

Directors' Remuneration Policy

The following section sets out our Directors' Remuneration Policy. This Policy will be submitted as an advisory vote to shareholders at the 2023 AGM and will apply to payments made on or after 25 April 2023.

As an Isle of Man incorporated company, Entain is not subject to the UK remuneration reporting regulations which apply to UK-incorporated companies. Nevertheless, the Committee recognises the importance of effective corporate governance and is firmly committed to UK best practice. The Remuneration Policy has therefore been prepared in accordance with the provisions of the UK's Companies Act 2006 and Schedule 8 of the Large and Medium Sized Companies Groups (Accounts and Reports) (Amendment) Regulations 2013 (the "Regulations"), the Listing Rules of the UK Financial Conduct Authority and the UK Corporate Governance Code.

Changes from previous policy

The significant changes from the previous policy are summarised on the right. The rationale for these is set out in the Chair's Annual Statement on page 118.

- Increase in the maximum annual LTIP opportunities as follows:
 - CEO: 450% (from 300%)
 - Other Executive Directors: 400% (from 250%).
- Reduction in the proportion of LTIP awards that vest for threshold performance to 16.7% (from 25%), where awards are made at the new maximum levels.
- Increase in shareholding requirements, where awards are made at the new maximum levels, to:
 - CEO: 450% (from 400%)
 - Other Executive Directors: 350% (from 200%).
- Introduction of a cash allowance in lieu of pension provision.
- Provision for our Executive Directors to participate in our all-employee share plans on the same terms as other eligible employees.

In designing the new Policy, the Committee followed a robust process which included discussions on the content of the Policy at five Remuneration Committee meetings. The Committee considered input from management and our independent advisers and carried out an extensive consultation exercise to gather the views of the Company's major shareholders.

Directors' Remuneration Policy

Salary	
Element and strategic link	To provide competitive fixed remuneration that will attract and retain appropriate talent. Reflects an individual's responsibilities, experience and role.
Operation	An Executive Director's basic salary is set on appointment and is generally reviewed annually or when there is a change in position or responsibility. When determining an appropriate level of salary, the Committee considers: <ul style="list-style-type: none"> ● remuneration practices within the Group including salary budgets; ● the general performance of the Group; ● salaries paid by companies of a similar size and complexity and those operating in similar markets; ● any change in scope, role and responsibilities; ● the experience of the individual; and ● the economic environment.
Maximum	There is no maximum level of salary increase. Nevertheless, salary increases for Executive Directors will ordinarily be no higher than the typical level of increase across the wider workforce. Higher increases may be made under certain circumstances such as: <ul style="list-style-type: none"> ● an increase in the scope and/or responsibility of the individual's role on either a permanent or temporary basis; ● the development of the individual within their role; or ● where an Executive Director has been appointed to the Board at a lower than typical level of salary, for example to reflect a lower level of experience, larger increases may be awarded to move them closer to the market rate as their experience develops.
Performance targets and recovery provisions	A broad assessment of individual and business performance is used as part of the salary review. No recovery provisions apply.

Directors' Remuneration Report continued

Benefits	
Element and strategic link	To provide competitive benefits and to attract and retain high calibre employees.
Operation	<p>The Executive Directors may receive benefits including, but not limited to, private health insurance, life insurance and car and accommodation allowances.</p> <p>Executive Directors may also participate in any all-employee share plans that may be operated by the Group from time to time on the same terms as other employees.</p> <p>The Committee recognises the need to maintain suitable flexibility in the benefits provided to ensure it is able to support the objective of attracting and retaining personnel in order to deliver the Group strategy. Additional benefits such as relocation allowances on recruitment may therefore be offered.</p>
Maximum	<p>The maximum is the cost of providing the relevant benefits.</p> <p>The maximum award under any all-employee share plan is in line with the maximum within the relevant plan rules and as applicable to other participants. Awards would also be subject to any prevailing statutory limits.</p>
Performance targets and recovery provisions	No performance or recovery provisions apply.
Pensions	
Element and strategic link	To provide an opportunity for retirement planning.
Operation	Executive Directors are eligible to participate in the Company provided pension arrangement in place in their country of employment, on the same basis as other eligible employees and in line with local statutory requirements. If adversely impacted by local tax legislation, an individual may receive a cash allowance instead of the company contribution into the pension plan.
Maximum	The maximum Company contribution is currently 6% of salary in the UK and Gibraltar (where our current Executive Directors are employed). This may be reviewed if required to meet any changes in statutory requirements, or in line with changes to contribution rates for other employees.
Performance targets and recovery provisions	No performance or recovery provisions apply.

