

**FLUTTER ENTERTAINMENT
plc**

PHANTOM SAYE OPTION SCHEME

RULES

Adopted by the Remuneration Committee of Flutter Entertainment plc on 18 April 2016

CONTENTS

1.	DEFINITIONS AND INTERPRETATION	1
2.	GRANT OF PHANTOM OPTIONS.....	3
3.	EXERCISE OF PHANTOM OPTIONS.....	4
4.	LAPSE OF PHANTOM OPTIONS	5
5.	EMPLOYMENT CESSATION EVENTS.....	5
6.	COMPANY EVENTS.....	7
7.	EXCHANGE OF PHANTOM OPTIONS.....	8
8.	VARIATION OF CAPITAL.....	9
9.	MANNER OF EXERCISE OF PHANTOM OPTIONS	9
10.	ADMINISTRATION, AMENDMENT AND TERMINATION	10

FLUTTER ENTERTAINMENT plc

PHANTOM SAYE OPTION SCHEME

RULES

1. DEFINITIONS AND INTERPRETATION

1.1 In this Scheme (unless the context otherwise requires):

"Board" means the board of directors for the time being of the Company or a duly authorised committee thereof;

"Companies Act 1963" means the Companies Act 1963 as enacted in Ireland;

"Companies Act 2014" means the Companies Act 2014 as enacted in Ireland;

"Company" means Flutter Entertainment plc, a company incorporated in Ireland with registered number 16956;

"Control" has the meaning given to it by Section 995 of the Income Tax Act 2007 and **"Controlled"** shall be construed accordingly;

"Date of Grant" means the date on which a Phantom Option is granted under Rule 2;

"Eligible Person" means any person who is a director or employee of a Member of the Group, to whom the Board has determined that share options under the Sharesave Scheme will not, or cannot, be offered for securities laws, exchange control, or other reasons in the Board's absolute discretion;

"Group" means the Company and any other company which is for the time being Controlled directly or indirectly by the Company and **"Member of the Group"** and **"Group Company"** shall be construed accordingly;

"Market Value" means, in relation to a Share on any day, for so long as such Shares are traded on the London Stock Exchange, the middle market quotation of a Share on the dealing day immediately before the relevant day, as derived from the Official List and otherwise shall mean the market value of a Share as determined under section 272 of the Taxation of Chargeable Gains Act 1992;

"Maturity Date" means, in relation to a Phantom Option, the maturity date set by the Board at the time of grant in accordance with Rule 2.3.4;

"Notional Option Price" means the price at which options under the Company's Sharesave Scheme (as amended from time to time) were most recently offered, or such other price as the Board may determine, being a discount of no more than 25% of the Market Value of a Share on the Date of Grant;

"Official List" means the Daily Official List of the London Stock Exchange plc;

"Participant" means a person who holds a Phantom Option or (where the context admits) his personal representatives;

"Phantom Option" means a right (for the time being subsisting) to receive an amount of cash equal to the difference (if positive) between the Market Value of a Share and the Notional Option Price multiplied by the number of Notional Shares subject to a Phantom Option in accordance with the Scheme;

"Relevant Liability" means in relation to any cash amount payable to a Participant or his personal representatives under this Scheme, an amount equal to any sums which any company may be obliged to deduct by law including (without limitation) the amount of income tax and employee's social security contributions for which such company has or is required to account to HM Revenue and Customs or any other tax authority as a consequence of a payment to the Participant of such cash amount;

"Rules" means these rules as from time to time amended;

"Sale" shall mean a person or persons acting together in concert acquiring Control of the Company by making a general offer for all the Shares in the Company (or all the Shares not already held by such person(s));

"Share" means a fully paid ordinary share in the capital of the Company, and a **"Notional Share"** shall mean a Share that would have been the subject of an option, were the option not a Phantom Option;

"Sharesave Scheme" means the Company's global Sharesave Scheme, including the sub-plans and appendices thereto.

1.2 Words denoting the singular shall include the plural and vice versa.

- 1.3 Words denoting the masculine gender shall include the feminine gender.
- 1.4 References in these Rules to a rule, clause, sub-clause, paragraph or subparagraph are, unless otherwise stated, references to a rule, clause, sub-clause, paragraph or subparagraph of these Rules.
- 1.5 Rule headings are inserted for convenience only and are to be ignored in construing these Rules.
- 1.6 References in these Rules to any enactment shall be deemed to include references to such enactment as extended, re-enacted or amended.
- 1.7 References in these Rules to "month" shall be deemed to be references to a calendar month.

