Introduction to governance

Our governance arrangements support our strategy by:

- ensuring accountability and responsibility
- facilitating sharing of an appropriate level of information to inform decisions
- establishing engagement programmes with key stakeholders
- maintaining a sound system of risk oversight and robust internal controls
- providing independent insight and knowledge from Non-Executive Directors
- facilitating monitoring of business performance

The Board has a formal schedule of matters reserved for its approval. These include decisions on the Group's strategy, capital structure, financing, major acquisitions or disposals, the risk appetite and capital expenditure above the delegated authority limits. The matters reserved for the Board are reviewed annually and available on: www.flutter.com/about-us/corporate-governance.

Read a summary of matters reserved for the Board on page 111

Read more on our governance framework on page 106

The Company is subject to the principles and provisions of the 2018 UK Corporate Governance Code (the "Code"). For the year ended 31 December 2021, the Company fully complied with the provisions set out in the Code as detailed on page 95, except for Provision 38, an explanation for which is provided on page 162. A summary of the system of governance adopted by the Company is set out on pages 94 to 162.

Introduction to corporate governance

As the business grows and develops internationally, our governance will be increasingly scrutinised. Good corporate governance ensures our business is managed effectively for the benefit of all our stakeholders. Our governance framework provides clear lines of accountability and responsibility. It also supports the appropriate sharing of information, ensures appropriate oversight on strategic matters and facilitates an effective and transparent decision-making process.

2021 highlights

Board meetings in the year

While Board meetings were held virtually for the majority of 2021 due to local Covid-19 restrictions, physical Board meetings were held in September and October, the first physical meetings held in 18 months. This gave Board members an opportunity to meet in person for the first time since completion of the TSG merger in May 2020. The annual Board strategy offsite was also held in person, during which the Board approved a new corporate strategy.

Read more on our strategy on pages 18 to 27

Board inductions

Holly Keller Koeppel, Nancy Dubuc and Atif Rafiq joined the Board during 2021 as Independent Non-Executive Directors. Each Non-Executive Director joining the Board received a comprehensive induction on the Flutter business including divisions, brands and operations, our governance framework, strategy, and comprehensive Board Committee inductions.

Read more on Board inductions on page 113

UK Corporate Governance Code

1. Leadership and Company purpose

The Board is responsible for leading the strategic direction of the business to promote long-term sustainable success.

This includes effective engagement with our stakeholders and colleagues. Our dedicated Board level Committee, the Workforce Engagement Committee, supports the Board's engagement with our colleagues in order to foster a meaningful engagement between Flutter and its workforce.

Our Code of Ethics and associated policies ensure our colleagues can meet our expected values and behaviours.

Read more on pages 106 to 107

2. Division of responsibilities

The roles of the Chair and Chief Executive Officer are clearly defined. The Board operates effectively with an appropriate balance of Independent Non-Executive Directors. No Director dominates the decision-making process.

Read more on pages 110 to 111

3. Board composition, succession and evaluation

Our clear processes when considering appointments to the Board ensure we've an appropriate balance of skills, experience and broad diversity. We undertake an annual evaluation of the Board's performance and have in place appropriate Board succession plans.

Our Nomination Committee supports the Board in overseeing the recruitment and selection of Board and senior management positions, and the annual Board evaluation process, and makes recommendations to the Board on the composition of the Board and its Committees.

Read more on pages 112 to 115

4. Audit, risk and internal controls

Our Audit Committee has oversight of our internal controls which safeguard the integrity of the Financial Statements and maintain effective systems of internal controls.

Our Risk and Sustainability Committee makes sure that our risk and control environment is appropriately managed to protect our reputation, achieve our long-term strategic objectives and addresses ESG including climate, safer gambling, betting integrity and anti-money laundering.

Read more on pages 124 to 131

5. Remuneration

Our Remuneration Committee ensures the Company's remuneration arrangements are designed to support the strategy and promote long-term sustainable success by appropriately incentivising the relevant performance.

Read more on pages 136 to 154

Compliance with the Code

Our approach to governance

We are committed to the highest standards of corporate governance and regularly review our governance structures and arrangements to be sure that they meet best practice requirements. The Board is responsibility for the leadership, strategic direction, risk appetite and long-term success of the Group. The Board is also responsible for the stewardship of the Group, establishing the Group's purpose, values and strategy and satisfying itself that these are aligned to the culture of the organisation.

The Board assess its approach to corporate governance. As part of its decision-making process, due regard is given to the interests of all of the Group's stakeholders with the goal of achieving long-term sustainable success for the business. The Board, its Committees and management, working together, and using our governance principles, provide a clear and robust framework within which decisions are made.

The primary (premium) listing of Flutter Entertainment plc is on the London Stock Exchange, with the listing on Euronext Dublin characterised as secondary. For this reason, Flutter Entertainment plc is not subject to the same ongoing listing requirements as would apply to an Irish company with a primary listing on Euronext Dublin, including the requirement that certain transactions require the approval of shareholders. For further information, shareholders should consult their financial adviser.

Despite our secondary listing on Euronext Dublin, the Company voluntarily adopts the provisions of the Irish Corporate Governance Annex (the "Irish Annex") in addition to the requirements of the Code.

Statement of compliance for 2021

This report sets out the operations and activities undertaken by the Board and its Committees in compliance with the Code and the Irish Annex throughout 2021. On behalf of the Board, I am pleased to confirm that we have applied all the Principles, and complied with all the Provisions of the Code, except for Provision 38, an explanation of for which is provided on page 162 of this Annual Report, and fully complied with the Irish Annex for the year ended 31 December 2021. As set out in further detail on page 162, we have committed to complying with Provision 38 by 1 January 2023, in line with accepted practice amongst UK investor bodies.

The UK Code is available from the Financial Reporting Council's website, www.frc.org.uk

The Irish Annex is available from Euronext Dublin's website, www.euronext.com

Gary McGann
Chair
14 March 2022

Leadership, governance and engagement

Committee membership key:

A Audit N Nomination Re Remuneration Ri Risk W Workforce Engagement ● Committee Chair

Gary McGann (IR)

Chair – Independent on appointment

(age 71)

Appointed to this position

1 July 2015*

N Re

Key strengths and experience

- Extensive board experience in both the private and public sector
- Significant number of years' experience in senior finance, operations, market-facing and general management roles

Gary was, until September 2020, Chair of Aryzta AG, and previously a Non-Executive Director of Green Reit plc and Non-Executive Director of Smurfit Kappa Group plc having been Group Chief Executive of Smurfit Kappa Group prior to this and having previously held a number of senior roles including President and Group Chief Operations Officer. Prior to this, he was Chief Executive of Gilbeys of Ireland and Aer Lingus Group.

Gary holds BA and MSc Management degrees and is a qualified accountant (FCCA).

Other current appointments

None.

* Became a Non-Executive Director: November 2014.

Jonathan Hill (UK/IR)

Chief Financial Officer

(age 53)

Appointed to this position

22 October 2018

Key strengths and experience

- Significant financial and operational experience across various industry sectors and at listed companies
- Strong knowledge in strategic planning and development of large corporate projects

Jonathan was previously the Group Chief Financial Officer at Saga plc. Prior to that, he held various senior roles within TUI Travel plc and Centrica plc and was the Group Finance Director at Bovis Homes Group plc.

He is a qualified Chartered Accountant and spent his early career at Price Waterhouse in London.

Other current appointments

None.

Peter Jackson (UK)

Chief Executive Officer

(age 46)

Appointed to this position

8 January 2018*

Key strengths and experience

- Extensive experience in leading consumer businesses with international reach within a highly regulated industry
- Technology and digital consumer sector expertise

Prior to becoming Chief Executive Officer, Peter was Chief Executive Officer of Worldpay UK, an operating division of Worldpay Group plc. He was formerly Chief Executive Officer of Travelex Group. He then joined Banco Santander as Head of Global Innovation and a Director of Santander UK Group Holdings plc. Peter's previous experience includes senior positions at Lloyds and Halifax Bank of Scotland, as well as time at McKinsey & Company.

He holds an MEng degree.

Other current appointments

Non-Executive Director of Deliveroo plc.

* Non-Executive Director of Betfair Group plc: April 2013 and Paddy Power Betfair plc: February 2016.

Zillah Byng-Thorne (UK)

Independent Non-Executive Director

(age 47)

Appointed to this position

2 February 2016*

A Ri

Key strengths and experience

- A number of years' financial and operational experience
- Strong insight into retail trends, consumer behaviour, brands and the digital and technology sector having led a consumer-facing digital business

Zillah was appointed Chief Executive of Future plc in April 2014, having previously served as Chief Financial Officer and Company Secretary. Prior to this, she was Chief Financial Officer of Trader Media Group, Fitness First Group Ltd and Thresher Group.

She is a Chartered Management Accountant and a qualified treasurer and holds an MA in Management Studies and an MSc in Behavioural Change.

Other current appointments

Chief Executive of Future plc and Non-Executive Director of THG plc.

* Non-Executive Director of Betfair Group plc: September 2013.

Non-Executive Directors' skills

Michael Cawley (IR)

Independent Non-Executive Director

(age 67)

Appointed to this position

17 July 2013

A Ri

Key strengths and experience

- Significant experience in senior finance, leadership and operational roles
- Extensive regulated industry experience

Michael is Chair of Hostelworld plc, and Non-Executive Director of Kingspan plc. He is also Non-Executive Director of Ryanair plc, having previously held a number of senior positions including Deputy Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Commercial Director. Prior to that, Michael was Group Finance Director of Gowan Group Limited. He is also Chair of Linked P2P Limited, Meadowbrook Heights Unlimited and Prepaid Power Limited.

He is a qualified Chartered Accountant and holds a Bachelor's degree in Commerce.

Other current appointments

Chair of Hostelworld Group plc and Non-Executive Director of Kingspan Group plc and Ryanair Holdings plc.

Nancy Cruickshank (UK)

Independent Non-Executive Director

(age 51)

Appointed to this position

15 May 2019

Ri N W

Key strengths and experience

- Extensive digital and entrepreneurial expertise
- A wealth of non-executive director experience

Nancy is a serial entrepreneur, digital leader and non-executive director. She presently works as an Operating Partner at Exponent PE as part of a plural non-executive portfolio. Her last start-up, My Showcase, was named by the Sunday Times as one of the 15 fastest-growing startups in the UK in 2016. The business was acquired by Miroma Group in February 2018. w Nancy worked in the digital industry for over 25 years, including launching Condé Nast online in 1996, overseeing Telegraph Media Group's Digital business and developing the fashion and beauty market leader Handbag.com between 2001 and 2006, leading to a successful sale to Hearst Corporation in 2006.

Other current appointments

Chair at Go City, Non-Executive Director at In The Style PLC, Oodle Car Finance and Allegro.EU.SA.

Nancy Dubuc (US)

Independent Non-Executive Director

(age 53)

Appointed to this position

29 April 2021

N Re W

Key strengths and experience

- Extensive media, digital and publishing experience
- Significant number of years' experience in senior leadership

Nancy is CEO of VICE Media Group and responsible for the definition, strategic growth and performance of the organisation's five distinct global lines of business - VICE TV, VICE News, Digital Publishing, Global Studios and Virtue, the company's global creative agency. In 2019, she led the acquisition and integration of Refinery29 and expanded VICE News globally. Nancy joined VICE after having been one of its board members. Prior to VICE, Nancy was President & CEO of A+E Networks, where she launched A+E Studios and A&E Indie Films and led their global expansion and digital migration.

Nancy holds a BSc.

Other current appointments

CEO of VICE Media Group LLC and Chair of Audit Committee of Warner Music Group

Andrew Higginson (UK)

Senior Independent Director

(age 64)

Appointed to this position

2 October 2019

N Re

Key strengths and experience

- A wealth of executive and non-executive board-level experience
- Commercial, retail and leadership expertise

Andrew served as Chair of Wm Morrison Supermarkets plc until its merger with Clayton, Dubilier & Rice in October 2021. Prior to this, he was an Executive Director at Tesco plc, having spent 15 years on the main board, first as Finance and Strategy Director, and latterly as Chief Executive of its Retailing Services business. His early career was with Unilever, Guinness, Laura Ashley and the Burton Group. He was previously the Chair of Poundland Group plc and N Brown plc, Senior Independent Director of Sky plc and a Non-Executive Director of the Rugby Football Union.

Other current appointments

Chair of Evergreen Garden Care Limited.

Board of Directors continued

Committee membership key:

A Audit · N Nomination · Re Remuneration · Ri Risk · W Workforce Engagement · ● Committee Chair

Holly Keller Koeppel (US)

Independent Non-Executive Director

(age 63)

Appointed to this position
13 May 2021

A Ri N

Key strengths and experience

- Broad international experience in consumer goods, commodities and energy
- Extensive experience with operational and financial leadership responsibilities in infrastructure and energy

Up until April 2018, Holly was a Senior Adviser to Corsair Capital LLC, where she had previously served as Managing Partner and Co-Head of Infrastructure from 2015 until her retirement in 2017. From 2010 to 2015, Holly was Partner and Global Co-Head of Citi Infrastructure Investors, a division of Citigroup. Holly served as Executive Vice President and Chief Financial Officer for American Electric Power Corporation from 2006 to 2009. Prior to 2000 Holly held a series of senior operational executive leadership positions in America Electric Power Company, Inc and Consolidated Natural Gas Company. Until May 2021, Holly served as Non-Executive Director of Vesuvius plc. Holly is a member of the Women's Corporate Directors (London Chapter).

Holly holds a BSc and MBA.

Other current appointments

Non-Executive Director of British American Tobacco plc, AES Corporation and Arch Resources, Inc.

Richard Flint (UK)

Non-Executive Director

(age 49)

Appointed to this position
5 May 2020

Ri W

Key strengths and experience

- Significant senior management and operational experience across the global gambling industry
- Extensive non-executive board level experience

Richard formerly served as Executive Chair of Sky Betting & Gaming, until October 2019, having previously held the position of Chief Executive Officer for 10 years. Prior to this, Richard held positions as Channel Director at FT.com and Product Director of the original flutter.com, which merged with Betfair in 2001. Richard worked as a consultant at McKinsey & Company from 1997 to 1999.

Richard has a degree in Engineering, Economics and Management and a Master's in Public Policy.

Other current appointments

Chair of the board of online pet food company Butternut Box and Non-Executive Director on the board of Welcome to Yorkshire.

Alfred F Hurley, Jr (US)

Independent Non-Executive Director

(age 67)

Appointed to this position
5 May 2020*

N Re

Key strengths and experience

- Extensive board experience in both private and public sector
- Strong financial services, corporate governance and risk management experience

Prior to the combination between Flutter and TSG, Alfred was Lead Director and Chair of TSG's Compensation Committee. Before that, he was Vice Chair and Chief Risk Officer of Emigrant Bank and Emigrant Bancorp, and previously the Chief Executive Officer of M. Safra & Co. Alfred spent most of his career at Merrill Lynch where he was an investment banker and held various management positions including Senior Vice President of Merrill Lynch & Co.

Other current appointments

Chair of the Nomination and Governance and Compensation Committees of New Mountain Finance Corporation.

* Non-Executive Director of The Stars Group, Inc: June 2016. Lead Director May 2018 - 2020.

David Lazzarato (CA)

Independent Non-Executive Director

(age 66)

Appointed to this position
5 May 2020*

A Ri

Key strengths and experience

- Significant public and private sector board experience
- Extensive experience in senior leadership, financial and operational roles

David served as a board member and Chair of the Audit Committee of TSG prior to its combination with Flutter. Prior to this, he chaired the audit committees of Yellow Pages Limited and LED Roadway Lighting. He also previously served as Senior Vice President of Finance at Bell Canada, Chief Executive Officer of Craig Wireless Systems, Executive Vice President and Chief Financial Officer of Alliance Atlantis Communications Inc., Executive Vice President and Chief Financial Officer of Allstream Inc. (formerly, AT&T Canada Inc.) and Chief Corporate Officer of MTS Allstream Inc.

David holds a Bachelor of Commerce degree, is a Chartered Accountant, and received his ICD.D certification from the Institute of Corporate Directors.