Annual and Deferred Bonus Plan (the "ADBP")	
Element and strategic link	To incentivise the achievement of key financial and non-financial performance targets in line with corporate strategy over a one-year period.
Operation	<p>Awards made annually based on the achievement of a combination of financial and non-financial performance metrics.</p> <p>50% of the bonus will be paid in cash following the end of the financial year.</p> <p>50% of the bonus will be deferred into shares which will vest at the end of three years subject to continued employment.</p> <p>Participants may be entitled to dividends or dividend equivalents representing the dividends paid during the deferral period on the deferred shares.</p>
Maximum	<p>Maximum annual incentive opportunity of 250% of salary for the CEO and 200% of salary for other Executive Directors.</p> <p>Threshold performance is equal to 25% of maximum opportunity.</p> <p>Target performance is equal to 50% of the maximum opportunity.</p>
Performance targets and recovery provisions	<p>Performance metrics and targets will be set by the Committee annually based on a range of financial and non-financial metrics.</p> <p>The specific metrics, targets and weightings may vary from year to year in order to align with the Company's strategy over each year. However, at least 50% of the bonus will be linked to financial metrics.</p> <p>Operational, strategic and personal objectives, where measurement is qualitative, will be limited to a maximum weighting of 30%.</p> <p>The Committee is of the opinion that, given the commercial sensitivity arising in relation to the detailed financial targets used for the bonus, disclosing precise targets for the Plan in advance would not be in shareholder interests. Except in circumstances where elements remain commercially sensitive, targets, performance achieved and awards made will be published at the end of the performance period so shareholders can fully assess the basis for any payouts.</p> <p>The Committee retains full discretion to:</p> <ul style="list-style-type: none"> change the performance metrics and targets and the weighting attached to these part-way through a performance year if there is a significant and material event which causes the Committee to believe the original metrics, weightings and targets are no longer appropriate; and make downward or upward adjustments to the amount of bonus earned resulting from the application of the performance conditions, if the Committee believes that the bonus outcomes are not appropriate. <p>The use of and rationale for any application of discretion by the Committee will be fully disclosed in the following year's Remuneration Report.</p> <p>Malus and clawback provisions apply. See further details on page 140.</p>

Directors' Remuneration Report continued

Long Term Incentive Plan (the "LTIP")	
Element and strategic link	To incentivise the execution of the long-term business plan and the delivery of long-term sustainable value for shareholders.
Operation	<p>Annual awards of performance shares in the form of conditional awards or nil-cost options.</p> <p>Awards typically vest three years from the date of grant subject to the achievement of performance conditions.</p> <p>A two-year holding period will apply following the three-year vesting period for awards granted to the Executive Directors.</p> <p>Upon vesting, sufficient shares can be sold to pay tax.</p> <p>Participants may be entitled to dividends or dividend equivalents representing the dividends paid during the performance period on vested awards.</p>
Maximum	<p>Maximum opportunity of 450% of base salary for the CEO and 400% of base salary for other Executive Directors.</p> <p>Threshold performance results in 16.7% of the award vesting, where awards are made at the maximum levels. Where awards are made at the maximum level under the previous Policy (300% for the CEO and 250% for other Executive Directors), 25% of the award will vest at threshold performance. Where awards are made between these levels, threshold vesting will be set at an appropriate level so that remuneration at threshold performance is broadly unchanged.</p> <p>Below threshold performance results in zero vesting.</p>
Performance targets and recovery provisions	<p>Awards vest based on performance against stretching targets, measured over a three-year performance period.</p> <p>The Committee will review weightings and targets for each grant to ensure they remain appropriate.</p> <p>The Committee may change the balance of the metrics, or use different metrics for subsequent awards, as appropriate.</p> <p>In exceptional circumstances the Committee retains the discretion to:</p> <ul style="list-style-type: none"> change the performance metrics and targets and the weighting attached to these part-way through a performance period if there is a significant and material event which causes the Committee to believe the original metrics, weightings and targets are no longer appropriate; make downward or upward adjustments to the level of vesting resulting from the application of the performance conditions, if the Committee believes that the vesting outcomes are not appropriate. <p>The use and rationale for any application of discretion by the Committee will be fully disclosed in the following year's Remuneration Report.</p> <p>Malus and clawback provisions apply. See further details on page 140.</p>

