his election or withdraw from the Scheme at any time by writing to the Registrars. For a variation or withdrawal to be effective in relation to the next Dividend payment, the letter must be received by the Registrars by the relevant Return Date.

Receipt by the Company of formal notification of the death of a Participant will cancel their participation in the Scheme and any residual cash entitlement will be paid in accordance with the instructions of their legal representatives. If the deceased was a joint Participant, the participation of their survivor will continue.

Completion of a Scrip Dividend Mandate will suspend but not revoke any existing order under which cash Dividends were paid to you. Such an order will resume automatically if a Scrip Dividend Mandate is cancelled to the extent that dividends are received in this manner. The Company's normal practice in the absence of other instructions is to pay dividends for which a Scrip Dividend Mandate has not been completed by way of bank cheque to a shareholder.

12 **CREST**

New Ordinary Shares allotted to Participants in respect of a holding in CREST will be allotted in uncertificated form and credited electronically on the dividend payment date to the same CREST member account as that holding. However, if the Company is unable to do so under the provisions of the CREST Regulations or the facilities and requirements of CREST, share certificates in respect of such New Shares will be issued in the usual way. Scrip Dividend Mandates will operate accordingly.

If part of a Participant's registered holding is in CREST and the balance is represented by share certificates, the Participant will receive separate Scrip Dividend Mandates for these two parts of their holding. Both Scrip Dividend Mandates must be completed and returned (to be received by the Registrars in accordance with these Terms and Conditions) to receive New Shares in respect of CREST and non-CREST holdings.

13 **Multiple registered holdings**

If a Participant's Shares are registered in more than one holding and as a result more than one Scrip Dividend Mandate is received, then, unless the holdings are consolidated, they will be treated for all purposes as separate and a separate Scrip Dividend Mandate should be completed accordingly. Participants should contact the Registrars on the number indicated below if they wish to consolidate their holdings.

14 **Recent sale of Shares**

If, all or some, of a Participant's Shares are sold on or after the day on which the relevant class of Shares are first quoted ex the relevant dividend, Participants should contact their stockbroker or agent without delay for advice on how to deal with the Scrip Dividend Mandate.

15 **Listing and ranking of New Shares**

Application will be made to the London Stock Exchange for admission ("**Admission**") of all New Ordinary Shares to trading on AIM (or such other market as the Ordinary Shares may be admitted to trading on from time to time). If Admission is not granted, Shareholders will receive cheques for the cash Dividend in the usual way.

Subject to Admission, share certificates in respect of the New Ordinary Shares will be issued to the Participants, at their risk, at or about the same time as the cheques in respect of the Dividends payable to non-Participants are issued. However, if the Shares of a Participant on which the relevant Dividend is to be paid are held in uncertificated form under the CREST system at the Return Date, the New Ordinary Shares will be issued in an uncertificated form.

New Ordinary Shares issued pursuant to an election in respect of any Dividend which relates to the Ordinary Shares or CPO Shares will on issue be credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares save only as regards participation in such Dividend. New Ordinary Shares issued pursuant to an election in respect of any Dividend which relates to the Preference Shares will on issue be credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares save only as regards participation in any Dividend in respect of the Ordinary Shares which relates to the same period, as determined by the Directors, as the Dividend in respect of the Preference Shares from which such New Ordinary Shares arose.

16 **Statements**

Following the issue of New Ordinary Shares a statement will be sent to each Participant setting out the following information:

- the number of Shares held by the Participant on the relevant Record Date;
- the number of Shares in respect of which the Participant has made a valid election;
- the number of New Ordinary Shares allotted to the Participant;
- the cash equivalent for tax purposes of the New Ordinary Shares allotted to the Participant;
- in the case of Participants who are individuals or trustees, the notional income tax, treated as paid on the New Ordinary Shares;
- any residual entitlement of the Participant in respect of that Dividend; and

- the number of Shares, if any, held by the Participant on which the Company has paid the relevant Dividend in cash.

A Participant who has elected to receive New Ordinary Shares in lieu of their whole entitlement to a cash Dividend but whose entitlement is not sufficient for them to qualify for any New Ordinary Shares will receive an explanatory letter and a statement of account at or about the same time as those Participants who receive statements with their New Ordinary Shares.

17

General

The Scheme may be modified, amended, suspended or terminated at the discretion of the Directors at any time without notice to Participants individually. In the case of an amendment or modification, Participants will be deemed to have elected to continue under the modified Scheme unless the Company is notified in writing to the contrary. The Directors also have the power, after an offer of New Ordinary Shares under the Scheme is made, to revoke the offer generally at any time prior to the allotment of the New Ordinary Shares. In that event Shareholders will be sent written notification.

For the general terms and conditions which will apply to future scrip dividend offers, Shareholders should refer to the terms and conditions set out in this document or any modified or amended terms and conditions that may be notified to them from time to time.