Other current appointments

None.

* Non-Executive Director of The Stars Group Inc: June 2016.

Mary Turner (CA)

Independent Non-Executive Director

(age 68)

Appointed to this position
5 May 2020*

A Re

Key strengths and experience

- Significant experience in financial services, payments, customer service, credit risk management, enterprise risk management, operations, finance and information technology
- A wealth of non-executive board level experience

Mary most recently served as a board member of TSG, where she chaired the corporate governance and nominating committee. Prior to that, she served as the President and Chief Executive Officer and as a board member of Canadian Tire Bank, a subsidiary of Canadian Tire Corporation. Before joining Canadian Tire, Mary was a partner at Deloitte & Touche (now Deloitte LLP). She has previously served on several boards, including Mackenzie Financial Corporation, a subsidiary of IGM Financial Inc.

She holds an honours BSc and is a Chartered Accountant.

Other current appointments

None.

* Non-Executive Director of The Stars Group Inc.: June 2017.

Atif Rafiq (US)

Independent Non-Executive Director

(age 48)

Appointed to this position
10 December 2021

Key strengths and experience

- Significant experience in e-commerce, marketplaces and direct to consumer
- Extensive global business and operations experience for well known public companies

Atif most recently worked for MGM Resorts International, at the President level, and has vast experience in innovation across e-commerce, marketplaces, digital media, digitization of traditional business, direct to consumer business models and autonomous vehicles. From 2017 to 2019 he worked as Chief Digital and Global Chief Information Officer for Volvo Cars and prior to this served as Global Chief Digital Officer and Corporate SVP of McDonald's from 2013 to 2017. Atif has also worked for Amazon, Yahoo! and AOL.

Atif holds a bachelor's degree in Mathematics-Economics and a master's degree in Business Administration.

Other current appointments

Non-Executive Director for Clearcover, Inc. and member of the board of directors at KINS Technology.

Edward Traynor

Company Secretary

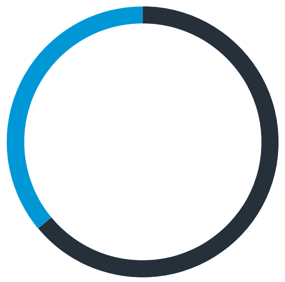
Appointed to this position
14 May 2015

Key strengths and experience

- Edward is a qualified solicitor and holds a BL in Civil Law (International)

Edward is Group Company Secretary and is responsible for advising the Board on governance matters and managing Flutter's relationship with the Company's registrar. Edward has extensive legal and governance experience, having been General Counsel and Company Secretary for Paddy Power prior to its merger with Betfair in 2015. Prior to this, Edward held the positions of General Counsel and Company Secretary and latterly Head of Legal and Regulatory Affairs for Vodafone Ireland.

Board diversity



- Male: 64.3%
- Female: 35.7%

Read more on our Board skills and diversity on pages 116-119

An experienced leadership team

> The Executive Committee is responsible for executing Flutter's strategy, fulfilling strategic and sustainability objectives, driving robust financial performance, and ensuring a supportive business culture.

Peter Jackson
Chief Executive Officer – Flutter

See full biography on **page 96**

Jonathan Hill
Chief Financial Officer-Flutter

See full biography on **page 96**

Paul Cutter
Chief Information Officer – Flutter

Role
Paul is responsible for setting the global technology strategy for the Flutter Group. Paul and his team work with each of our brands to share technology, insights and best practices that enable us to benefit from our global scale without sacrificing local innovation and customer responsiveness.

Barni Evans
Chief Executive Officer – Sportsbet

Role
Barni heads up the team at Sportsbet in Australia. He is responsible for ensuring Sportsbet brings excitement to life for our customers and driving the culture and strategies that help deliver the best product, value and marketing. Prior to becoming CEO in 2018, Barni served in several marketing and commercial functions at Sportsbet and Paddy Power.

Conor Grant
Chief Executive Officer – Flutter UK & Ireland

Role
Conor took up this position in July 2020 and is responsible for the day-to-day operations of Sky Betting & Gaming, Paddy Power, Betfair & Tombola. Conor started his career working at Paddy Power in 1998 and in 2010 joined Sky Betting & Gaming and worked in a variety of positions including Managing Director of Gaming before his promotion to Chief Operating Officer in October 2018.

Amy Howe
Chief Executive Officer and President – FanDuel

Role
Amy is responsible for the day-to-day operations of the FanDuel business in North America. Prior to her appointment as CEO, Amy was President of FanDuel with responsibility for leading the company's core commercial functions across its Sportsbook, Casino, Racing and Daily Fantasy businesses.

Pádraig Ó Ríordáin
Chief Legal Officer and Group Commercial Director – Flutter

Role
Pádraig is responsible for the Legal and Commercial strategy of the Group, at the core of which is the Group's sustainability strategy, the Positive Impact Plan, as well as leading the global strategic direction of the Group in the areas of risk, safer gambling, regulatory and compliance.

Ian Proctor
Executive Chairman – Flutter UK & Ireland

Role
Following the Flutter acquisition of The Stars Group in May 2020, Ian took up his latest position of Executive Chairman UK & Ireland – Flutter. Among Ian's key responsibilities in this role are leading Flutter's engagement with the UK Government's on-going Gambling Act Review, along with Flutter's industry liaison efforts, primarily through its membership of the Betting & Gaming Council.

Dan Taylor
Chief Executive Officer – Flutter International

Role
Dan has been with Flutter for 7 years and is responsible for all our international brands including Adjarabet, Betfair, Junglee, PokerStars and FoxBet brands across all markets and geographies. Prior to this, Dan was the CEO of PPB with similar responsibilities for Betfair, Adjarabet and Paddy Power online and retail businesses. Prior to these roles he was MD, UK & Ireland and MD, Retail.

"

Good corporate governance and an inclusive culture are the foundations of Flutter's purpose, vision and strategy.

Commitment to good governance

By setting the tone for our culture, values and behaviour, the Board includes the views of all stakeholders in its decision making. We remain focused on delivery of the long-term sustainable success of the Group.

The Board remains strongly committed to good governance. This report sets out our progress in governance areas including work undertaken this year to support Directors, in particular new Board members, to engage in Board meetings, and enhancing our risk governance framework to support embedding of risk culture throughout the Group.

Following the resignation of Dave Gadhia and Peter Rigby as Non-Executive Directors during 2021, Nancy Dubuc joined the Board as an Independent Non-Executive Director on 29 April 2021, Holly Keller Koeppel joined the Board as an Independent Non-Executive Director on 13 May 2021, and Atif Rafiq joined the Board as an Independent Non-Executive Director on 10 December 2021. The Board regularly reviews its skills and competencies and the composition of all Committees in line with its commitment to regularly refresh Board Committee composition. This ensures adequate skills and experience on each Committee. Michael Cawley will not seek re-election at the 2022 AGM and will step down from the Board at the conclusion of that meeting. Zillah Byng-Thorne, having completed nine years on the Board and legacy boards, will step down from the Board prior to the 2023 AGM. The Board will continue to keep the composition of the Board and its Committees under regular review in light of these Board changes.

Read more on Directors' biographies on **pages 96 to 99**

Between January 2021 to September 2021, in response to travel restrictions imposed due to the Covid-19 pandemic, the Board continued to conduct its meetings, and those of its Committees, remotely. Despite the challenge this presented, particularly in the context of new Board members, the Board continued to foster a highly effective Board culture. We are satisfied that the integrity of our governance structure has been maintained during this period.

We were also delighted to conduct the September strategy offsite and Board meeting, as well as the October meetings, physically in Dublin. These meetings were the first time the Board were in same room since the completion of the merger with TSG in May 2020 when the enlarged Board combined.

Unfortunately, the December Board and Committee meetings reverted to remote video calls due to increased incidents of Covid-19 globally arising from the Omicron variant and for the safety of our colleagues. We will continue to monitor restrictions and the ongoing Covid-19 pandemic and will endeavour to hold physical meetings when it is safe to do so.

Sustainability

The Board welcomes the development of a new sustainability strategy for the Group focused on climate, environment, safer gambling, responsible business and strong social priorities. The new strategy builds strong sustainability foundations and capabilities incorporating sustainability performance management processes for ongoing sustainability reporting and ensures alignment with the overall corporate strategy and purpose. Our Positive Impact Plan focuses on three distinct stakeholder groups, customers (Play Well), colleagues (Work Better) and communities (Do More). The Board also welcomed a number of enhancements to the sustainability governance structure. These included evolving the Risk Committee to become the Risk and Sustainability Committee to include a clear sustainability focus and formalised reporting lines and the mandate for the Group sustainability team. These enhancements to the sustainability governance structures support Flutter's commitment to increased accountability to sustainability.

Read more on sustainability on **pages 44 to 68**

Monitoring culture

The Code emphasises the importance of culture within organisations and the Board recognises its role in monitoring, assessing and promoting a healthy culture throughout the business. We set the strategy for the Group to live our purpose. In implementing this, we make sure that Flutter is suitably resourced to deliver on its strategic objectives through a culture that drives the right behaviours, and the establishment and review of underpinning policies and codes of conduct which set the expectations of how the Group should operate. It monitors the cultural dynamics of the Group through site visits, social engagement, colleague surveys and the activities of the Workforce Engagement Committee. The scale and diversity of our business continues to allow us to leverage best practice policies and procedures from each of the businesses. The Board had a number of opportunities to consider cultural metrics, particularly in relation to employees, customers and risk throughout the year, allowing it to assess culture within the Group, and to ensure it is aligned with strategy and our purpose.

During 2021, a new culture narrative was launched to unify all Group companies towards a purpose that is compelling, while ensuring our people have a place where they feel they belong and are clear on the things that unite the multiple brands and divisions.

Read more on our culture on **pages 120 to 123**

Strategy

The Board approved a new integrated corporate strategy in September 2021 which included refreshed strategic priorities. The new strategy aims to deliver and defend gold medal positions in existing businesses and use innovation to capitalise future potential opportunities. The strategy is underpinned by our key enablers and places sustainability at the heart of our business. This has been further supported by the launch of a new sustainability strategy, Our Positive Impact Plan.

Read more on our strategy on **pages 18 to 27**

Stakeholder engagement

The Board has always had regard to wider stakeholders' interests' as well as those of our shareholders. Indeed, our Positive Impact Plan has been designed to take our stakeholders at its core and to develop out our sustainability approach with the key groups of Customers, Colleagues and Communities as its starting point. One important group is our workforce who we couldn't meet during the year in person due to travel restrictions imposed as a result of the Covid-19 pandemic. In June, the Board established the Workforce Engagement Committee, which replaced the Employee Voice Forum for the purpose of employee engagement in accordance with the recommendations of the Code.

Read more in Engaging with our Stakeholders on **page 108**

Read more in the Workforce Engagement Committee Report on **page 120**

The Chair holds regular engagement with regulators, and held a meeting with the UK Gambling Commission in December. Committee Chairs also spend time outside of formal meetings conducting more widespread discussions with our stakeholders. Both Andrew Higginson (as Chair of the Remuneration Committee) and I met investors to talk about remuneration matters during the year and details of these are discussed within this report.

I also met with investors to discuss general governance and sustsainability matters.

At our AGM on 29 April 2021, although Resolution 6, authority to allot shares, was passed with the necessary majority, 30.17% of votes were against the resolution. Resolution 6 was proposed in accordance with routine practice for listed companies, and as mentioned in our Notice of AGM, the authority sought by the Company was in line with the guidance issued by the Investment Association's Share Capital Management Guidelines. Since the AGM, the Board has further consulted with shareholders and understands that certain overseas institutional investors have a policy of not supporting this authority for Directors to issue shares. In line with the requirements of the Code, an AGM update statement was issued on 29 October 2021.

Under Irish law, our Directors need specific authority from shareholders to allot shares. Our senior management and Board rely on having the flexibility to quickly take advantage of strategic opportunities, including potential acquisitions and other capital-intensive opportunities.

The Board's role in shaping strategy

The following strategic matters were considered by the Board at the following meetings:

January
- Approval of acquisition of Junglee Games

February
- Review of Technology Roadmap

March
- Approval of 2020 Final Results

April
- Launch of diversity, equity and inclusion strategy

June
- Approval of Singular acquisition

July
- Approval of divestment of Oddschecker business

August
- Approval of 2021 Interim Results

September
- Approval of integrated corporate strategy

October
- Approval of ESG strategy

November
- Approval of Tombola acquisition

December
- Approval of safer gambling strategy
- Approval of Sisal acquisition

From time to time, opportunities may require the Company to allot and issue new shares. While the Board does not have any current intention to exercise its authority to allot shares, if this authority is not renewed, we would be required to obtain shareholder approval prior to issuing any shares in connection with new strategic opportunities which may arise. We think this would put the Company at a disadvantage compared to our peers in competing for acquisitions and similar strategic opportunities and may limit our ability to pursue transactions that we consider to be in the best interests of our shareholders. As a result, the Board still considers the flexibility afforded by this authority to be in the best interests of the Company and shareholders.

Gary McGann
Chair
14 March 2022

Board activities

During 2021, the Board held nine meetings. The key activities considered by the Board at these meetings are set out below:

Strategic and operational matters

- Through the Chief Executive Officer, received updates on operational, business and strategic matters, including safer gambling, competitor analysis, and people.
- Held strategy sessions on the Group's strategic opportunities and challenges and as a result, the strategy for the Group, as set out on page 18, was approved by the Board.
- Attended presentations on regional and functional updates and developments received from Executive Committee members and other members of senior management incorporating actions, progress and risks in relation to the strategic priorities.
- Oversaw the divestment of Oddschecker, and acquisitions of Junglee Games, Singular, Tombola and Sisal and was provided with updates on progress in relation to integration programmes and synergies.
- Considered changes in regulation and regulatory headwinds across our markets and the impact on our business and options available for mitigation.
- Received updates on material communications with regulators and other regulatory and legislative bodies.

Finance and investor relations

- Through the Chief Financial Officer, the Board was regularly updated on financial performance.
- Approved the 2022 budget.
- Considered the Long Term Plan and capital allocation for 2022-24.
- Reviewed and approved the results announcements and trading updates, and other relevant market announcements.
- Received updates on investor views, shareholder relations, analysts' reports and media updates, share register movements and share price performance, and engagement with investors.
- Reviewed and approved the going concern and viability statements.
- Reviewed the Group's financing and capital structure, and approved the Dividend Policy, including continued suspension of dividend payments for the financial year 2021 (see Note 13 to the Company Financial Statements on page 256).
- Considered the annual review of the Group's tax strategy and its publication on our website.

Governance, risk and regulatory obligations

- Reviewed developments in corporate governance, and legal and regulatory updates, and considered enhancements to current practices to meet the Company's obligations.
- Undertook a fair, balanced and understandable review of the 2020 Annual Report and Accounts.
- Received updates on our internal control and risk management systems through reports from the Audit Committee and Risk and Sustainability Committee Chairs.
- Agreed the process and actions from the Board and Committee effectiveness evaluation.
- The Group Chair engaged with investors on governance, sustainability matters and feedback on voting in relation to AGM 2021 matters.
- The Group Chair and Remuneration Committee Chair engaged with investors on remuneration matters.
- Reviewed and approved the matters reserved for the Board and each Committee's Terms of Reference.
- Discussed the composition of the Board and its Committees, including continued Board refreshment, succession planning, and approved changes to the composition of the Board and its Committees.
- Approved the ESG strategy including climate and safer gambling strategy.
- Approved repurposing the Risk Committee to the Risk and Sustainability Committee.
- Approved the Group's updated Modern Slavery Statement and other Group-wide policies.

People and culture

- Received updates on employee proposition, engagement, succession planning, talent management and diversity, particularly at senior management level.
- Prioritised the establishment of the Workforce Engagement Committee, a Board level Committee responsible for workforce engagement, with a particular focus on people and culture.
- Updated on employee remuneration structure.
- Approved a Group diversity, equity and inclusion strategy and monitored progress on its implementation across the Group.