Shareholding Guidelines (within employment)	
Element and strategic link	To ensure that Executive Directors' interests are aligned with those of shareholders over a longer time horizon.
Operation	<p>Formal shareholding requirements that encourage the Executive Directors to build up, over a five-year period, and then subsequently hold, a shareholding equivalent to a percentage of base salary.</p> <p>Adherence to these guidelines is a condition of continued participation in the equity incentive arrangements.</p> <p>Executive Directors will be required to retain 50% of the post-tax amount of vested shares from the Company incentive plans until the minimum shareholding requirement is met and maintained.</p> <p>The Committee retains discretion to increase the minimum shareholding requirement.</p>
Maximum	<p>In line with the level of LTIP awards actually granted, the shareholding guidelines will increase proportionately:</p> <ul style="list-style-type: none"> • for the CEO from 400% to 450% of salary • for other Executive Directors from 200% to 350% of salary.
Performance targets and recovery provisions	Not applicable.
Shareholding Guidelines (post-employment)	
Element and strategic link	To ensure long-term alignment between the interests of the Executive Directors and those of shareholders through the operation of post-employment shareholding guidelines.
Operation	<p>Executive Directors are normally expected to maintain a shareholding of 100% of their guideline (or their actual shareholding at departure if lower) for two years following cessation of employment.</p> <p>Shares purchased by the Executive Directors out of their own funds will not count towards these guidelines.</p> <p>To support the implementation of this policy the Committee may require leavers to deposit the requisite number of shares into a trust or nominee arrangement. In the case of good leavers, future vestings may be made subject to adherence to the shareholding requirement.</p>
Maximum	Not applicable.
Performance targets and recovery provisions	Not applicable.

Directors' Remuneration Report continued

Chairman and Non-Executive Director fees	
Element and strategic link	To ensure we are able to attract high calibre individuals and compensate appropriately for their experience and knowledge.
Operation	<p>Non-Executive Directors are paid an annual fee and additional fees for chairing a committee. They may also be paid an additional fee, for example, for membership of committees although the Chairman would not receive any additional fees for membership of committees.</p> <p>Fees are generally reviewed annually based on equivalent roles in companies of a similar size and complexity and those operating in similar markets.</p> <p>The Company may provide the Chairman and Non-Executive Directors with tax advice and will pay reasonable expenses incurred by them in carrying out their duties. The Company may settle any tax due in relation to these items.</p> <p>Non-Executive Directors do not participate in any variable remuneration or benefit arrangements.</p>
Maximum	There is no maximum level of fee increase. However, the level of fee increase for the Non-Executive Directors and the Chairman will normally be set taking account of any change in responsibility and the level of increases across the wider workforce.
Performance targets and recovery provisions	Not applicable.