2. GRANT OF PHANTOM OPTIONS

- 2.1 Subject to the limitations and conditions hereinafter contained, the Board may, in its absolute discretion, grant Phantom Options to any number of Eligible Persons provided that:
- 2.1.1 no Eligible Person shall be entitled as of right to the grant of a Phantom Option;
- 2.1.2 no Phantom Option may be granted under this Scheme after the tenth anniversary of the adoption of the Scheme by the Board.
- 2.2 A Phantom Option shall be granted by a resolution of the Board over a number of Notional Shares calculated (unless the Board determines otherwise) as follows:

$$\text{Number of Notional Shares} = S / \text{Notional Option Price}$$

where:

S = the mean total maximum savings amounts to be saved under the savings contracts or similar arrangements to be entered into by participants in the Sharesave Scheme under which grants were made on or around the same time as the relevant Date of Grant.

An example calculation is set out in the Appendix to these Rules for reference purposes only, and does not form part of these Rules.

- 2.3 As soon as reasonably practicable after Phantom Options have been granted the Board shall issue a certificate in respect of each Phantom Option which shall specify:
- 2.3.1 the number of Notional Shares to which the Phantom Option relates;
 - 2.3.2 the Date of Grant;
 - 2.3.3 the Notional Option Price; and
 - 2.3.4 the Maturity Date.
- 2.4 Except as otherwise specifically provided in these Rules, a Phantom Option shall be personal to the Participant and may not be transferred, assigned, charged, pledged or otherwise disposed of or dealt with. Any purported transfer, assignment, charge, pledge or other disposal or dealing with the Phantom Option shall cause the Phantom Option to lapse forthwith.

3. EXERCISE OF PHANTOM OPTIONS

- 3.1 Save as otherwise provided in Rule 5 or Rule 6, a Phantom Option may be exercised within two months following the Maturity Date, as specified by the Board at the Date of Grant.
- 3.2 On exercise of a Phantom Option (subject to the provisions of Rule 9 below), the Participant shall be entitled to be paid by the Company (which for these purposes shall include any Member of the Group) a cash amount calculated as follows:

$$N \quad \times \quad (\text{Market Value} - \text{Notional Option Price})$$

where:

N is the number of Notional Shares over which the Phantom Option has been granted.

- 3.3 The cash amount calculated in accordance with Rule 3.2 above shall be paid (less an amount in respect of any applicable Relevant Liability) no later than two months after the date of exercise.

4. LAPSE OF PHANTOM OPTIONS

4.1 A Phantom Option shall lapse upon the earliest occurrence of any of the following events insofar as it has not been exercised:

4.1.1 two months following the Maturity Date;

4.1.2 the first anniversary of the Participant's death;

4.1.3 on the date on which the Participant ceases to be an Eligible Person (other than by reason of his death or any reason set out in Rules 5.3.1 to 5.3.3) prior to the Maturity Date or, if the reason for such cessation is by reason of gross misconduct (as determined by the Board), at any time prior to exercise (whether before or after the Maturity Date);

4.1.4 the earliest date upon which the Phantom Option is expressed to lapse under Rule 6;

4.1.5 the date of an event specified in Rule 2.4; or

4.1.6 the Participant being adjudicated bankrupt.

4.2 For the purposes of this Rule 0:

4.2.1 subject to Rule 4.2.2, a person shall not be treated as ceasing to be an Eligible Person until he holds no office or employment with, nor provides services to, any Member of the Group; and

4.2.2 a Participant who is an employee of the Group shall be deemed to cease to be an Eligible Person at the point that notice to terminate his employment is given or received.

5. EMPLOYMENT CESSATION EVENTS

5.1 Subject to Rule 4.2, and save as otherwise provided in this Rule 5, a Phantom Option shall lapse immediately upon the Participant ceasing to be an Eligible Person, before the Maturity Date.

5.2 Where a Participant dies, his personal representatives may exercise any Phantom Option held by him within 12 months after the date of death and the personal representatives shall be paid a cash amount calculated in accordance with Rule 5.5.

5.3 Where a Participant ceases to hold the office or employment by virtue of which he is eligible to participate in the Scheme by reason of:

5.3.1 injury, disability, redundancy or retirement (at the discretion of the Board);

5.3.2 his office or employment being in a company which ceases to be a Member of the Group; or

5.3.3 his office or employment relates to a business or part of a business which is transferred to a person who is not a Member of the Group,

he may exercise any Phantom Option held by him within 2 months after the date of cessation of employment and shall be paid a cash amount calculated in accordance with Rule 5.5.