Key Board meetings during 2021

February
- Business presentation: UK&I divisional update
- Review of Technology Roadmap
- Approval of Dividend Policy, and Preliminary Results announcement
- Approval of 2020 Annual Report and Financial Statements, viability statement and going concern
- Update on investor governance meetings
- Review of internal Board evaluation
- Review of conflicts of interest, independence and recommendations for election/ re-election at 2021 AGM

July
- Approval of Board Diversity Policy
- UK Gambling Act Review update
- Approval of capitalisation of merger reserve and reduction in share capital
- Legal, regulatory and compliance update
- Received reports from Board Committees
- Update on strategic projects

October
- Business presentation: Sportsbet divisional update
- Q3 forecast 2021, Q3 trading update and investor relations update
- Received external presentation on capital markets
- Legal, regulatory and compliance update
- Review of Executive Director and Executive Committee succession plans

December
- Approval of 2022 Budget
- Approval of Annual Assurance Statements for UK Gambling Commission
- Approval of Compliance Policy and statement
- Approval of matters reserved for the Board and Board Committee Terms of Reference
- Approval of Modern Slavery Statement
- Update on strategic projects

2022 future focus

The Board's objective for 2022 is to oversee the implementation of the new corporate strategy, sustainability strategy and safer gambling strategy. The Board will continue to prioritise safer gambling, including responding to the UK Gambling Act Review and the proposed establishment of an Irish gambling regulator, as well as wider ESG matters such as climate and TCFD reporting and other ESG matters relevant to our businesses. We will continue to support the Executive Directors with the execution of our strategy, focus on the attraction and retention of talented staff, succession planning, increase the diversity of the organisation and enhance our governance practices. We are always aware and up-to-date on cyber risks and mitigation and ensure that we understand the interests of all of our stakeholders. The Board will continue to focus on ongoing refreshment of the Board and its Committee to ensure it continues to have an appropriate balance of skills and experience.

The Board looks forward to updating our shareholders on the progress of our objectives at our AGM, which will be held on Thursday 28 April 2022 at 11.00 am at its recently refurbished head office in Belfield Office ParkClonskeagh, Dublin 4, Ireland.

Leadership and purpose

Board

Chief Executive Officer

Executive Committee
Day-to-day management of the business and operations.

Execution of the strategy is delegated to the Chief Executive Officer and the Executive Committee.

Nomination Committee

Considers the structure, size and composition of the Board and its Committees and advises on succession planning for the Board and the Executive Committee so that the Board retains an appropriate mix of skills, experience, knowledge and diversity.

Read more on **pages 116 to 119**

Audit Committee

Provides governance and oversight over the integrity of the Group's financial reporting and the Group's internal controls and risk management systems, and monitors the performance of internal and external audit.

Read more on **pages 124 to 131**

Risk and Sustainability Committee

Reviews the reputational impact of the Group's activities and how these are being managed, safer gambling strategy objectives and performance, sustainability strategy, including climate objectives and performance, cyber security, betting risk and integrity and data protection, and our risk management activities to ensure that these are appropriate and in line with the risk appetite of the Group.

Read more on **pages 132 to 135**

Remuneration Committee

Reviews all aspects of Executive remuneration, reviewing trends across the industry and setting the Executive Directors' Remuneration Policy, which is designed to incentivise and retain talent to support the delivery of our long-term strategy. It also sets the remuneration of the Chair, the Executive Committee and the Company Secretary and reviews the structure in place for wider workforce remuneration.

Read more on **pages 136 to 154**

Workforce Engagement Committee

Monitors and facilitates colleague engagement within the Group to create a meaningful dialogue between Flutter and its employees. It also ensures that Flutter maintains appropriate workforce engagement policies, processes and communication channels throughout each division of the Group, encouraging participation in and evaluating feedback received from workforce engagement initiatives, keeps fully informed on issues identified by employees and other stakeholders as having a material impact on the Group's workforce and communicates such issues to the Board.

Read more on **pages 120 to 123**

Market Disclosure Committee

Responsible for overseeing the disclosure of information by the Company to meet its obligations under the EU Market Abuse Regulation as implemented in the EU and UK, the Central Bank of Ireland's laws and regulations and the Financial Conduct Authority's Listing Rules and Disclosure Guidance and Transparency Rules.

Each Committee Chair formally reports to the Board following their meetings and makes any recommendations to the Board in line with their Terms of Reference. Papers and minutes for all Board Committee meetings are circulated to all Board members other than Directors who may be deemed to have a potential conflict of interest.

An effective Board

The Board's role is to secure the long-term sustainable success of the Group by ensuring delivery of an appropriate strategy and sustainable profitability. Maintaining the highest standards of governance is essential to this, along with decisions that create sustainable long-term value for the mutual benefit of our shareholders, customers, employees and communities.

Our Board is supported by the collective experience of the Directors and their diverse skills. This helps the Board to reach decisions in a focused and balanced way, supported by independent thought and challenging constructive debate. Trust and mutual respect are the cornerstones of relationships between Directors, with a Board dynamic of open and honest conversations. This ensures decisions are taken for the benefit of Flutter in full consideration of the impact on all stakeholders.

The procedures of the Board are clearly documented in the Articles of Association and the matters requiring approval by the Board are set out in a schedule of matters reserved for the Board. The Board reviewed and approved the matters reserved for the Board in December 2021. These documents are available at www.flutter.com/about-us/corporate-governance.

Read a summary of the matters reserved for the Board on **page 111**

There is a clear division of responsibilities between the roles of the Chair and CEO. To allow these responsibilities to be discharged effectively, the Chair and CEO maintain regular dialogue outside the Boardroom, to ensure adequate engagement and effective flow of information.

The Non-Executive Directors have direct access to senior management at all times. Informal as well as formal contact with the wider business is encouraged in order to develop a deeper understanding of Flutter's operations, and requests by Non-Executive Directors for site visits and further information are welcomed. This broadens the Non-Executive Directors' sources of information and enables them to consider the wider impact of any Board decisions on stakeholders more broadly. The effectiveness of the Board is reviewed at least annually and conducted according to the guidance set out in the Code and the FRC Guidance on Board Effectiveness.

Read more on Board evaluation on **page 115**

Responsibility to all of our stakeholders for the approval and delivery of the Group's strategy and for creating and overseeing the framework to support its delivery resides with the Board. The Board holds at least one dedicated strategy day with the Executive Committee to help review the strategic direction of the Group for the short, medium and long term. Responsibility for the initial development and ultimate implementation of the Group's strategy and overall commercial objectives, following Board approval, resides with the Chief Executive Officer who is supported by the Executive Committee.

Nine Board meetings were held in 2021. At each, standing agenda items included updates by the Chair, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary. Each Committee Chair also gives an update on their respective Committee meetings and copies of each Committee's minutes (to the extent that they contained no items which would be a potential conflict for other Directors) are circulated to the Board. The Chief Legal Officer and Group Commercial Director and regional CEOs are regular attendees. In addition, the Non-Executive Directors met at the start of Board meetings without the presence of Executive Directors.

Board and Committee members are provided with papers in a timely manner in advance of each meeting on a secure electronic portal. Each Director ensures they have reviewed papers in advance of the meeting. Exceptionally, if a Director is unable to attend, comments are provided to the Chair or the relevant Committee Chair beforehand. If any Director has unresolved concerns about the Group or a proposed action, these are recorded in the minutes of the meeting. There were no such occasions in 2021.

Time commitment

On appointment, Directors are advised of, and required to give, the necessary time commitment to discharge their responsibilities effectively. No precise timings are given as this will vary from year to year depending on activities. The Chair keeps the time each Non-Executive Director has dedicated to the Group under review and his own time commitment is kept under review by himself in conjunction with the Nomination Committee. This is also considered as part of the Board evaluation process. The majority of Directors are experienced board directors of public companies and all have an understanding of the time and intellectual commitment that is necessary to fulfil their commitments to the Group.

Zillah Byng-Thorne has both an executive and a non-executive director position in addition to her being a Non-Executive Director with the Group. The Chair and the Board consider that Zillah provides sufficient time to discharge her responsibilities. Like all our Committee Chairs, Zillah spends an appropriate amount of time outside of meetings preparing and meeting with key internal stakeholders. Zillah has a 100% attendance record for Board and Committee meetings for 2021.

For any Director who has not previously been a director of a public company, time expectations are highlighted on appointment. The Board recognises the Code's guidance and investors' expectations that Directors give sufficient time to discharge their responsibilities. Attendance at Board and Committee meetings is a high priority. As well as the formal scheduled meetings, there is significant other engagement by Directors. This includes private individual meetings with the Chair, the Chief Executive Officer and other Directors, as necessary.

As part of enhancing business knowledge and insight, Non-Executive Directors, in particular Committee Chairs, had meetings with other members of senior management throughout 2021. While site visits are actively encouraged, these were not possible during 2021 due to travel restrictions imposed in response to the Covid-19 pandemic.

In respect of all Directors, the Chair is satisfied that their other duties and time commitments do not conflict with those as Directors of the Group and their involvement and commitment is more than sufficient to meet their Board obligations and responsibilities.

Executive Directors may hold one external non-executive directorship (but not a chairmanship) of a large public listed company (or its equivalent) but must obtain prior consent from the Chair before accepting such a position. Executive Directors may retain the fees from any such directorship. This is considered helpful to broaden and deepen their skills, knowledge and experience. Peter Jackson joined the board of Deliveroo plc as a Non-Executive Director on 1 January 2022. Jonathan Hill does not currently hold any external directorships.

Engaging with a broad range of stakeholders

Stakeholder engagement

We work hard to maintain close relationships with its stakeholders, understand their views and the importance of these relationships in delivering our strategy. Our key stakeholders and their differing perspectives are taken into account as part of Board and Committee discussions. Throughout this Annual Report, we have provided information on some of the initiatives and approaches undertaken to ensure that we are staying in touch with our stakeholders during 2021, which remained a turbulent year for many key groups.

Workforce engagement

The Board considers it a key priority to hear the views of our colleagues and the culture of the organisation through visits to our offices, one-to-one meetings with colleagues, Board presentations and feedback from the Executive Directors. Site visits were not possible during 2021 due to continuing travel restrictions imposed in response to the Covid-19 pandemic. Employees are a key stakeholder and in June, the Board approved the establishment of the Workforce Engagement Committee with responsibility for workforce engagement activities. The Workforce Engagement Committee held three meetings during 2021 and reported on its activities to each Board meeting.

Read more on the Workforce Engagement Committee on **page 120**

Shareholder engagement

The Chair makes sure that appropriate channels of communication are established between the Board and shareholders, and all Directors are aware of any issues or concerns of major shareholders raised during that dialogue. The Chair and the Company Secretary hold governance meetings at least annually with major shareholders. Executive Directors attend investor presentations and results presentations, and the Board receives regular feedback from investor relations reports and broker updates throughout the year. The Company Secretary engages with proxy advisers in advance of any shareholders meetings. In addition, throughout the year, the Chair of the Remuneration Committee led a process whereby major shareholders were extensively consulted on proposed Executive Director remuneration. A summary of investor engagement activities is set out below.

Investor engagement activities

January
- Extraordinary General Meeting in connection with the migration from the CREST to Euroclear Bank settlement system
- Governance and remuneration meetings with investors

February
- Analysts and investor presentation

March
- 2020 Preliminary Results
- Investor roadshow following results presentations

April
- Q1 2021 trading update
- Annual General Meeting

August
- 2021 Half Year Results
- Virtual investor roadshow following results release

September
- Sportsbet investor day

October
- Engagement with shareholders on AGM voting

November
- Q3 2021 trading update
- Attendance at multiple conferences
- The Chair of the Remuneration Committee engaged with shareholders on remuneration matters

December
- The Chair of the Remuneration Committee engaged with shareholders on remuneration matters

Annual General Meeting ("AGM")

The 2021 AGM was held on 29 April 2021. Due to the Covid-19 pandemic, we followed public health guidance in Ireland which prohibited public gatherings and non-essential travel. However, webcast facilities were available to shareholders to view proceedings at the meeting and submit questions in advance and during the meeting and shareholders were provided with an opportunity to appoint a proxy electronically or by post in advance of the meeting to cast their votes. In line with the FRC Guidance on Board Effectiveness, the Company issued the Notice of the AGM, together with an explanation of the items of business to be considered at the AGM in a letter from the Chair to shareholders, in excess of 20 working days before the AGM. Voting turnout for the AGM was 47.58% (2020: 38.82%).

All resolutions at the 2021 AGM were passed; however, Resolution 6, authority to allot shares, received 69.83% votes in favour. Resolution 6 was proposed in accordance with routine practice for listed companies, and the authority sought by the Company was in line with the guidance issued by the Investment Association's Share Capital Management Guidelines. Following the AGM, the Board consulted and engaged with relevant shareholders to understand the reasons behind their votes against this resolution. Through this engagement, the Board understands that certain overseas institutional investors have a policy of not supporting this authority for Directors to allot new shares.

Under Irish law, our Directors must have specific authority from shareholders to allot shares. Our senior management and Board rely on having the flexibility to quickly take advantage of strategic opportunities, including potential acquisitions and other capital-intensive opportunities. From time to time, certain of these opportunities may require the Company to allot and issue new shares. While the Board does not have any current intention to exercise its authority to allot shares, if this authority is not renewed, we would be required to obtain shareholder approval prior to issuing any shares in connection with new strategic opportunities which may arise. The Board believes that this would put the Company at a disadvantage to our peers in competing for acquisitions and similar strategic opportunities and may limit our ability to pursue transactions that we consider to be in the best interests of our shareholders. As a result, the Board still considers the flexibility afforded by this authority to be in the best interests of the Company and shareholders and released an announcement six months after the AGM providing an update on views received from shareholders in accordance with the Code. The Board will continue to engage with shareholders on the authority to allot shares for future AGMs.

The 2022 AGM will be held on Thursday 28 April 2022 at our newly refurbished offices in Belfield Office Park, Clonskeagh, Dublin 4 Ireland. A letter from the Chair and Notice convening the AGM, with separate resolutions proposed for each item of business, will be sent to shareholders and will be made available at: www.flutter.com/investors/shareholder-information/agm.

Extraordinary General Meetings ("EGMs")

An EGM was held on 19 January 2021 in connection with migration of Flutter ordinary shares from CREST to the Euroclear Bank settlement system. As a result of the withdrawal of the UK from the EU ("Brexit"), Flutter, as an Irish incorporated company, was no longer able to continue settlement of its securities in CREST, the London-based central securities depository. The migration from CREST to Euroclear Bank was essential to ensure electronic settlement of trading of Flutter's shares could continue in order to ensure ongoing compliance with the electronic share settlement requirements for listing on the London Stock Exchange and Euronext Dublin. This meeting was also held under constrained circumstances due to public health restrictions in Ireland as a result of Covid-19 and facilities were made available to shareholders to listen live to the proceedings by teleconference, to submit questions in advance of the meeting and to appoint a proxy electronically or by post in advance of the meeting to cast their votes electronically. All resolutions were passed with an average of 99.98% in favour of the resolutions and voting turnout was 71.34%.

Division of responsibilities

Defining Board responsibilities

The below role specifications show the clear division of responsibility between Executive and Non-Executive members of the Board, which supports the integrity of the Board's operations.

Non-Executive Directors

- Bring a strong external perspective, advice and judgement to the Board, acting independently and constructively challenging decisions.
- Scrutinise, measure and review the performance of management and assist in the development of strategy.
- Review Group financial information and ensure the system of internal control and risk management framework are appropriate and effective.
- Review succession plans for the Board, Executive Directors, and key members of senior management.
- Monitor actions to support diversity, equity and inclusion in line with the Group's DEI strategy.
- Set Executive Remuneration Policy.
- Engage with key stakeholders and feed back insights as to their views, including employees in relation to culture.
- Serve on or chair various Committees of the Board.
- Bring varied industry and professional backgrounds, experience, skills and expertise aligned to the needs of the Group's business and long-term strategic objectives.