Discretion within the Directors' Remuneration Policy

The Committee has discretion in several areas of Policy as set out in this report. In particular the Committee has unfettered discretion under the terms of our incentive plans to adjust, upward or downward, the formulaic outcome, where it considers that:

- the outcome does not reflect the underlying financial or non-financial performance of the participant or the Group over the relevant period;
- the outcome is not appropriate in the context of circumstances that were unexpected or unforeseen at the award date or when performance targets were set; and/or
- there exists any other reason why an adjustment is appropriate.

In any case where discretion were applied, the Committee would set out the rationale behind its decision at the relevant time.

The Committee may also exercise operational and administrative discretions under relevant plan rules as set out in those rules. In addition, for regulatory, exchange control, tax or administrative purposes, or to take account of a change in legislation, the Committee has the discretion to make minor amendments to the Policy without obtaining shareholder approval.

Malus and Clawback

Malus and clawback provisions apply to awards under the ADBP and the LTIP. Trigger events include:

- discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any Group Member; and/or
- the assessment of any performance metric or target in respect of a payment that was based on error, or inaccurate or misleading information; and/or
- the discovery that any information used to determine the payment was based on error, or inaccurate or misleading information; and/or
- action or conduct of a participant which, in the reasonable opinion of the Committee, amounts to fraud or gross misconduct; and/or
- events or behaviour of a participant have led to the censure of a Group Member by a regulatory authority or have had a significant detrimental impact on the reputation of any Group Member provided that the Committee is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him; and/or
- a material corporate failure in any Group Member.

Malus will operate throughout the vesting periods. Clawback will apply for two years following the vesting of nil cost options or conditional awards.

The Committee believes that it has the necessary powers under the rules of the LTIP and ADBP to enforce these provisions.

Application of policy

As an Isle of Man incorporated company, Entain does not have the benefit of the statutory protections afforded by the UK Companies Act 2006 in relation to the remuneration reporting regime. Accordingly, if there is any inconsistency between the Policy (as approved by shareholders) and any contractual entitlement or other right as a Director, the Company may be obliged to honour that existing entitlement or right.

Comparison with other employees

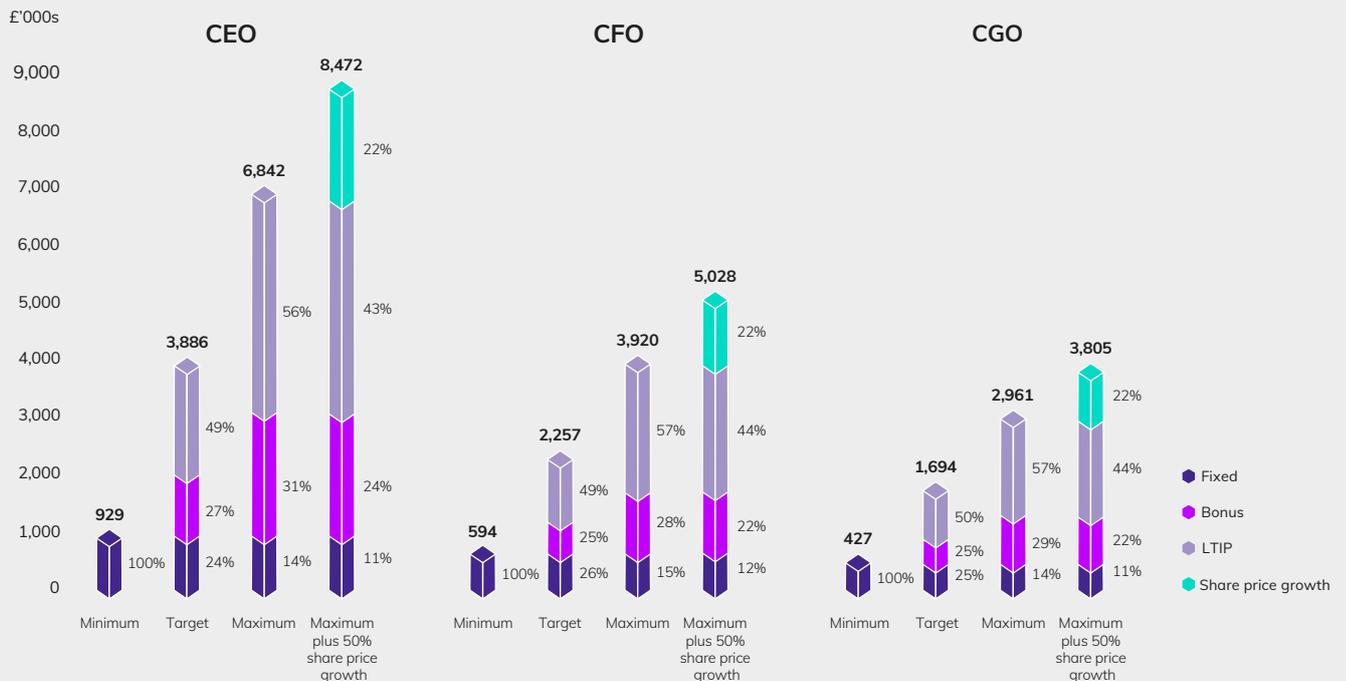
All employees receive base salary and benefits appropriate to their local market. For employees below Group Board level, Entain operates discretionary bonus arrangements with opportunity levels linked to seniority and role. Performance metrics under these arrangements are broadly aligned with those for the Executive