The Company will use its reasonable endeavours to circulate updated versions of this booklet if significant alterations are required pursuant to changes in UK taxation legislation. **However, it is the responsibility of each Participant to assess, with their appropriate professional adviser, the effect of any such change to their individual circumstances.**

In order to protect Shareholders against sudden unexpected falls in the price of the Ordinary Shares, the offer of the New Ordinary Shares in lieu of cash is made subject to the condition that the Directors may declare a Scrip Dividend Mandate void in relation to any Dividend if on the Return Date for that Dividend the middle market quotation of the Ordinary Shares on AIM (or such other market as the Ordinary Shares may be admitted to trading on from time to time) has fallen to a price which is 15 per cent or more below the average of the middle market quotations as set out in respect of that Dividend in paragraph 9 above.

In addition, the Directors reserve the right, if they believe that such a course of action would be in the best interests of Shareholders, to permit Shareholders to withdraw Scrip Dividend Mandates in respect of any Dividend after the Return Date for that Dividend.

No acknowledgement of Scrip Dividend Mandates will be issued. Further copies of this document and/or the Scrip Dividend Mandate may be obtained from the Registrars at the following address:

Computershare Investor Services PLC:

The Pavilions
Bridgwater Road
Bristol BS99 6ZY
(Telephone 0370 702 0192)

All enquiries in respect of the Scheme and Scrip Dividend Mandate should be addressed to the Registrars.

18

Principal taxation effects of participation in the Scheme for United Kingdom resident Individuals

The following general summary of the UK tax consequences for individuals of electing to receive New Ordinary Shares under the Scheme instead of a cash dividend is based on current UK law and HMRC practice as at 18 November 2014 (which are subject to change, possibly with retrospective effect) and applies only to individual Shareholders who are resident for tax purposes in the UK and who hold their Shares as an investment. In particular the summary does not address the position of Shareholders who are dealers in securities, trustees, corporate shareholders and pension funds.

This summary does not constitute tax or legal advice. This summary is not exhaustive and only relates to the position of shareholders who are the beneficial owners of their Shares. The tax consequences for any particular Shareholder of electing to receive New Ordinary Shares under the Scheme instead of a cash dividend will depend on that Shareholder's individual circumstances. Shareholders who are in any doubt as to their tax position or are subject to tax in a jurisdiction other than the UK should consult their independent professional advisor without delay.

Individual Shareholders who elect to receive New Ordinary Shares instead of the full, or any part, of a cash dividend, will be treated for income tax purposes as having received gross income of an amount which, when reduced by income tax at the rate of 20 per cent, is equal to the "cash equivalent of the New Ordinary Shares". The cash equivalent of the New Ordinary Shares will be the amount of the cash dividend foregone unless the market value of the New Ordinary Shares on the first day of dealings on AIM (the "**opening value**") differs substantially (i.e. by 15 per cent. or more either way according to current HMRC practice) from the cash dividend foregone in which case the opening value will be treated as the cash equivalent of the New Ordinary Shares for taxation purposes. Income tax at the rate of 20 per cent. is treated as having been paid on this gross income. For example, if an individual elects to receive New Ordinary Shares with a cash equivalent of £80, they will be treated as receiving gross income of £100, on which income tax of £20 has been paid.

- Individuals who (after having taken into account their receipt of New Ordinary Shares) pay income tax at the basic rate only will have no further liability to income tax in respect of the New Ordinary Shares received.
- Individuals who are otherwise subject to income tax at the higher rate will be liable to pay tax at the rate of 40 per cent. on the gross income which they are treated as having received. The 20 per cent income tax deemed to have been paid can be set off against part of that liability, thereby reducing the liability to 20 per cent of the amount of the gross income treated as having been received. In the example above, this would mean further tax to pay of £20.
- Individuals who are otherwise subject to income tax at the additional rate (that is the rate applicable to income exceeding £150,000) will be liable to pay tax at the rate of 45 per cent. on the gross income which they are treated as having received. The 20 per cent income tax deemed to have been paid can be set off against part of that liability, thereby reducing the liability to 25 per cent of the amount of the gross income treated as having been received. In the example above, this would mean further tax to pay of £25.

No tax payment claim may be made on either a cash dividend or in respect of New Ordinary Shares taken by non tax paying individuals or by individuals who hold their shares in an Individual Savings Account (ISA) or Personal Equity Plan (PEP).

For capital gains tax purposes, if an election to receive New Ordinary Shares instead of a cash dividend is made, then the "cash equivalent of the New Ordinary Shares" (as described above) will be treated as being the base cost for the New Ordinary Shares. The New Ordinary Shares will be treated as having been acquired as a separate acquisition from existing shares held.

No stamp duty or stamp duty reserve tax will be payable on the receipt of New Ordinary Shares under the Scheme.