Gary McGann, Chair

- Responsible for the leadership and effectiveness of the Board, including overseeing corporate governance matters and ensuring the evaluation of the Board, its Committees and the Directors is undertaken.
- With the Board, ensures that the Group's culture is aligned with its purpose, values and strategy.
- Agrees and manages the Board's agenda, ensuring that Directors receive timely, accurate and clear information on the Group's business, and that they are fully informed of relevant matters, and that there is sufficient time allocated to discuss important matters, and thereby promoting effective and constructive debate and supporting a sound decision-making process.
- Oversees the Board's consideration of the Group's strategy and the major issues facing the Group.
- Ensures adequate time is available for discussion and consideration of the Group's principal risks and their mitigation.
- Ensures there is effective stakeholder engagement and the Board is kept aware of their views, in particular those of shareholders and employees.

Andrew Higginson, Senior Independent Director

- Available to liaise with shareholders in exceptional circumstances when they have concerns that have not been addressed by the Chair, the Chief Executive Officer or the Chief Financial Officer.
- Leads the annual performance review of the Chair and assists the Chair with the annual Board evaluation.
- Provides advice and support to the Chair and is available to other Directors as necessary.

Peter Jackson, Chief Executive Officer

- Leads the development of strategy and proactive focus on innovation.
- Overall responsibility for the Group's performance.
- Directs the delivery of the Group's strategy in consultation with and supported by the Board.
- Builds and leads an effective Executive Committee and oversees the Group's business operations and management of its risks.
- Ensures appropriate consideration is given to the Group's responsibilities to all stakeholders, including its shareholders, customers and employees.
- Communicates and provides feedback on the implementation of Board-agreed policies, and their impact on behaviours and culture, ensuring Flutter operates in a way that is consistent with its values.

Jonathan Hill, Chief Financial Officer

- Deputises for the Chief Executive, if necessary.
- Manages the Group's financial affairs, including the Finance, Tax, Treasury, Investor Relations, and Property and Procurement functions, as well as communication with capital markets.
- Supports the Chief Executive Officer in the implementation and achievement of the Group's strategic objectives.
- Proposes policy and actions to support sound financial management and leading on M&A transactions.

Edward Traynor, Company Secretary

- Ensures a good flow of timely information within the Board and its Committees and between senior management and the Non-Executive Directors.
- Advises the Board on legal and corporate governance developments and ensures compliance with Board procedures.
- Facilitates new Director induction programmes, and assists with continuous Board education as required.
- With the Chair and the Senior Independent Director, reviews the governance processes, including the Board and Committee evaluation, in terms of being fit for purpose and the consideration of any improvements to be made.
- Provides advice to all Directors and supports the activities of the Board Committees.

Summary of matters reserved for the Board

- Agreeing the long-term strategic goals and overall business and commercial strategy
- Ensuring our purpose and values are aligned to the Group's culture
- Evaluating and managing of risks impacting our reputation and setting the Group's risk appetite
- Approving of budgets, major capital projects, contracts and corporate actions, including significant mergers, acquisitions and divestments
- Overseeing of financial reporting and internal controls, and approval of financial reports and announcements and market relevant announcements
- Ensuring compliance with statutory and regulatory requirements, including corporate governance and Listing Rule requirements
- Approving appointments to the Board and ensuring sufficient succession plans are in place, including having regard to the Board Diversity Policy
- Determining the remuneration framework for Executives having regard to wider workforce remuneration arrangements
- Overseeing of environmental, social and governance matters including approval of the Group's priorities, plans and targets in respect of ESG and climate and a review of performance in conjunction with the Risk and Sustainability Committee

2021 Board meetings attendance

	Meetings[1] attended/ eligible to attend	% of meetings attended
Gary McGann	9/9	100%
Peter Jackson	9/9	100%
Jonathan Hill	9/9	100%
Zillah Byng-Thorne	9/9	100%
Michael Cawley	9/9	100%
Nancy Cruickshank	9/9	100%
Nancy Dubuc[2]	5/5	100%
Richard Flint	9/9	100%
Dave Gadhia[3]	4/4	100%
Andrew Higginson	9/9	100%
Alfred Hurley	9/9	100%
Holly Keller Koeppel[4]	5/5	100%
David Lazzarato	9/9	100%
Atif Rafiq[5]	1/1	100%
Peter Rigby[3, 6]	3/4	75%
Mary Turner	9/9	100%

1. Comprises scheduled and unscheduled meetings.
2. Appointed on 29 April 2021.
3. Resigned with effect from 29 April 2021.
4. Appointed on 13 May 2021.
5. Appointed on 10 December 2021.
6. Peter Rigby was unable to attend one meeting due to a conflict previously notified to the Chair.

In addition to the formal Board meetings held throughout the year, the Chair meets with the Non-Executive Directors without the presence of Executive Directors at the start of each Board meeting. In addition, during the year, the Senior Independent Director held a meeting of Non-Executive Directors without the presence of the Chair to discuss his performance.

Read more on the Workforce Engagement Committee on **page 120**

Independence

The Board is committed to ensuring that it continues to comprise a majority of Independent Non-Executive Directors who objectively challenge management. The Nomination Committee has carried out its annual assessment of independence of each of the Non-Executive Directors, taking into account the circumstances set out in the Code, especially whether the Directors are independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, the Directors' judgement.

Until October 2018, Richard Flint held the position of Executive Chair of Sky Betting & Gaming. Richard also has in place a consultancy agreement for the provision of consultancy services for Flutter Plc. The fee for these consultancy services is £250,000 per annum. Further details are set out in Note 31 to the Financial Statements.

The Board has determined that for this reason Richard Flint did not meet the independence criteria as set out in the Code for the year ended 31 December 2021. The Board is satisfied that all other Non-Executive Directors remain independent for the purposes of the Code.

Read more on Directors' biographies on **page 96 to 99**

Conflicts of interest

Formal procedures are in place for managing conflicts of interest, which include an annual confirmation by all Directors. Directors must give advance notice of any actual or potential conflicts of interest to the Company Secretary and the Board should they arise. In the case of a conflict, the relevant Director would be excluded from discussions on matter related to the conflict and cannot vote in respect of any matters in which they have an interest. These are formally considered on an annual basis by the Board alongside any other appointments held by Directors.

Before accepting any external appointments, Directors must discuss the time commitment and their ability to continue to effectively contribute to the Board with the Chair, who will consider any additional commitments, prior to reporting to all Board members.

Composition, succession and evaluation

Making sure the Board and its Committees have the necessary skills and experience and are diverse and appropriately balanced remains a priority for Flutter.

Board composition

We aim to have a Board that is well balanced and has the appropriate skills, knowledge, experience and diversity for the current and future needs of the business. While the tenure of individual Directors is taken into account, we are keen to strike a balance between continuity and succession for the Board as a whole. Longer-serving Directors bring valuable experience, and working in conjunction with newer appointees, the Board believes that it has an appropriate balance, is diverse and continues to operate effectively.

Following many years of service, both Divyesh (Dave) Gadhia and Peter Rigby stepped down from the Board following the conclusion of the 2021 AGM. Dave joined the Board as Deputy Chair following completion of The Stars Group merger in May 2020. Prior to this, Dave was a Non-Executive Director of TSG from May 2010 and Executive Chair of TSG since May 2018.

Peter Rigby joined the Betfair Group plc board in April 2014. During his time with Flutter and its legacy Boards, Peter Chaired the Risk Committee and more recently the Remuneration Committee.

Following the resignation of Dave Gadhia and Peter Rigby as Non-Executive Directors, Nancy Dubuc joined the Board as an Independent Non-Executive Director on 29 April 2021. Holly Keller Koeppel joined the Board as an Independent Non-Executive Director on 13 May 2021, and Atif Rafiq joined the Board as an Independent Non-Executive Director on 10 December 2021.

We believe the current size and composition of the Board, including the number of Non-Executive Directors, to be within a range which is appropriate for the Group given its size and complexity.

Having served nine years on the Board, including Chairing the Audit Committee, Michael Cawley will not seek re-election at the 2022 AGM and will step down from the Board at the conclusion of the AGM on 28 April 2022. Zillah Byng-Thorne will step down from the Board prior to the 2023 AGM.

An effective Board requires the right mix of skills and experience. The Board maintains a matrix of key skills and experience identified by the Board as particularly valuable to the effective oversight of the Company which continues to grow in size, scale and breadth and the execution of our strategy. Board composition is kept under constant review with regard to the skills and experience relevant to the Board as a whole.

The Board also considers tenure and independence, complies with the recommendations of the Hampton-Alexander Review on female representation and the Parker Review on ethnic diversity. A summary of the process followed for the assessment of Director independence is set out on page 111 and an overview of key skills and experience relevant to the Board is set out on pages 96 to 99.

Read more on Directors' biographies on **pages 96 to 99**

Read more on Board diversity on **pages 116 to 119**

Ongoing training and development and advice

The Chair and Company Secretary review the knowledge of each Director, their understanding of the Group, key risks and uncertainties, and the evolving regulatory environment within which the Group operates, to fulfil their roles on the Board and its Committees. All Directors are encouraged to request further information and any support they need to fulfil their role. As part of ongoing development, legal and regulatory updates are provided as necessary to the Board and each Committee by internal and external advisers. Our Directors have a diverse range of experience, and we encourage them to take on continual professional development through attending external seminars in areas such as remuneration, ESG and climate, cyber security and Covid-19 and briefings that will assist them individually, particularly in the case of Committee Chairs. Additional knowledge is also gained through updates and briefings covering relevant areas for the business and the Group.

The aim of ongoing training and development is to continually refresh and expand the Board's knowledge and skills enabling Directors to contribute to discussions on technical and regulatory matters more effectively.

Throughout 2021, the Board received training and development briefings on capital markets, diversity and inclusion, an anti-bribery and corruption, an Audit Committee workshop, a Risk and Sustainability Committee workshop and various cyber security training workshops. Market Abuse, safer gambling and the UK Gambling Act Review, legal and regulatory landscape and product development are amongst the items on the agenda for 2022.

Each Director may get independent professional advice at the Company's expense in the furtherance of their duties as a Director. Each Committee is supported by the Company Secretary and his Deputy. In addition, each Committee may seek independent professional advice as required.

Governance in action: Director induction and development

When they join the Board, new Directors take part in our induction programme. The primary purpose is to familiarise new Directors with the Group's operations and business, the regulatory environment, our stakeholders, as well as Directors' duties and our governance practices. Non-Executive Directors are encouraged to visit our international offices to gain a first-hand understanding of the culture. While there is an overall induction programme in place, this is tailored to take into account a Director's previous experience, their responsibilities and specific Committee responsibilities. This is then discussed with the Director themselves. Comprehensive induction sessions were delivered to Nancy Dubuc, Holly Keller Koeppel and Atif Rafiq during 2021.

Divisions and brands → Legal, risk and regulatory → Culture, people and reward → Governance and internal control framework → Technology → Strategy

Divisions and brands	• **UK&I:** Sky Betting & Gaming, Paddy Power, Betfair • **International:** PokerStars, Betfair, Adjarabet, Junglee Games • **Australia:** Sportsbet • **US:** FanDuel, TVG, FOX Bet
Legal, risk and regulatory	• Overview of Chief Legal Officer and Group Commercial Director function, comprising legal and company secretarial, regulatory (including safer gambling), compliance, reputation and integrity • Divisional risk model • Anti-bribery and corruption • Material litigation and legal matters • Regulatory and licensing • Sustainability • Safer gambling framework
Culture, people and reward	• Remuneration Policy and reward structures • HR operating model • People strategy • Leadership • Performance and engagement • Diversity and culture • Talent attraction and retention
Governance and internal control framework	• Corporate governance • Internal controls function • Internal Audit
Technology	• Technology footprint • Global operating model • Cross-divisional technology projects • Technology transformation programme • Cyber security
Strategy	• Corporate strategy • Sustainability strategy including safer gambling

Election/re-election of Directors

When recommending the election/annual re-election of individual Directors to shareholders, the skills and experience each Director brings, as well as their time commitment, tenure and independence, are considered by the Nomination Committee. The performance review and evaluation also feed into this process.

Following the review by and recommendation of the Nomination Committee, the Board will recommend the election of Nancy Dubuc, Holly Keller Koeppel and Atif Rafiq and the re-election of all other current Directors to shareholders at our upcoming 2022 AGM other than Michael Cawley who is retiring and will not put himself forward for re-election at the 2022 AGM.

Effectiveness of the Board

In accordance with the Code and the FRC Guidance on Board Effectiveness, we annually evaluate the performance of the Board and its Committees to assess their effectiveness. Led by the Chair and supported by the Senior Independent Director, the performance evaluation considers the balance of skills, experience and independence of the Board with regard to the Board Diversity Policy.

The annual performance evaluation is externally facilitated every three years. The 2019 performance evaluation was externally facilitated by Russell Reynolds Associates. An internal evaluation was undertaken during 2020 and an update on progress of the actions arising from this review is set out below.

Board and Committee evaluation

As well as the formal performance evaluation process set out below, the Chair kept under review the performance of all Non-Executive Directors, having individual meetings and providing feedback as appropriate.

The performance evaluation to assess the performance of the Board, its Committees and Directors for 2021 was carried out internally and the process is set out on page 115. The internal evaluation considered:

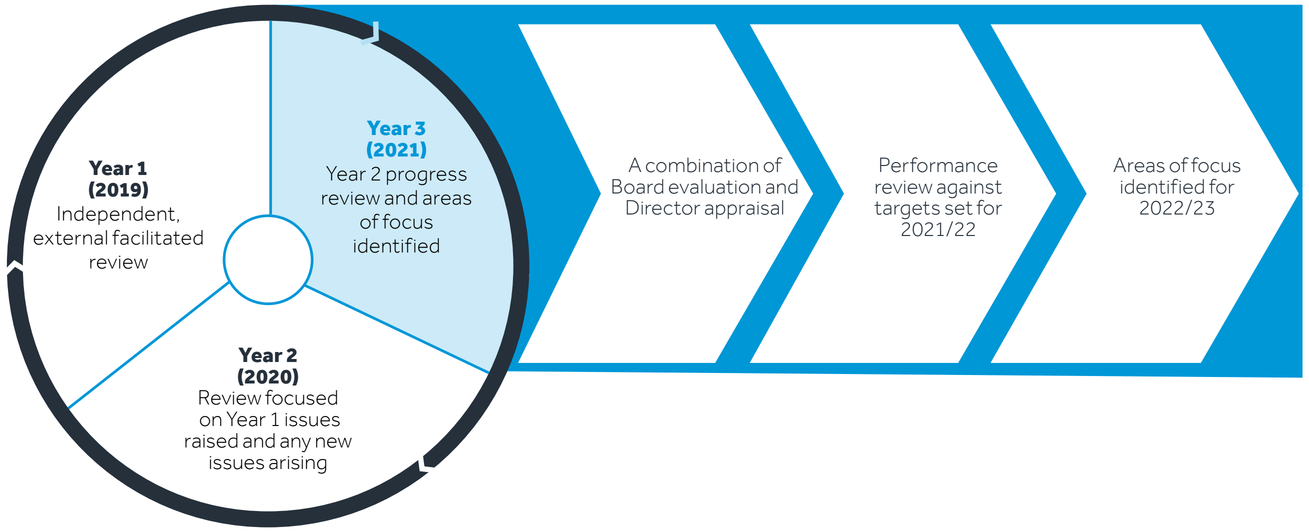
- the composition, performance and cohesion of the Board and its Committees, reflecting the current and future business model, the strategy of the Group, and risk oversight;
- the individual competence of each member of the Board of Directors;
- the roles and responsibilities and evidence of the strengths of the Board and its Committees;
- the Board's approach to leading the development of the culture and values across the Group;
- any areas inhibiting the Board and its Committees from being fully effective; and
- the quality of materials presented and operation of Board meetings.

During a Board meeting held on 22 February 2022, the Chair presented a report on the outcome of the 2021 performance evaluation which summarised the feedback and highlighted key themes for consideration by the Board. This was discussed with the Chair of the Board and Senior Independent Director prior to being presented to the Board.

Actions were agreed with the Board and progress against these will be monitored by the Nomination Committee and the Company Secretary during 2022.