Directors, although depending on role, there may be a greater emphasis on business unit rather than group performance. The LTIP is extended to a limited number of senior executives with performance metrics and targets set in line with the Policy table above. To assist in the retention of senior talent, awards of Restricted Shares are made to a further select group of senior employees. To facilitate wider share ownership among our employees, we offer an all-employee share plan (“ShareSave”) to the majority of our employees (where it is logistically viable to do so) and made an award of free shares to all employees in June 2022. Any differences in an individual’s reward package is reflective of their location, seniority, role and level of responsibility.

Further details of how the Committee considers remuneration arrangements for our Executive Directors in the context of pay and conditions for our wider employees is provided on pages 130 to 132.

Reward scenarios

The charts below show an estimate of the remuneration that could be received by Executive Directors under the Policy set out in this report.



Assumptions used in determining the level of payout under given scenarios are as follows:

Element	Minimum	On-Target	Maximum
Fixed Elements	Base salary for 2023 Benefits and pension paid in 2022		
Annual Bonus Plan	Nil	50% of maximum payout: • CEO – 125% of salary • CFO/CGO – 100% of salary	100% of maximum payout: • CEO – 250% of salary • CFO/CGO – 200% of salary
LTIP	Nil	50% of maximum vesting: • CEO – 225% of salary • CFO/CGO – 200% of salary	100% of maximum vesting: • CEO – 450% of salary • CFO/CGO – 400% of salary

The maximum plus share price growth column shows the additional value that could payout if the LTIP vests at maximum and share price increases by 50%.

Directors' Remuneration Report continued

Approach to recruitment and promotions

When setting the remuneration for a new Executive Director, the Committee will consider the candidate's existing remuneration, the market rate for the role, and the need to pay no more than necessary to facilitate the recruitment. The remuneration package will generally be set in line with the remuneration policy for existing Executive Directors. Full details are set out below.