5.4 No person shall be treated for the purposes of Rule 5.3 as ceasing to hold an office or employment by virtue of which that person is eligible to participate in the Scheme until that person ceases to hold any office or employment with a Member of the Group.

5.5 On exercise of a Phantom Option under this Rule 5 (subject to the provisions of Rule 9 below), the Participant (or his personal representatives, as applicable) shall be entitled to be paid by the Company (which for these purposes shall include any Member of the Group) a cash amount calculated as follows:

$$\frac{TE}{36} \times N \times (\text{Market Value} - \text{Notional Option Price})$$

where:

N is the number of Notional Shares in relation to which the Phantom Option has been exercised; and

TE is the number of complete months (not exceeding 36) that have elapsed between the Date of Grant and: (i) the date of death (in the case of exercise pursuant to Rule 5.2) or (ii) the date of exercise (in the case of exercise pursuant to Rule 5.3).

5.6 The cash amount calculated in accordance with Rule 5.5 above shall be paid (less an amount in respect of any applicable Relevant Liability) no later than two months after the date of exercise.

6. COMPANY EVENTS

6.1 If a Sale occurs, Phantom Options may (subject to the provisions of Rule 6.6 below) be exercised at any time within the period of two months of the date the Sale becomes unconditional, and shall lapse to the extent not exercised at the end of such period.

6.2 In the event that notice is given to the shareholders of the Company of a resolution to approve (subject to sanction by the Court) a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies under Chapter 1 of Part 9 of the Companies Act 2014 (the "**Scheme of Arrangement**"), then Phantom Options may (subject to the provisions of Rule 6.6 below) be exercised at any time within the period of two months of the date on which the Scheme of Arrangement is sanctioned by the Court and shall lapse to the extent not exercised at the end of such period.

6.3 In the event that a person becomes entitled or bound to acquire Shares under section 204 of the Companies Act 1963 all Phantom Options may be exercised at any time when the person remains so entitled and bound. If not so exercised, the Phantom Options shall cease to be exercisable and shall lapse.

6.4 In the event that the Company passes a resolution for the voluntary winding up of the Company, Phantom Options may be exercised at any time within the period of two months of the date on which such resolution is passed and shall lapse to the extent not exercised at the end of such period.

6.5 For the purposes of this Rule 6 a person shall be deemed to have obtained Control of a Company if he and others acting in concert with him have together obtained Control of it.

6.6 On exercise of a Phantom Option under this Rule 6 (subject to the provisions of Rule 9 below), the Participant shall be entitled to be paid by the Company (which for these purposes shall include any Member of the Group) a cash amount calculated as follows:

$$\frac{\text{TE}}{36} \times N \times (\text{Market Value} - \text{Notional Option Price})$$

where:

N is the number of Notional Shares in relation to which the Phantom Option has been exercised; and

TE is the number of complete months (not exceeding 36) that have elapsed between the Date of Grant and the date of exercise.

- 6.7 The cash amount calculated in accordance with Rule 6.6 above shall be paid (less an amount in respect of any applicable Relevant Liability) no later than two months after the date of exercise.

7. ROLLOVER OF PHANTOM OPTIONS

- 7.1 If a person acquires Control of the Company as a result of the events referred to in Rule 6.1, 6.2, or 6.3 and that person is a company (the "**Acquiring Company**"), a Participant may, at any time during the relevant Phantom Option exercise period set by Rule 6.1, 6.2, or 6.3 (as applicable), by agreement with the Acquiring Company, release his Phantom Option in whole or in part in consideration of the grant to him of a new Phantom Option ("**New Phantom Option**") which is equivalent to the Phantom Option but which relates to notional shares ("**Shares**" and "**New Notional Shares**", as applicable) in:

7.1.1 the Acquiring Company; or

7.1.2 such other company in relation to which new options are being offered to participants in the Sharesave Scheme.

- 7.2 The New Phantom Option shall not be regarded for the purpose of this Rule 6.6 as equivalent to the Phantom Option unless:

7.2.1 the New Phantom Option will be exercisable in the same manner as the Phantom Option and subject to the provisions of the Scheme as it had effect immediately before the release of the Phantom Option; and

7.2.2 the total Market Value, immediately before the release of the Phantom Option, of the Notional Shares which were subject to the Phantom Option is as nearly as may be equal to the total market value, immediately after the grant of the New Phantom Option, of the New Notional Shares; and

- 7.2.3 the total Notional Option Price payable by a Participant on the exercise of the New Phantom Option is as nearly as may be equal to the total amount that would have been payable by the Participant for the acquisition of the Notional Shares under the Phantom Option.
- 7.3 The date of grant of the New Phantom Option shall be deemed to be the same as the Date of Grant of the Phantom Option.
- 7.4 In the application of the Scheme to the New Phantom Option, where appropriate, references to “Company”, “Shares” and “Notional Shares” shall be read as if they were references to the company to whose shares the New Phantom Option relates, the New Shares and the New Notional Shares, respectively.