2020 evaluation actions	Progress
Reporting: Review content and depth of reporting to the Board to ensure there is no duplication in information being presented and that sufficient level of information is provided to inform decision making.	Enhancements to functional and divisional reporting have improved the level and depth of reporting provided to the Board, with clear and succinct pre-read and deep dive materials circulated in advance of Board meetings.
Strategy: The strategy review to include a one-year post-merger review and progress of integration and delivery of synergies.	A number of sessions were held with the Board throughout the year considering post-merger review, progress on integration and synergies, and proposed scoping of the strategic review which took place in advance of the annual Board strategy offsite.
NED only sessions: Include NED only sessions as standing agenda items at Board meeting to support the Committees on key matters to be addressed during meetings.	NED only sessions are now standing agenda items at the start of the Board meeting, providing Non-Executive Directors an opportunity to discuss matters to be addressed during the meeting without Executive Directors present as well as other relevant matters.
Board dynamics and meetings: Continue to lead Board dynamics and culture while meetings take place virtually, and ensure sufficient time during meetings for discussion and debate.	Physical meetings took place in September and October; all other meetings were held virtually. It was not possible to incorporate site visits during 2021 due to ongoing travel restrictions. However, a number of site visits have been planned for 2022. Time allocated for Board and Committee meetings was extended to ensure sufficient time for discussion and debate.
Workforce engagement: Evaluate the continued appropriateness of the Board's mechanism for workforce engagement given the size, scale and diversity of the Group.	The Board established the Workforce Engagement Committee, a Board level Committee with responsibility for workforce engagement under the Code. The Workforce Engagement Committee replaces the designated Non-Executive Directors and Employee Voice Forum.
Succession, diversity and inclusion: Review succession plans for Executive Directors and the Boards key regional and functional leaders. Consider initiatives for the Board and Group to become more diverse.	The Board reviewed succession plans for Executive Directors and key regional and functional leaders. The Board received updates on diversity and inclusion the new Group DEI strategy, and approved the Board Diversity Policy during the year.

Board evaluation cycle process



2021 Board evaluation process	Results and conclusions	Focus areas
Questionnaires The questionnaires issued to each Director focused on: (i) Board dynamics, behaviours and culture; (ii) Board leadership, composition and succession planning; (iii) understanding the business, strategic alignment and risk oversight; and (iv) Board governance.	Overall, it was concluded that the Board functions well with strong engagement, allowing adequate time to discuss areas within its remit.	Continue to monitor succession plans for the Board and Executive Committee. Monitor progress on implementation of the Group's DEI strategy below Board-level.
One-to-one interviews One-to-one interviews were held with the Senior Independent Director and each Director and the Company Secretary. This enabled further feedback on individual contributions and the collective performance of the Board.	Due to Covid-19 travel restrictions, all meetings, except two during 2021, have taken place virtually. Despite this, there is a strong cohesive relationship between Directors and debate is appropriate. Board members are considered to be making an effective contribution to their roles, bringing relevant knowledge, diversity of perspective, and an ability and willingness to challenge, particularly as new members get acclimatised.	Develop Board travel plans for 2022 to incorporate key site visits. These visits should take account of the purpose of the Workforce Engagement Committee to monitor culture and listen to the views and concerns of the workforce.
Board Committees Committee Chairs keep under review the performance of their Committees. Individual Committee effectiveness was incorporated into the questionnaire and provided to each Committee Chair.	Each of the Committees was effective with strong engagement, allowing adequate time to discuss areas within its remit. The Workforce Engagement Committee continued to evolve from its recent form as a Board committee.	Continue to monitor the remit of each of Board Committee, in particular, the re-purposed Risk and Sustainability Committee and the recently established Workforce Engagement Committee.
Chief Executive Officer The Chair provided feedback to the Chief Executive Officer on his performance having discussed with the other Directors.	The CEO had an outstanding year, strategically, operationally and financially.	Lead the implementation of the new corporate strategy, and continue to lead innovation.
Executive Directors The Chief Executive Officer provided feedback to the Chief Financial Officer on his performance having also discussed with the other Directors.	The Chief Financial Officer also had an outstanding year having delivered strong financial results.	Continue to drive synergies across the Group, develop the Finance team and lead the financial systems integration programme.
Chair The Senior Independent Director meets with the Non-Executive Directors without the Chair, and also receives feedback from the Executive Directors on the performance of the Chair.	The Chair continues to perform very effectively, both in respect of Board matters and in relation to other aspects of his role as Chair, taking into account the benefit for all stakeholders, including shareholders. The Chair has facilitated a positive and supportive culture of openness in the Boardroom.	Continue to lead Board dynamics and culture as the Board meets in person more frequently. Review plans for Board ongoing training and awareness, to incorporate external presenters and site visits.

Evaluating Board composition to ensure our governance is effective

Highlights

- Oversaw changes in composition to the Board
- Monitored the progress of ongoing Board succession plans
- Oversaw the internal Board evaluation process and implementation of action plans
- Considered succession plans for senior management
- Approved the Board Diversity Policy

Key focus for next year

- Further progress on broad Board diversity
- Support progress on he new diversity, inclusion and equality strategy introduced across the business and ensure progress is made and continues to be embedded within our culture
- Continue to review and enhance succession planning at both Board and senior management level
- Continued implementation of the recommendations arising from the 2021 internal Board performance evaluations

2021 meeting attendance

Committee members[1]	Date appointed	Attended / eligible to attend
Gary McGann (Chair)[2]	Jul 2015	6/6
Nancy Cruickshank	May 2019	5/6
Nancy Dubuc[4]	Jun 2021	4/4
Dave Gadhia[5]	May 2020	2/2
Andrew Higginson[6]	Feb 2020	6/6
Alfred Hurley	May 2020	6/6
Holly Keller Koeppel[4]	Jun 2021	4/4
Peter Rigby[5]	May 2020	2/2

> The Committee supports the Board in ensuring that effective governance structures are in place and that the Board and its Committees have an appropriate balance of skills and experience.

Key responsibilities

The Nomination Committee looks at the structure, size and composition of the Board and its Committees, advising on succession planning for senior executives and making recommendations so that the Board retains the right mix of skills, experience, knowledge and diversity, in line with the current and future needs of the Board.

Read the Nomination Committee Terms of Reference at **www.flutter.com/about-us/corporate-governance**

Read Directors' biographies on **pages 96 to 99**

Inclusion and diversity

At Flutter, we are building a workforce which is representative of the communities we serve, in all aspects of diversity. Our inclusion and diversity initiatives are set out in the Work Better section on pages 52 and 55. Overall DEI agenda is an element of the WEC going forward.

1. All members of the Committee are Independent Non-Executive Directors and the Chair of the Board was independent on appointment to that role.
2. Appointed Chair of the Committee with effect from 29 April 2021.
3. Nancy Cruickshank was unable to attend one meeting due to a prior conflict previously notified to the Chair.
4. Appointed Committee member on 15 June 2021.
5. Resigned with effect from 29 April 2021.
6. Resigned as Committee Chair with effect from 29 April 2021.

Key Committee meetings during 2021

February

- Review of internal 2020 Board and Committee effectiveness review findings
- Independence and election/re-election of Directors
- Approval of external reporting disclosures
- Review of Board Committee composition

July

- Approved the updated Board Diversity Policy
- Considered the FRC's report on board effectiveness of FTSE 350 companies
- Reviewed Board succession planning and Committee composition
- Reviewed succession plans for key senior management positions

December

- Considered the process for the 2021 Board and Committee effectiveness review
- Review of Board succession planning
- Consideration of Board diversity in respect of Hampton-Alexander and Parker Reviews
- Approved governance matters

Governance

Board Diversity Policy

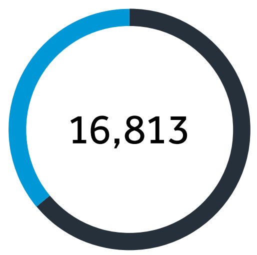
The Board Diversity Policy sets out our approach to diversity on the Board. We aim to have a Board that is well balanced and has the appropriate skills, knowledge, experience and diversity for the needs of the business. The Board Diversity Policy incorporates the requirements of the Code, together with the recommendations of the Hampton-Alexander Review on gender diversity and the Parker Review on ethnicity for FTSE 100 companies. We think about diversity in the broadest sense including diversity of thought, age, gender, nationality, independence, professional background, social and ethnic backgrounds, business and geographic experience, and cognitive and personal strengths. These differences are considered in determining the optimum composition of the Board and, when possible, should be appropriately balanced.

The Board Diversity Policy is available on our website at www.flutter.com

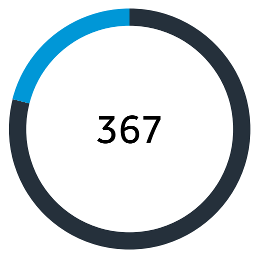
Senior managers are defined in legislation as including both persons responsible for planning directly or controlling the activities of the Company (or strategically part of the Company), and any other directors of undertakings including in the consolidated accounts. For reporting purposes, as at 31 December 2021, there were 85 Group subsidiary entity board directors, comprising 10 female and 75 male.

* As at 31 December 2021.

All employees*



Senior management*



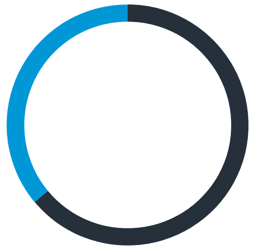
Objectives of the Board Diversity Policy

The Nomination Committee reviews all measurable objectives for achieving diversity on the Board and recommends them for Board adoption. At any given time, the Board may pursue one or more aspects of its Diversity Policy and measure progress accordingly.

The Board wants to continue to improve diversity on the Board and maintain the recommendation of the Hampton-Alexander Review of 33% female representation on the Board. It is recognised that there may be periods of change on the Board when this number may be smaller while the Board is refreshed. However, it is the Board's longer-term intention to at least maintain this balance.

The Board supports the recommendations set out in the Parker Review on ethnic diversity and is committed to improving its representation of diverse social and ethnic backgrounds. The Board has at least one Director from an ethnic minority on the Board.

Gender
(Executive and Non-Executive Directors)

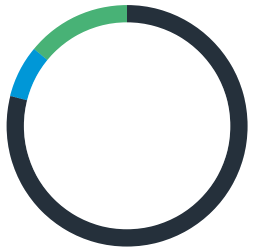


- Male: 64.29% – 9
- Female: 35.71% – 5

Length of tenure
(Non-Executive Directors)*

- 0 to 3 years – 6
- 3 to 6 years – 3
- 6 to 9 years – 3

Balance of independence



- Independent Non-Executive Directors* – 11
- Non-Independent Non-Executive Directors – 1
- Executive Directors – 2

* Including Chair, who was independent on appointment.

Read more on independence on **page 111**

Implementation of the Board Diversity Policy during 2021

All appointments to the Board are based on merit, in the context of the balance and mix of appropriate skills and experience the Board as a whole requires in order to be effective.

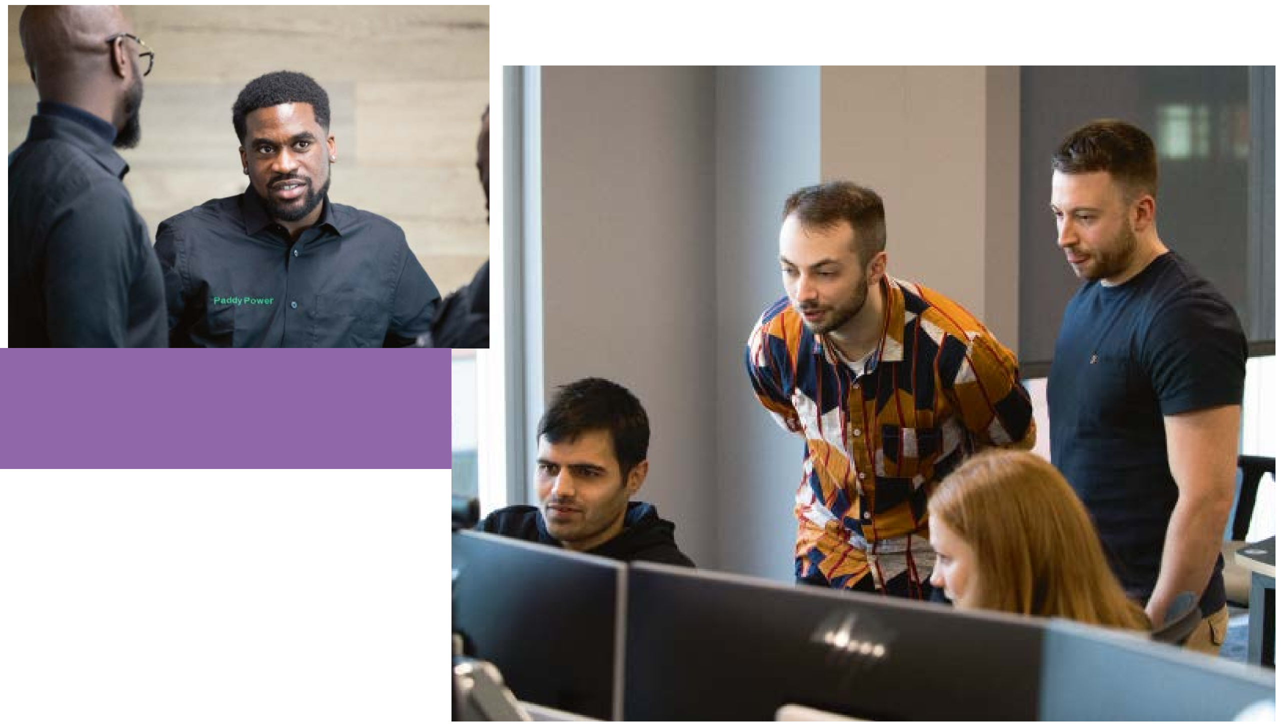
Diversity in the board is a key factor for consideration as part of the Board renewal process, and the Nomination Committee takes into account the following criteria when considering Non-Executive Director roles:

- skills, knowledge and experience in areas relevant to the operation of the Board, including professional background, international experience and having regard to Board skills gaps;
- diversity in all respects, including age, nationality, gender, social and ethnic backgrounds, and cognitive and personal strengths; and
- the need for an appropriately sized Board.

During the process of ongoing Board renewal, each or a combination of these criteria can take priority.

As part of the annual performance evaluation of the effectiveness of the Board, its Committees and individual Directors, the Nomination Committee considers the balance of skills, experience, independence and knowledge on the Board and the current and future diversity representation of the Board.

The Nomination Committee and the Company intend to only engage with search firms which are accredited under the Enhanced Voluntary Code of Conduct for Executive Search Firms in Board appointments. When we go out to the market to look for Non-Executive directors, we require longlists of potential candidates to comprise at least 50% female candidates and the inclusion of other candidates from groups that are traditionally under-represented at board level.



2021 Board diversity progress

As at 31 December 2021, we achieved our target of having at least one Director from an ethnic minority on the Board. We also achieved our target for female Board representation, with 35.71% of our Directors being female. We continue to work towards further enhancing our gender diversity on the Board. Russell Reynolds Associates, the external search agency used during the recruitment process for the appointments of Nancy Dubuc, Holly Keller Koeppel and Atif Rafiq, is accredited under the Enhanced Voluntary Code of Conduct for Executive Search Firms.

The recruitment processes for the appointment of Nancy Dubuc and Holly Keller Koeppel as Non-Executive Directors considered candidates from a wide pool of experience and both longlists and shortlists of potential candidates were comprised wholly (100%) of female candidates in order to further enhance our female representation on the Board. The recruitment process for the appointment of Atif Rafiq considered candidates with experience in the gaming/gambling industry and, or candidates with digital experience.

2022 Board diversity priorities

The Board is committed to having a diverse Board and to ensuring an open and fair recruitment and selection process for all Board appointments. The Board has exceeded its target of 33% female representation and has met its target on ethnic diversity on the Board. The Board intends to maintain or improve its current levels of female and ethnic diversity on the Board for the year ending 31 December 2022.