Remuneration element	Recruitment policy
Salary, benefits and pension	<p>These will be set in line with the policy for existing Executive Directors.</p> <p>Where the new Executive Director is required to relocate, the Company may provide relocation support in accordance with its normal relocation package for other senior employees. The level of the relocation package will be assessed on a case by case basis but may include, for example, a housing allowance and school fees and reflect cost of living differences.</p>
Annual bonus	<p>The appointed Executive Director will be eligible to earn a discretionary annual bonus in accordance with the rules and terms of the ADBP.</p> <p>The maximum opportunity will be 250% of salary for a new CEO and 200% of salary for any other Executive Director.</p>
Long-term incentives	<p>The appointed Executive Director will be eligible for performance-based equity awards in accordance with the rules and terms of the LTIP.</p> <p>The maximum opportunity will be 450% of base salary for a new CEO and 400% of salary for any other Executive Director.</p>
Maximum variable remuneration	<p>The maximum variable remuneration which may be granted is 700% of salary for a new CEO or 600% of salary for any other Executive Director.</p>
Buy-out awards	<p>Where the Committee determines that the individual circumstances of recruitment justify the provision of a buyout, the equivalent value of any incentives that will be forfeited on cessation of an Executive Director's previous employment ("lapsed value") will be calculated taking into account the following:</p> <ul style="list-style-type: none"> the proportion of the performance period completed on the date of the Executive Director's cessation of employment; the performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied; and any other terms and conditions having a material effect on their value. <p>The Committee may then make a grant up to the value of the lapsed value, where possible, under the Company's incentive plans. To the extent that it is not possible or practical to provide the buyout within the terms of the Company's existing incentive plans, a bespoke arrangement may be used.</p>

Where an existing employee is promoted to the Board, the Policy set out above will apply from the date of promotion. Any existing remuneration arrangements which fall outside of the Policy would be honoured and form part of the ongoing remuneration of the employee.

The Company's policy when setting fees for the appointment of new Non-Executive Directors is to apply the policy that applies to current Non-Executive Directors.

Service contracts & letters of appointment

The Company's policy is that Executive Directors have rolling contracts which are terminable by either party giving the other 12 months' notice. The Chairman and Non-Executive Directors do not have service contracts but are engaged under letters of appointment. Non-Executive Directors are appointed for an initial three-year term but are subject to annual re-election at the Company's AGM. All service contracts and letters of appointment are available for viewing at the Company's registered office and at the AGM.

Director	Date appointed	Arrangement	Notice period
J Nygaard-Andersen	21 January 2021	Service contract	12 months
R Wood	5 March 2019	Service contract	12 months
R Hoskin	1 January 2022	Service contract	12 months
B Gibson	4 November 2019	Letter of appointment	3 months
P Bouchut	13 September 2018	Letter of appointment	3 months
S David	4 March 2021	Letter of appointment	3 months
V McDowell	6 June 2018	Letter of appointment	3 months
D Satz	22 October 2020	Letter of appointment	3 months
R Welde	1 July 2022	Letter of appointment	3 months

Subject to Board approval, Executive Directors are able to accept appropriate outside Non-Executive Director appointments provided the aggregate commitment is compatible with their duties as Executive Directors. The Executive Directors concerned may retain fees paid for these services.

Payment for loss of office

When determining any loss of office payment for a departing Executive Director, the Committee will always seek to minimise the cost to the Company while complying with the contractual terms and seeking to reflect the circumstances of the departure. The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.

If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There is no agreement between the Company and its Executive Directors or employees, providing for compensation for loss of office or employment that occurs because of a takeover bid. Service contracts do not contain liquidated damages clauses.

When determining the treatment of Company incentive plans upon cessation of employment, the Committee will consider the rationale for the departure. An individual may be treated as a "good leaver" for these purposes if they leave by way of the following circumstances – (i) death, (ii) injury, ill-health or disability, (iii) redundancy, (iv) retirement, (v) the employing company ceasing to be a Group company, (vi) transfer of employment to a company which is not a Group company, and/or (vii) any other circumstances as determined by the Committee.

A summary of the treatment of the various elements of remuneration on termination of employment is set out in the table below. The treatment for a leaver who does not fall into the definition of a good leaver is described under the "Other leavers" sections. Where discretion is available under the Policy, the Committee would consider exercising this only after taking into account the particular circumstances of the departure and any other relevant business rationale. The Committee will explain any discretion used to shareholders in the following Directors' Remuneration Report.