8. VARIATION OF CAPITAL

- 8.1 In the event of any capitalisation issue, rights issue, sub-division, consolidation or any reduction or other reorganisation of the capital of the Company the Notional Option Price and/or the number of Notional Shares in respect of which any Phantom Option granted under the Scheme may be exercised shall be adjusted by the Board in the same manner (if any such adjustment has been made) as options granted under the Sharesave Scheme.
- 8.2 As soon as reasonably practicable after making any adjustment under Rule 8.1 above, the Board shall give notice in writing thereof to each Participant.

9. MANNER OF EXERCISE OF PHANTOM OPTIONS

- 9.1 Phantom Options shall be exercised by a Participant lodging with the Company Secretary or such other person as the Board may specify, the relevant certificate evidencing his Phantom Option and a duly completed notice of exercise in such form as the Board may from time to time prescribe in respect of such amount of Notional Shares as the Participant shall specify on the notice of exercise.
- 9.2 It shall be a condition of participation in the Scheme that in the event of a Participant ceasing to be an Eligible Person (for whatever reason) he shall not be entitled to any compensation whatsoever by reason of any termination or alteration of rights or expectations under the Scheme whether such compensation is claimed by way of damages for wrongful dismissal or breach of contract or for loss of office or otherwise howsoever. Participation in this Scheme by a Participant is a matter entirely separate from any pension

right or entitlement he may have and from his terms or conditions of employment and participation in this Scheme shall in no respect whatever affect in any way a Participant's pension rights or entitlement or terms or conditions of employment.

10. ADMINISTRATION, AMENDMENT AND TERMINATION

- 10.1 The Scheme shall be administered by the Board whose decision on all disputes shall be final.
- 10.2 The Board may from time to time make amendments to these Rules provided that:
 - 10.2.1 no amendment may detrimentally affect a Participant as regards any Phantom Option held by him on the date of the amendment being made; and
 - 10.2.2 written notice of any material alteration made in accordance with this Rule 10.2 shall be given to all Participants.
- 10.3 The cost of establishing and operating the Scheme shall be borne by the Company and any other Members of the Group in such proportions as the Board shall determine.
- 10.4 The Company in general meeting or the Board may at any time resolve to terminate this Scheme in which event no further Phantom Options shall be granted but the provisions of this Scheme shall continue in force in relation to Phantom Options subsisting prior to that date.
- 10.5 Any notice to be given pursuant to the terms of these Rules must be given in writing to the party due to receive such notice at (in the case of the Company) its registered office address from time to time or (in the case of an individual) his address or email address as notified to the Company from time to time. Notice must be delivered personally or sent by first-class post or electronically and shall be deemed to be given in the case of personal delivery on delivery and in the case of posting (in the absence of evidence of earlier receipt) within 48 hours after posting (six days if sent by air mail) and in the case of electronic transmission 24 hours after transmission.
- 10.6 The Rules, the Scheme and any non-contractual obligation arising in relation to the Rules or the Scheme shall in all respects be governed by the laws of England and the Courts of England and Wales shall have exclusive jurisdiction in respect of any dispute arising in relation to them.

APPENDIX

This Appendix is included for reference purposes only and does not form a part of these Rules.

Example calculation of the number of Notional Shares under a Phantom Option granted to a Participant

Formula:

$$\text{Number of Notional Shares} = S / \text{Notional Option Price}$$

where:

S = the mean total maximum savings amounts to be saved under the savings contracts or similar arrangements to be entered into by participants in the Sharesave Scheme under which grants were made on or around the same time as the relevant Date of Grant.

Assumed facts:

Under the Sharesave Scheme which was launched on or around the same time as the Date of Grant, five participants enter into savings contracts as follows.

Participant	Monthly savings amount	Total maximum savings amount
1	£450	£16,200
2	£435	£15,660
3	£300	£10,800
4	£450	£16,200
5	£150	£5,400

Calculation:

Total maximum savings amount (all participants):	£64,260
Mean total maximum savings amount (S):	£64,260/5 = £12,852
Notional Option Price:	£2.00
Number of Notional Shares:	£12,852/£2.00 = <u>6,426</u>