Recognising the benefits of wider experience, Non-Executive Director candidates from a wide variety of backgrounds have been taken into account when considering Non-Executive Director appointments.

The recruitment and selection process for Non-Executive Directors ensures that longlists of potential candidates comprise at least 50% female candidates.

During 2022, the Nomination Committee and the Board will continue to promote our Board Diversity Policy and its implementation to ensure it continues to implement an inclusive and diverse Board. It will also includes Board exposure to advances in best practice in this area to help reset our diversity ambitions.

Read Directors' biographies on **pages 96 to 99**

Succession planning

The Board's succession plan is a continuous process and is reviewed formally once a year and addresses Board size, Committee structure and composition, skills on the Board, tenure, independence, diversity, including gender and ethnicity, Board roles, and succession plans for key Board and Committee positions. In addition to our regular review of Non-Executive Director succession plans, the Committee continued to review the succession plans of key senior leaders to ensure sufficient strength of pipeline of future leaders.

Succession plans include contingency strategies for unexpected departures, medium-term plans for orderly replacement of current Board members and long-term plans linking strategy with the skills needed on the Board in the future.

Skills and experience

For balanced and effective decision making, it is important the Board has a broad range of skills and experience. The Committee maintains a skills matrix of the Board to identify areas for enhancement and allows for the mapping of the Board's skills as a whole against the evolving needs of the business, and ensures that any future search for Non-Executive Directors is focused. This assists in defining the attributes required as part of the search for new Non-Executive Directors.

Read more on our skills matrix on **page 97**

Effectiveness of the Committee

The operation, performance and effectiveness of the Committee is monitored by me throughout the year and was also specifically reviewed as part of the internal Board and Committee evaluation process. I am pleased to confirm that it was considered that the Committee was operating effectively and focusing on the key areas within its remit.

Read more on our Board evaluation on **pages 114 and 115**

Gary McGann
Nomination Committee Chair
14 March 2022

Committed to engaging with our global workforce

> We have established a Board Committee with clearly defined purposes and structure that provides reverse mentoring for Directors to learn from our workforce.

Highlights

- The Board established the Workforce Engagement Committee to reflect that the workforce are key stakeholders and the employee voice is considered by the Board in its decision-making
- Considered the Financial Reporting Council's report on "Workforce Engagement and the UK Corporate Governance Code: A Review of Company Reporting and Practice" in designing the Terms of Reference for the Committee
- Developed the dual purpose and identified the focus for the Committee
- Learnt how the Group People function provides oversight on workforce issues and concerns and how it provides guidance and overarching principles adopted across each of the Group divisions
- Undertook a comprehensive review of existing workforce engagement mechanisms
- Listened to workforce matters through updates from the International division, the Group functions and the FanDuel Technology function
- Extensive consultation with management on the Group's diversity, equity and inclusion strategy ("DEI strategy") and the implementation of the associated action plans
- Learnt how management and employees were preparing for, and embracing the future ways of working post-Covid-19
- Learnt about emerging global workforce issues, specifically those matters affecting Flutter
- Reviewed information on existing workplace cultures and engaged with management on the launch of a new culture narrative

Key focus for next year

- Subject to the lifting of Covid-19 travel restrictions, implement a programme of employee engagement in our major locations designed to allow the Committee to understand and monitor culture
- Listen and hear divisional updates on workforce engagement initiatives and matters of concern for the workforce
- Evaluate feedback received from workforce engagement initiatives and monitor the effectiveness of engagement mechanisms, workforce communication and feedback channels
- Continue to engage with management on oversight of implementation of the DEI strategy and monitor the progress of the action plans
- Review workforce policies to ensure they are consistent with Flutter's values and support its long-term sustainable success

2021 meeting attendance

Committee members[1]	Date appointed	Attended / eligible to attend
Mary Turner (Chair)	Jun 2021	3/3
Nancy Cruickshank	Jun 2021	3/3
Nancy Dubuc	Jun 2021	3/3
Richard Flint	Jun 2021	3/3

1. All members were appointed on 15 June 2021 and are Non-Executive Directors.

Our People Insights

16,500+ employees	60+ nationalities
60+ languages	23 countries

Review of workforce engagement mechanisms and rationale for establishment of Committee

The Code introduced a requirement for UK listed company boards to have in place a mechanism for appropriate workforce engagement to ensure that employees are considered by boards as key stakeholders, that board members would be exposed to the concerns and views of the workforce, and that the employee voice is considered by the board in their decision making. Following the introduction of this requirement, in July 2019 the Board appointed three Non-Executive Directors designated for the purposes of workforce engagement. The Board also established an Employee Voice Forum as the Board governance forum for the designated Non-Executive Directors to receive quarterly updates from the workforce.

The Code requires boards to keep engagement mechanisms under review so that they continue to remain effective. Since the Board adopted these workforce engagement mechanisms in July 2019, significant events have taken place across the Group that drove a review of the appropriateness of the existing mechanisms; in particular, the Group completed the merger with TSG in May 2020. As a result of this merger, the composition, demographics and diversity of the Board changed. In addition, the combined Group is significantly larger, with operations in many new jurisdictions, an increase in employees to over 16,500 employees across over 60 different nationalities speaking over 60 languages, and new brands each with their own distinct culture. The Group has also completed a number of acquisitions since May 2020 which has further broadened the demographics, diversity and employee base of the Group. As a result, during 2021 the Board undertook a comprehensive review of the continued appropriateness of its workforce engagement mechanisms. The views and concerns of our workforce are important to be taken into consideration during Board deliberations. The Board felt it appropriate to elevate the importance it places on our people to a dedicated Board level Committee with responsibility for oversight of matters important to our workforce. The Board approved the establishment of the Committee in June 2021 as its formal mechanism for workforce engagement.

The Board believes that a Board level Committee with responsibility for workforce engagement is appropriate given the size and scale of the Group, the differing cultures within each division, and the sub-cultures that exist within our brands.

The aim of the Workforce Engagement Committee is to monitor and facilitate workforce engagement within the Group in order to ensure a meaningful dialogue between Flutter and its employees exists. Through the establishment of the Workforce Engagement Committee, Flutter aims to enhance the Board's awareness of employee matters in the context of the Board's decision-making process. The Workforce Engagement Committee's duties will include, but are not limited to, ensuring Flutter maintains appropriate workforce engagement policies, processes and communication channels throughout each division of the Group, encouraging participation in and evaluating feedback received from workforce engagement initiatives, and keeping fully informed on issues identified by employees and other stakeholders as having a material impact on the Group's workforce and communicating such issues to the Board.

The establishment of the Workforce Engagement Committee with its clearly defined purposes and governance structure acts like reverse mentoring; Directors are learning from the workforce, and this will enhance the Board's effectiveness and decision making. The Board will continue to monitor the operation and development of the Committee during 2022.

Membership and operation of the Committee

The Committee met three times since it was established in June 2021. While site visits were not possible due to Covid-19 travel restrictions during 2021, in 2022 meetings will take place while the Board undertakes a number of global site visits. These visits will provide the Committee with an opportunity to meet with members of the workforce at these locations.

In addition to members of the Committee, regular attendees who attend meetings by invitation include the Group Chief Executive Officer, Group Chief Financial Officer, Group Chief People Officer, Group Director of Diversity and Inclusion, divisional CEOs and divisional CPOs. The Company Secretary, or his Deputy, acts as secretary to the Committee and provides support as required.

Read more on Directors' biographies on pages 96 to 99

As Chair of the Committee, I report to the Board on the key outcomes from each meeting and on how the Committee has discharged its duties. The minutes of all Committee meetings are circulated to the Board for information.

Key responsibilities

The main responsibilities and primary role of the Committee, as set out in its Terms of Reference (available at www.flutter.com) are to assist the Board in fulfilling its oversight of workforce engagement as set out in the Code and ensuring the views and concerns of the workforce are taken into account during Board decision making.

See the Committee's dual purpose on page 122

Committee activities during 2021
As a newly established Committee, the Committee initially focused on Committee governance matters, including approval of the Committee's dual purpose, initial focus areas for 2021 and 2022, its Terms of Reference and schedule of matters, as well as the frequency and operation of meetings. The Committee received a number of divisional deep dives, including from the International division, Group functions, and the FanDuel Technology team. The Divisional CEOs and CPOs presented on their divisions' people strategy, employee engagement insights, culture, future ways of working and return to the office post-Covid-19. These updates also included specific focus on the challenges associated with attraction and retention of critical skills, workloads and employee mental health during Covid-19. These divisional deep dives provided the Committee with an insight into the key matters of concern to colleagues in each division, the widely diverse cultures that exist across the Group, and sub-cultures within various brands in each division.

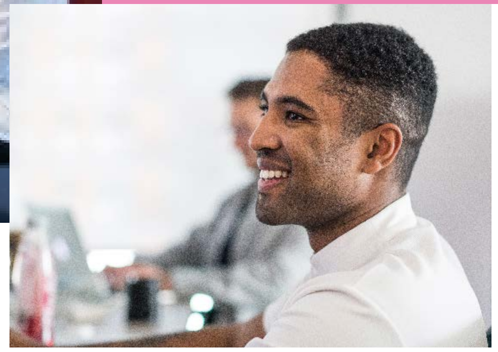
The Committee has engaged extensively with management on the development and progress of the DEI strategy. We are committed to the success of the DEI strategy and our support for this important initiative will continue throughout 2022 and will be underpinned by three core principles:

1. providing a safe and welcoming space to discuss complex challenges;
2. providing independent advice and support on strategic delivery; and
3. helping drive accountability beyond HR and DEI for the delivery of the global strategy by inviting CEOs and senior business leaders to update on progress.

Read more on diversity, equity and inclusion in the Sustainability Report on **pages 44 to 68**

Committee's dual purpose

Purpose		How to achieve this purpose
Purpose 1	To listen to and understand the views, interests and concerns of the workforce, one of our key stakeholders, and to consider these views, interests and concerns during Board discussions and decision making. This will support the Board in making effective decisions and underpin a sustainable and successful business.	Making the Board more accessible to the workforce through a programme of informal engagement mechanisms so they can hear directly from the workforce. Examples include: 1. meetings with cross-sections of the workforce during Board site visits; 2. meetings with senior leaders and high-potential individuals; and 3. focus groups on specific topics attended by the Committee or teams responsible for delivery of specific projects.
Purpose 2	To provide oversight of management's workforce engagement activities to ensure that the culture, policy, practices and behaviours across the Group are aligned to our purpose, values and strategy.	This will involve oversight of management activities on workforce engagement to ensure that effective mechanisms are currently in place or will be implemented in the future. Examples include: 1. employee engagement surveys; 2. reporting on metrics or targets; 3. review of strategic and culture risks; 4. DEI policy and progress; 5. updates on policies, practices or principles; and 6. workforce initiatives implemented and their progress.



Effective leadership development is critical to the long-term success of the Group. The Committee received updates on how divisions were supporting personal development and ongoing training opportunities to colleagues. One such update was on the Group's Luminary Programme launched in 2021. This is a unique programme that supports the Group in preparing for future growth. The programme is aimed at creating and developing a diverse leadership capability offering a number of rotations for the programme nominee within the Group supporting Divisional CEOs on various strategic projects.

Culture in action
A healthy corporate culture is one in which our values, behaviours and people promise are understood by our stakeholders, where compliance, ethics and integrity are embedded, and an operating environment that is inclusive, diverse and engaging. Together, these aspects encourage employees to make positive differences for stakeholders, in which values guide decisions and actions and in which attitudes and behaviours are consistent with high standards of conduct and doing the right thing. Our people promise enable colleagues to work in an agile and flexible way, to never settle by challenging norms, and provides a safe place for everyone to be themselves when the work.

The role of the Board in relation to purpose, vision, strategy, which underpins our long-term goals and stakeholder engagement is key in supporting a healthy culture across the Group, as is reinforcing the agreed cultural tone through:

- the substance of the decisions it takes;
- the way in which those decisions are taken; and
- the visibility, transparency and communication of those decisions.

Flutter operates within a federated model, but with a widely diverse colleague base and multiple cultures across our brands and divisions. The uniqueness of our diverse cultures is a strength to the global nature of the Group yet localised by putting the customer at the heart of each brand. The employee value proposition empowers culture by putting decisions as close to the customer as possible.

During 2021, a review was undertaken of existing cultural indicators and metrics particularly in relation to reporting on employees, customer matters and risk which resulted in the implementation of a new employee engagement strategy adopted across the majority of our businesses during the year. This engagement platform is an interactive listening tool which enables the Committee to understand the strategies and principles which unify and unite our colleagues. Our new culture narrative launched during 2021 defines Flutter's philosophy and aims to unify the Group of companies towards a purpose that is compelling, while ensuring our people from across the Group have a place where they belong and are clear on the things that unite our multiple brands and divisions. A new interactive listening tool was also launched in 2021 to strengthen the Committee's ability to hear directly from employees.

Our culture pillars are communicated through culture related programmes and initiatives such as targeted communications, mandatory compliance training and employee engagement surveys. The output of these programmes and initiatives are reported back to the Board by executives and the Workforce Engagement Committee.

To understand more fully how culture manifests in employee beliefs and actions, the Committee monitors the development of tools to allow culture to be assessed, in part, on objective evidence. In working towards this, further enhancements have been made within employee engagement surveys. All of the above supports the objective of identifying shortcomings and taking corrective action should it be required. The Board and Workforce Engagement Committee recognise that this will continue to be an evolving area.

Effectiveness of the Committee
The operation, performance and effectiveness of the Committee is monitored by me throughout the year and was also specifically reviewed as part of the internal evaluation process. All feedback received is used to improve the Committee's effectiveness. I am pleased to confirm that notwithstanding the relatively recent establishment of the Committee, it operates effectively.

Read more on our skills matrix on **page 97**

Read more on our Board evaluation on **pages pages 114 and 115**

Mary Turner
Workforce Engagement Committee Chair
14 March 2022

Monitoring the integrity of our system of internal controls

"The Audit Committee provides oversight of the financial reporting and disclosure process, ensuring quality of our audit process and integrity of our system of internal controls.

Highlights

- Reviewed the significant financial judgements made during the year
- Conducted a review of the 2021 Annual Report and Financial Statements to confirm that it was fair, balanced and capable of being understood by shareholders
- Conducted a review of our external auditors and proposed the reappointment of KPMG for the year ending 31 December 2022
- Approved the Group's 2021 Internal Audit Plan and oversight of the Group Internal Audit function
- Approved the updated Group Treasury Policy
- Oversight of the Internal Controls team, a second line function with responsibility for financial controls
- Commenced preparations for the external audit tender in readiness for 2022

Key focus for next year

- Continue to provide oversight of integration of financial reporting systems across the Group
- Support the delivery of a comprehensive internal audit programme
- Provide continued monitoring of the closure of management actions
- Monitor changes in regulatory reporting requirements
- Oversee the process for external audit tender

2021 meeting attendance

Committee members[1]	Date appointed	Attended/ eligible to attend
Michael Cawley (Chair)	Jul 2014 (Member: Jul 2013)	6/6
Zillah Byng-Thorne	Feb 2016	6/6
Nancy Cruickshank[3]	May 2020	3/3
Holly Keller Koeppel[4]	Jun 2021	3/3
David Lazzarato	May 2020	6/6
Mary Turner	May 2020	6/6

1. All members were Independent Non-Executive Directors.
2. Excludes annual joint Audit and Risk and Sustainability Committees meeting on 9 December 2021. Excludes an Audit Committee workshop held in June 2021.
3. Rotated off Committee on 15 June 2021.
4. Appointed Committee member with effect from 15 June 2021.

Key responsibilities

The main role of the Committee, as set out in its Terms of Reference (available at www.flutter.com) are to assist the Board in its oversight responsibilities by monitoring the integrity of the Financial Statements of the Group and other financial information before publication, and reviewing significant financial reporting judgements contained in them. In addition, the Committee also reviews:

- the system of internal financial and operational controls on a continuing basis (the Risk and Sustainability Committee reviews the internal control and risk management systems); and
- the accounting and financial reporting processes, along with the roles and effectiveness of both the Group Internal Audit function and the external auditor.