Directors' Remuneration Report continued

Incentive plan	Treatment on Cessation of Employment	Treatment on Change of Control
Salary, Benefits and Pension	<ul style="list-style-type: none"> These will be paid over the notice period. The Company has discretion to make a lump sum payment in lieu of notice and to apply mitigation if considered appropriate. The Company also has discretion to place an individual on garden leave for all or a portion of their notice period. 	
Annual Bonus Plan	<p>Good leavers</p> <ul style="list-style-type: none"> May be entitled to receive an annual bonus for the year of departure. Performance conditions will typically be assessed at the end of the financial year, with the bonus being paid on the normal payment date. Any bonus will normally be pro-rated for the period worked during the financial year. The Committee would decide whether to make part payment of the bonus in shares or pay it fully in cash. <p>Other leavers</p> <ul style="list-style-type: none"> Typically, no bonus payable for year of cessation. <p>Discretion</p> <p>The Committee has the following discretion available:</p> <ul style="list-style-type: none"> to determine that an individual is a good leaver; and to determine whether to pro-rate the bonus for time – the default position is that any bonus award will be pro-rated for time. 	<p>Any bonus for the year will normally be pro-rated to the date of the change of control and paid immediately prior to the date of the change of control.</p> <p>Performance conditions will be measured at the date of the change of control.</p> <p>Discretion</p> <p>The Committee has discretion to determine whether to pro-rate the bonus for time – the default position is that any bonus award will be pro-rated for time.</p>
Deferred Bonus Plan	<p>Good leavers</p> <ul style="list-style-type: none"> All unvested deferred shares will be preserved, and typically vest on the normal vesting date. <p>Other leavers</p> <ul style="list-style-type: none"> All unvested deferred shares will be forfeited on cessation of employment. <p>Discretion</p> <p>The Committee has the following discretion available:</p> <ul style="list-style-type: none"> to determine that an individual is a good leaver; to determine whether to pro-rate deferred shares for good leavers – the Committee's normal policy is that it will not pro-rate; to vest deferred shares for good leavers at the end of the original deferral period or at the date of cessation – the default position (for good leaver scenarios other than death) is that they will vest on the original vesting date. 	<p>Any invested deferred shares will vest immediately prior to a change of control.</p>

Incentive plan	Treatment on Cessation of Employment	Treatment on Change of Control
<p>LTIP</p>	<p>Good leavers</p> <p>Unvested awards will typically vest on the normal vesting date subject to:</p> <ul style="list-style-type: none"> the extent any applicable performance conditions have been satisfied; and pro-rating to reflect the period of time elapsed between grant and cessation of employment as a proportion of the normal vesting period. <p>The two-year holding period will normally continue to apply.</p> <p>Other leavers</p> <p>All unvested awards will be forfeited on cessation of employment.</p> <p>Discretion</p> <p>The Committee has the following discretion available:</p> <ul style="list-style-type: none"> to determine that an individual is a good leaver; to measure performance over the original performance period or at the date of cessation – the default position for leaver scenarios other than death is that the assessment will be performed at the end of the original performance period; to determine whether awards should vest on the normal vesting date or the date of cessation – the default position, other than death, is that awards will vest on the original vesting date; to determine whether to pro-rate for time – the default position is that awards will be pro-rated from the date of grant to the date of cessation; and to determine that no holding period will apply following vesting – the default position, other than death, is that the holding period will continue to apply. 	<p>Any unvested awards will normally vest immediately prior to a change of control subject to:</p> <ul style="list-style-type: none"> the extent to which any applicable performance conditions have been satisfied at the date of change of control; and pro-rating to reflect the period of time elapsed between grant and change of control as a proportion of the normal vesting period. <p>Discretion</p> <p>The Committee has discretion available to determine whether to pro-rate awards for time – the default position is that they will be pro-rated for time.</p>

Consideration of shareholders' views

The Committee has an open relationship with shareholders on remuneration matters. It welcomes dialogue and seeks to engage with significant shareholders and representative bodies at the earliest opportunity on material changes to remuneration policy or structure. During development of this Policy, the Committee Chair consulted with shareholders to get their input and views on remuneration at Entain. The feedback received was presented to, and discussed by, the Committee and was taken into account to inform the final Policy design.