Membership and operation of the Committee

The Committee met six times in 2021. The annual joint Audit and Risk and Sustainability Committees meeting was held in December. In addition, the Committee held a detailed workshop in June. Meetings are generally scheduled around the financial reporting cycle to allow the Committee to discharge its duties in relation to the Financial Statements.

In addition to members of the Committee, regular attendees who attend meetings by invitation included the Chief Executive Officer, the Chief Financial Officer, the Group Director of Internal Audit and the Group Director of Finance and Treasury. The external auditor, KPMG, also attends Committee meetings and has direct access to the Chair of the Committee. The Company Secretary, or his Deputy, acts as secretary to the Committee and provides support as required.

The Board is satisfied that Zillah Byng-Thorne, Holly Keller Koeppel, David Lazzarato, Mary Turner and I all have "recent and relevant financial experience" as required under the Code. All members of the Committee were Independent Non-Executive Directors during their appointment to the Committee with financial and commercial experience relevant to either the digital and/or consumer industry and the broader commercial environment within which we operate. Therefore, the Committee, the Nomination Committee and the Board are satisfied that the Committee, as a whole, has competence relevant to the sector in which the Group operates.

Read more on our Directors' biographies on **pages 96 to 99**

To work effectively, the Committee has unrestricted access to the Group's external auditor, KPMG, and the Internal Audit function, which it meets throughout the year with, and without, management, as appropriate. These meetings ensure there are no restrictions on the scope of their audits and allow discussion of any matter that the internal or external auditor might not wish to raise in the presence of management. The Committee may obtain, at the Group's expense, outside legal or other professional advice needed to perform its duties.

As Chair of the Committee, I report to the Board on the key outcomes from each meeting and on how the Committee has discharged its duties. The minutes of all Committee meetings are circulated to the Board for information.

Significant activities undertaken during the year

Significant financial judgements

Our review of the significant financial judgements made during the year and any key financial reporting issues are described on page 127 of this report. In addition to routine consideration of potential fraud in revenue recognition and tax provisions matters, the Committee considered the settlement of the Kentucky litigation.

Internal audit

We work closely with our Internal Audit function and in particular, the Group Director of Internal Audit. During 2021, we monitored and reviewed the effectiveness of the Group's Internal Audit function. This included consideration of the results of internal audits undertaken and challenges of management's responses to the findings, including updates on actions identified; approving any changes to the Internal Audit Plan for 2021 and approval of the Internal Audit Plan for 2022; and reviewing and approving amendments to the Internal Audit Charter.

Internal controls over financial reporting

We reviewed the work undertaken by the Group Internal Controls team. It presented its programme for "second line of defence" assurance work over the design adequacy and operational effectiveness of the financial controls designed to mitigate the risks of financial misstatement. We reviewed its plan, which involved the regular review and testing of a tailored suite of internal financial controls.

Financial and business reporting

During the year, we monitored the integrity of the Financial Statements and the formal announcements relating to the Group's financial performance and considered the report of the external auditor on the Financial Statements and the year-end audit. We assessed the Group's viability in line with the Code requirements and the appropriateness of the going concern basis and maintained oversight of compliance with relevant regulations for financial reporting and the Code.

Reporting and governance

On behalf of the Board, we undertook a review of whether the Annual Report and Financial Statements, taken as a whole, was fair, balanced and understandable and provides the necessary information to shareholders to assess the Group's position and performance, business model and strategy. Our review of the Annual Report and Financial Statements is described on page 126.

The Committee undertook a review of the Committee's Terms of Reference and schedule of proposed matters in December.

Risk management and internal control

The Committee assessed the appropriateness of the Group's overall risk management and internal control framework. Throughout the year, the Committee had responsibility to ensure there is a robust process in place to monitor and evaluate the principal risks to which the Group is exposed, including those that would threaten its business model, future performance, solvency or liquidity.

We also reviewed the processes for detecting fraud, misconduct and control weaknesses and considering responses to any such occurrence.

Following these reviews, the Committee concluded that the Company's systems of risk management and internal control were effective and appropriate in the context of the Group.

Fair, balanced and understandable

At the request of the Board, the Committee considered whether, in its opinion, the 2021 Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and whether is provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

How do we define "fair, balanced and understandable"?

In justifying this statement, we considered the robust process in place to create the Annual Report and Financial Statements, including:

- reviewed a draft of the whole Annual Report and Financial Statements at a meeting in advance of giving its final opinion and ahead of final approval by the Board. The Committee was provided with all relevant information, received briefings from management on how specific issues are managed and challenged management as required;
- received confirmation that each Committee had signed off on each of its respective Committee reports and reviewed other sections for which it has responsibility under its Terms of Reference;
- was provided with a confirmation by management that it was not aware of any material misstatements in the Financial Statements made intentionally to achieve a particular presentation; and
- was provided with findings from KPMG that it had found no material audit misstatements that would impact the unqualified audit opinion during the course of its work. The Committee confirms that it is satisfied that KPMG, as the external auditor, has fulfilled its responsibilities with diligence and professional scepticism. After reviewing the presentations and reporting from management and consulting where necessary with KPMG, the Committee is satisfied that the Annual Report and Financial Statements appropriately addresses the critical judgements and key estimates, both in respect of the amounts reported and the disclosures.

Is the report fair?

- Is the whole story presented and has any sensitive material been omitted that should have been included?
- Is the reporting on the business performance in the narrative reporting consistent with that used for the financial reporting in the Financial Statements?
- Are the key messages in the narrative reflected in the financial reporting?
- Are the KPIs disclosed at an appropriate level based on the financial reporting?

Is the report balanced?

- Is there a good level of consistency between the narrative reporting in the front and the financial reporting in the back of the report, and does the messaging presented within each remain consistent when one is read independently of the other?
- Is the Annual Report an appropriate document for shareholders?
- Are the statutory and adjusted measures explained clearly with appropriate prominence?
- Are the key judgements referred to in the narrative reporting and the significant issues reported in this Audit Committee Report consistent with the disclosures of key estimation uncertainties and critical judgements set out in the Financial Statements?
- How do the significant issues identified compare with the risks that KPMG plans to include in its report?

Is the report understandable?

- Is there a clear and understandable framework to the report?
- Are the important messages highlighted appropriately throughout the document?
- Is the layout clear with good linkage throughout in a manner that reflects the whole story?

Conclusion

Following its review, we believe that the 2021 Annual Report and Financial Statements is representative of the year and presents a fair, balanced and understandable overview, providing the necessary information for shareholders to assess the Group's position, performance, business model and strategy.

Key Committee meetings*

February

- Assessment of external auditor independence and recommendation for reappointment
- Review of internal controls and risk management systems
- Review of internal controls year-end attestation
- Consideration of fair, balanced and understandable
- Assessment of viability statements and going concern basis of preparation
- Recommendation of 2020 Annual Report and Financial Statements and results announcement
- Consideration of external auditor effectiveness review
- Approval of non-audit services
- Meeting with external auditor without management present

April

- Review of 2021 external audit and scope of work
- Review of internal controls over financial reporting
- Approval of Internal Audit Charter
- Approval of Group tax strategy
- Consideration of audit tender process plan

July

- Review and recommendation of approval of 2021 Interim Results
- Consideration of going concern basis of preparation
- Review of interim internal controls update
- Review of External Audit Plan update

October

- Review of tax risks update
- Received treasury client funds update and approval of Treasury Policy
- Review of Q3 trading update
- Review of divisional financial controls over reporting
- Meeting with external auditor without management present
- Meeting with Group Director of Internal Audit without management present

* Internal audit update and external auditor update were standing agenda items at each Committee meeting.

Financial reporting and significant financial issues

The committee monitors the integrity of the Financial Statements at half year and at year end, as well as formal announcements relating to the Group's financial performance. We considered whether accounting standards are consistently applied across the Group and whether disclosures in the Financial Statements are appropriate and sufficient. Following discussions with management and KPMG, the Committee has determined that the key risks of misstatement of the Group's Financial Statements are in relation to the following:

Matter considered	Action
Revenue recognition The Group has a number of income streams across its online and retail operations with a high prevalence of cash and card payment transactions. Effective operational and fraud-related controls from both an IT systems and financial control perspective help us ensure the accuracy and completeness of these income streams.	We gained comfort over this area through discussion with the CFO and the Group Director of Finance and Treasury in relation to the operation of key financial controls such as cash and revenue reconciliations. The Joint Head's of Treasury and Client Funds gave us a presentation on treasury and banking controls in operation, which ensure the accuracy and integrity of funds held in the Group's bank accounts and client funds accounts. We also gained an understanding of, and challenged, the work performed by KPMG, including its assessment of the key IT controls in operation in relation to the Group's IT systems. As a result of the above, the Committee is satisfied that there are appropriate controls and processes in place across the Group to ensure the completeness and accuracy of reported revenue.

External auditor

We reviewed and made a recommendation to the Board in relation to the continued appointment of KPMG as the external auditor and, as a Committee, approved KPMG's remuneration and terms of engagement for the 2021 financial year. During the year, the Committee reviewed and approved the External Audit Plan for 2021 presented by KPMG, including consideration of its key areas of risk and the audit approach applied by KPMG, the proposed areas of coverage of KPMG's audit and any changes thereto during the year. The Committee considered KPMG's updates during 2021 in relation to the External Audit Plan, related actions and evaluated the performance of KPMG, including its independence and objectivity and monitored any non-audit services provided by KPMG. The Committee also reviewed the Group's Non-Audit Services Policy (the "Non-Audit Policy") and, in advance, approved any non-audit services and related fees to be provided by KPMG during 2021.

Internal audit

Internal Audit is an independent assurance function for the Group whose remit is to provide independent and objective assurance that the key risks to the Group are appropriately identified and managed and that key controls are operating as expected. It reports directly into the Committee. The Committee annually approves the Internal Audit Charter.

The Group Director of Internal Audit attends and reports at every Committee meeting and has direct access to all Committee members, and the Committee Chair also met with the Group Director of Internal Audit outside of Committee meetings throughout 2021. The Committee approved the 2021 Internal Audit Plan in December 2020 and this was assessed by the Committee to ensure it provided adequate coverage across the Group and was risk based in its approach.

A number of minor changes were made to this plan which were reviewed and agreed by the Committee.

Progress against the Internal Audit Plan was reported to the Committee throughout 2021 and was considered in detail at the half year and after the year end. We also reviewed the specifics of audit findings and the progress of the business in addressing audit recommendations. Internal Audit regularly reported to the Committee on risk profiles across the divisions, methodology enhancements and the overall risk management frameworks in the business.

After taking all of this into consideration, the Committee and I are satisfied as to the Internal Audit function's performance.

Risk management

In accordance with the Code, the Board must describe the principal risks to which the business is exposed and the activities undertaken to mitigate against them. The Board must also confirm that it has carried out a robust assessment of the principal risks facing the Group, including those that would threaten the business model, future performance, solvency or liquidity of the business.

We must explain how we assessed the prospects of the Group, over what period we have done so, why this period is considered appropriate and whether the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, drawing attention to any qualifications or assumptions as necessary. The Board has reported on these requirements on page 92.

This Committee and the Risk and Sustainability Committee together support the Board in relation to monitoring the adequacy and effectiveness of the risk management systems. During 2021, this Committee reviewed the output of the Internal Audit function as well as the management of financial risks. The Committee also reviewed the reports presented by the external auditor, KPMG, and reports from the recently established Internal Control function. The Risk and Sustainability Committee reviewed the work of the second line functions and ongoing operational risk management. To ensure that there is a full review of the risk management process as a whole, myself and the incoming Audit Chair Holly Keller Koeppel are members of the Risk and Sustainability Committee and the Chair of the Risk and Sustainability Committee, Zillah Byng-Thorne and incoming Chair Dave Lazzarato, are also members of this Committee. We also have an annual joint meeting of the Audit and Risk and Sustainability Committee at which a review of the risk management process, as a whole, is undertaken, for its appropriateness and effectiveness in identifying the principal risks and reviewing how those risks are being managed and mitigated. The Committees also rely on the work of internal and external audit to ensure that appropriate measures are taken to address risks as they are identified or as their risk profile changes.

As part of the overall risk management framework, management maintains divisional risk registers. This Committee and the Risk and Sustainability Committee, together, at their annual joint meeting, formally consider these and the appropriateness of management's risk appetite.

Read more on understanding and managing our principal risks on **pages 84 to 91**

Read more in the Risk and Sustainability Committee Report on **pages 44 to 68**

External auditor: KPMG

There are a number of areas which the Committee considers in relation to KPMG as the external auditor – its performance, reappointment and length of service, independence and the provision of non-audit services, objectivity and remuneration.

Performance

In October, KPMG presented its Audit Plan and strategy to the Committee. It provided detail on the proposed audit approach and methodology and the materiality level intended to be used during the audit and highlighted the areas considered as having a higher risk due to the level of judgement involved and the potential impact of a misstatement on the Group Financial Statements.

The areas of highest risk were considered to be the treatment of the Kentucky litigation which was resolved prior to the year end and revenue recognition. In addition, KPMG highlighted that, as required by auditing standards, management override of controls was also included as a significant audit risk. The Committee reviewed and appropriately challenged the conclusions reached by KPMG before agreeing its proposed Audit Plan's scope and approach.

The Committee provided appropriate challenge to the work performed, assumptions made and conclusions drawn, particularly in relation to the higher-risk areas identified above. The Committee meets privately with KPMG at least once a year without any members of management or the Executive Directors being present.

Reappointment and length of service

The Committee makes recommendations on the appointment, reappointment and removal of the external auditor to the Board. It also reviews whether the external auditor is, and remains, objective and independent. KPMG Ireland was appointed as the Group's auditor in 2002. The audit was last tendered in 2011 for the year ended 31 December 2011. Post the merger with Betfair, KPMG LLP, the UK member firm of KPMG International, was the Group's auditor for the years ended 31 December 2016 and 2017. The Committee reviewed the performance and effectiveness of KPMG and concluded that it continues to provide an effective audit service and that there are no compelling reasons for change. The Committee is mindful of the requirements of the EU Directive on audit reform. Under the Directive's transitional arrangements, KPMG can continue to act as the Group's external auditor for the period up to 31 December 2023 at which point the Committee will need to recommend the appointment of a different audit firm. The Committee has commenced the audit tender process which it expects to conclude in Q2 2022, with KPMG completing its final audit for the period 31 December 2023.

Accordingly, the Committee recommended the reappointment of KPMG to the Board (which was accepted) for the 2022 financial year. Ryan McCarthy is the current lead audit partner and 2021 was his first year in this role.

External auditor: KPMG continued

External audit process

Bespoke questionnaire prepared covering

- Audit Plan including risk assessment and timetable
- Mindset and culture
- Qualifications, expertise, character and resources
- Dealing with key accounting and audit judgements, and how these are communicated
- Quality and content of deliverables
- Response to challenge by the Audit Committee
- Relationship with Internal Audit

Questionnaire completed by

- Committee Chair
- CFO
- Group Director of Finance and Treasury
- Director of Group Accounting and Reporting
- Group Director of Internal Audit
- Divisional Finance Leads
- Director of Financial Controls
- Group Tax Director
- General Counsel and Company Secretary
- Deputy Company Secretary

Results of the questionnaire

- Results of the questionnaire are collated centrally by Group Finance and a summary of the findings was provided for the Committee to consider the overall effectiveness of the function and any action required

Assessment

- The output from the effectiveness questionnaire was shared with the Committee and KPMG
- Following the Committee's review of the output, the Committee confirmed that KPMG is effective as external auditor to the Company and recommended to the Board its reappointment as auditor be proposed to shareholders at the 2022 AGM

Auditor rotation timeline

2002
KPMG Ireland appointed

2011
Full competitive tender following which KPMG Ireland was reappointed

2021
Commencement of competitive tender

2022
Completion of competitive tender and appointment of external auditor with effect from 1 January 2024

2023
31 December 2023 KPMG's last external audit

Independence and the provision of non-audit services

The Committee implements appropriate safeguards when the external auditor also provides non-audit services to the Group. The perceived independence and objectivity of the external auditor may be compromised where it receives fees for non-audit services, so we operated a Non-Audit Policy during 2021. This formalised the process to be followed when considering whether to engage the external auditor for non-audit services. Any engagement of the external auditor for non-audit work must satisfy applicable rules and legislation, including Statutory Instrument SI 312 and the IAASA Ethical Standard for Auditors (Ireland).

KPMG cannot engage in non-audit services that would compromise its independence, would violate any laws or regulations affecting its appointment as the external auditor, or would lead a reasonable third party to regard the objectives of the proposed non-audit service as being inconsistent with the external audit. The Non-Audit Policy specifically calls out services that the external auditor cannot provide to the Group. No approval is given by the Committee for the provision of prohibited services. Beyond this all engagements of KPMG are formally approved by the Committee in advance.

The Group's policy is that the total fees for non-audit services to the Group shall be limited to no more than 70% of the average of the fees paid for the last three consecutive years for audit-related services to KPMG Ireland and overseas offices. During 2021, KPMG Ireland was engaged to perform agreed upon procedures on responding to third parties, the half-year review and other non-audit services. The Audit Committee specifically considered the impact of this on KPMG's independence as auditor and was satisfied that it was appropriate to engage KPMG, having taken into account the potential impact to the auditor's independence and the procedures put in place to reduce them to an acceptable level. During 2021, the Committee monitored the extent to which KPMG was engaged to provide non-audit services and considered and approved the engagement as required under the Non-Audit Policy. An analysis of the non-audit fees provided by KPMG during 2021 is set out in Note 9 to the Consolidated Financial Statements on page 200. For 2021, non-audit fees paid to KPMG amounted to 6% (2020: 48%) of audit-related fees paid to the Irish firm and overseas offices.

The Committee and I are satisfied that the non-audit services provided and fees paid in relation to these don't impair KPMG's independence and objectivity and there are sufficient safeguards in place in respect of this.

Objectivity and hiring of former employees of the external auditor

To ensure the independence and objectivity of the external auditor, KPMG, any offer of employment to a former employee of the audit firm, within two years of the employee leaving the audit firm, must be pre-approved by the Committee where the offer is made in respect of a senior executive position. Key audit partners will not be offered employment by the Group within two years of undertaking any role on the audit. Other key team members will not be offered employment by the Group within six months of undertaking any role on the audit. Other employees of KPMG who accept employment by the Group must cease any activity on the Group's audit immediately when they tender their resignation to KPMG. In order to ensure objectivity, any partner previously involved in the audit of the Group's Parent Company or its subsidiaries shall not be recruited in the Group Finance function.

We are satisfied with the independence, objectivity and effectiveness of KPMG as the external auditor, and with the external audit process as a whole.

Effectiveness of the Committee

The operation, performance and effectiveness of the Committee is monitored by me throughout the year and was also specifically reviewed as part of the internal evaluation process. All feedback received is used to improve the Committee's effectiveness. I am pleased to confirm that the Committee continues to operate effectively.

Read more on our skills matrix on **page 97**

Read more on our Board evaluation on **pages 114 and 115**

Michael Cawley
Audit Committee Chair
14 March 2022

External auditor effectiveness review

Qualification and expertise | **Resources**

We considered whether the external auditor had appropriate resources and expertise to conduct the audit, including the competence with which KPMG handled key accounting and audit judgements and the manner in which it communicated the same.

Independence and objectivity | **Non-audit services**

We spoke to the CFO and management about the objectivity of the auditor.

Non-audit services provided by KPMG were reviewed and, as described on page 130, are not considered to have affected the auditor's independence.

The Committee was satisfied that KPMG complied with relevant ethical and professional guidance on the rotation of audit partners.

Planning and organisation | **Quality**

We looked at the effectiveness and organisation of the planning process for the audit, including progress against the agreed Audit Plan, and communication of any changes to the plan in respect of matters such as emerging risks and post-audit evaluation.

The Committee was satisfied with the quality of reporting from the external auditor and its recommendations.

We also took into account the outcome from an internal management review of its performance.

Overseeing management of material risks impacting our reputation

> Safer gambling is fundamental to every element of the Group's strategy and brand sustainability.

Highlights

- Approval of the re-purposed Risk and Sustainability Committee focused on the management of material risks, sustainability matters including approval of a new Group ESG strategy, review of climate-related disclosure requirements, data protection and approval of Modern Slavery statement
- Oversight of the Group's safer gambling strategy, including approval of a new Group safer gambling strategy, monitoring of regulatory landscape including UK Gambling Act Review and approval of Annual Assurance Statements
- Monitored cyber security threats, oversight of implementation of Group cyber security strategy and policy and held deep dive cyber Security workshops
- Oversight of implementation of risk management framework and risk strategy, including review of Group's divisional risk registers, and monitoring Group risk appetite
- Monitored compliance activities, including anti-money laundering and counter terrorist financing, anti-bribery and corruption policies, whistleblowing arrangements and Code of Ethics
- Reviewed and monitored bookmaking risks and trading limits
- Monitored material litigation and legal matters
- Reviewed and monitored data protection
- Oversight of people and travel risks

Key focus for 2022

- Oversee implementation of ESG strategy
- Oversee progression of safer gambling strategy and the outcomes of the review of the UK Gambling Act and establishment of an Irish gambling regulator, and continue to sponsor the promotion of safer gambling standards across the Group and industry
- Monitor and mitigate cyber security threats and data protection risks
- Monitor external regulatory environment and licensing requirements
- Monitor key third party suppliers
- Oversee strategic risks and risk appetite of material risks of the Group
- Ensure crisis management plans are in place and fit for purpose

2021 meeting attendance

Committee members[1]	Date appointed	Attended / eligible to attend
Zillah Byng-Thorne (Chair)	Jan 2018	5/5
Michael Cawley	Feb 2016	5/5
Nancy Cruickshank	May 2019	5/5
Richard Flint	May 2020	5/5
Dave Gadhia[3]	May 2020	2/2
Holly Keller Koeppel[4]	Jun 2021	3/3
David Lazzarato	May 2020	5/5
Peter Rigby[3]	Feb 2016	2/2

1. All members are Non-Executive Directors.
2. Excludes annual joint Audit and Risk and Sustainability Committee meeting held on 9 December 2021.
3. Resigned from the Board on 29 April 2021.
4. Appointed Committee member on 15 June 2021.

Key activities undertaken in 2021

Sustainability

Our new sustainability strategy has been introduced as our Positive Impact Plan. As part of its regular risk assessment, the Committee takes account of the significance of ESG matters to the business of the Group. We stay updated on the Group's objectives and strategy in respect of ESG and progress in the delivery of agreed actions. As detailed in the Strategic Report, our ESG strategy addresses safer gambling, diversity and inclusion, environment and climate, and community engagement and corporate social responsibility initiatives.

Read more on sustainability on pages 44 to 68

Safer gambling

Safer gambling is fundamental to every element of the Group's strategy and brand sustainability. The Board considers preventing gambling-related harm to be an essential part of behaving responsibly as a business and we continue to enhance wide-ranging policies and tools and support mechanisms to help our customers manage their gambling. We are actively engaging with the UK's Gambling Act Review, proposals to establish a gambling regulator in Ireland, as well as safer gambling initiatives across the Group. Safer gambling continues to be a very high priority area for the Board.

In addition to safer gambling being a standing agenda item as part of the Chief Executive Officer's update at Board meetings, the Committee spends considerable time reviewing the strategic objectives and priorities for the Group and the progress being made in relation to agreed actions and work streams, as well as the monitoring of risks. Related presentations provide the opportunity to receive updates on the progress being made, for example on safer gambling operating controls and the continual improvements being made in relation to interactions with customers. The Committee approved a further enhanced safer gambling strategy in October 2021 and will monitor its implementation during 2022 and beyond.

Read more on safer gambling on pages 44 to 51

Compliance

The Committee regularly received updates in relation to the Group's ongoing compliance with its regulatory licences and legal obligations and considered the processes in place to manage and mitigate the risks related to relevant operational matters. These included anti-money laundering, anti-bribery, marketing compliance and data protection and privacy.

We also reviewed formal reports from the Group Data Protection Officer and the Global Head of Financial Crime and Sports Integrity. We are kept up-to-date about any important communications with regulators and management of such relationships. Together with the Audit Committee, this Committee was updated on the Group's Code of Ethics and related standards and policies, including those involving whistleblowing and anti-bribery and corruption, and how these are communicated to all employees, including mandatory training.

Our Code of Ethics sets out the standard of conduct and behaviour expected of our employees throughout the organisation. Our policies, procedures, management systems and internal controls are there to prevent bribery and corruption occurring, including policies on whistleblowing and anti-bribery and corruption. The formalised Whistleblowing Policy and procedure help employees to raise issues regarding possible improprieties in matters of financial reporting or other matters on a confidential basis. The Committee monitored its effectiveness and was advised of notifications made. We are satisfied that the whistleblowing process was working appropriately.

Read more on the Group Code of Ethics on page 64

> The repurposed Risk and Sustainability Committee strengthens Flutter's governance arrangements for oversight of sustainability matters, whilst continuing to monitor the material risks that impact our reputation.

Governance in action

Cyber Security Toolkit for Boards

Cyber threats are an important risk of operating digital businesses and the Board recognises this. Therefore, we dedicated time in 2021 to discussing and monitoring cyber risks and security, and the progress in mitigating these risks and preventing any possible attacks or related material adverse incidents, including:

- approval of the Global Cyber Security Policy which sets out the set of cyber security requirements across the Group;
- regular review of access controls;
- review of security standards such as ISO 27001:2013, PCI and NIST held across the Group;
- approach to testing products and services in the same way that hackers would;
- defensive measures, procedures and teams in place to protect from malicious distributed denial of service ("DDOS") attacks;
- processes in place to ensure security is built in to product development;
- tools and processes in place to ensure the Group is protected against insider threat including data leakage; and
- an emphasis on employee awareness, education and testing.

To further strengthen the Board's knowledge and expertise on cyber security, a collective series of workshops were held during the year which provided one-to-one mentoring for members of the Committee focused on identity access management, cyber threat and intelligence and third party security assurance. In addition to these workshops, the Committee received advisory sessions based on the UK National Cyber Security Centre ("NCSC") Cyber Security Toolkit for Boards.

We'll continue to monitor the effectiveness of the cyber security strategy throughout 2022.

Key Committee meetings during 2021

February
- Legal and regulatory including material litigation update
- Safer gambling and update on UK Gambling Act Review
- High value customer update
- Review of external reporting disclosures
- Risk management, emerging risks, risk management framework and feedback from Executive Risk Committee
- Money Laundering Reporting Officer Report
- International markets and compliance update

July
- Legal and regulatory update
- Bookmaking risk and trading
- UK Gambling Act Review
- ESG strategy
- People risk update
- Group risk management update
- Review of biannual litigation log
- Data Protection Officer Report

December
- Update from Risk and Sustainability Committee workshop
- Legal and regulatory updates
- Risk strategy
- Safer gambling strategy
- Cyber security strategy
- Crisis management framework
- Annual Assurance Statements for the UK Gambling Commission
- Divisional updates

Risk management framework
During 2021, we monitored key areas of risk, regulatory and legal, risk strategy and Group risk management governance framework as well as how embedded our three lines of defence model is.

Read more on risk management on **page 85**

Bookmaking risks and trading limits
We reviewed and approved the performance of the Group's policies in respect of bookmaking risks. During 2021, the Committee received presentations from the Chief Trading Officer, as well as presentations from management, on the adequacy and effectiveness of the Group's Bookmaking and Risk Management functions. We also looked at the Group's bookmaking risk and pay-out limits.

Risk management, including identification of emerging risks
Alongside the Audit Committee we support the Board in monitoring the Group's risk management processes for their appropriateness and effectiveness in identifying the emerging and principal risks facing the Group. As part of the overall risk management framework, management maintains individual divisional risk registers for each division. These detail the significant risks facing the business and the potential likelihood and impact of these risks materialising once the existence of controls and mitigating factors are considered.

The Committee also reviews how our risks are being managed and mitigated and has oversight of key second line functions such as Risk Management, Compliance and Information Security. During 2021, as part of its procedures to identify emerging risks as well as to monitor established risks, we met with, and received, detailed presentations from various key functions to talk about how we manage our main operational risks, including specific updates in relation to the International division, as well as updates on cyber security related risks, commercial risks and strategic risks among others. The Audit Committee has oversight of the third line function.

Read more on the Audit Committee on **pages 124 to 131**

To ensure that there is a full review of the risk management process as a whole, I am a member of the Audit Committee, Michael Cawley (Audit Committee Chair) is a member of this Committee. Holly Keller Koeppel and David Lazzarato are members of both Committees and incoming Chairs of the Audit Committee and Risk and Sustainability Committees respectively. In addition, updates are provided by each Committee Chair at each Board meeting. We also hold at least one joint meeting of the Audit and Risk and Sustainability Committees annually at which we specifically review the risk management process as a whole, for its appropriateness and effectiveness in identifying the emerging and principal risks and how those risks are being managed and mitigated, the Group's risk registers, and the appropriateness of management's risk appetite. This is then reported to the Board for its assessment and approval.

Read more in the Audit Committee Report on **pages 124 to 131**

Risk tolerance
Given the operating environment and industry in which we operate, we continuously face risks and uncertainties. An overview of the Group's risk profile is set out in Understanding and Managing Our Risks on pages 84 to 91. The Group's risk tolerance is set by the Board as well as the level of risk we will accept to achieve our strategic objectives.

Our overall risk tolerance is low and is contained in our Risk Appetite Statement. This tolerance, alongside our culture, shows colleagues how to respond to risk. Our divisional risk teams, with support from Group Risk, continue to monitor potential risks or breaches of our risk tolerance and report to the Committee.

Read more on strategy on **page 18 to 27**

Effectiveness of the Committee
This is monitored by me and was also specifically reviewed as part of the internal Board and Committee evaluation process. All feedback received will improve the Committee's effectiveness particularly as the scope and remit of the Committee evolve in a very dynamic market. I am pleased to confirm that the Committee continues to operate effectively.

Read more on our Board evaluation on **page 114 and 115**

Zillah Byng-Thorne
Risk and Sustainability Committee Chair
14 March 2022

Remuneration Committee Chair's Statement

Committee focus in the year

- Extensive discussions on the appropriateness of remuneration for Executive Directors
- Consultation with shareholders on proposed remuneration arrangements for 2022
- Reviewed and approved relevant annual bonus outturn and LTIP vesting levels
- Reviewed and approved LTIP awards across Flutter, below Executive Director level

Priorities for 2022

- Continue to keep abreast of changes in UK corporate governance and best practice
- Monitor the outcome of the UK Gambling Act review and its impact upon Flutter's remuneration arrangements
- Ensure that remuneration opportunities remain appropriate to attract and retain key talent
- Oversee below-Board reward strategy and structure, ensuring that it remains agile and fit for purpose across all divisions
- Continue ongoing engagement with shareholders
- Consider and set incentive plan targets that are appropriately stretching
- Review the existing Remuneration Policy and any proposed changes to it ahead of the shareholder vote at the 2023 AGM

The Committee's Terms of Reference are reviewed annually and are available at: **www.flutter.com/investors**

How this Directors' Remuneration Report is structured

As an Irish-incorporated company, Flutter Entertainment plc is not subject to the UK's remuneration reporting requirements; however, our preference is for our remuneration policies, practices and reporting to reflect best practice corporate governance for a FTSE 100 company. Accordingly, since 2015 the Committee has complied with the reporting regulations on a voluntary basis.

- This **Remuneration Committee Chair's Statement** on pages 136 to 139 provides context for the decisions made by the Committee in the year, and the proposed approach to implementing the policy in the upcoming year. It also summarises the remuneration outcomes for Executive Directors. A "Remuneration at a Glance" page is included after this section.
- The **Annual Report on Remuneration**, which runs from pages 141 to 150, details the remuneration arrangements and outcomes in place in the year under review.
- A summary of the **Remuneration Policy**, which was approved by shareholders at the 2020 AGM, is shown on pages 151 to 154.

For clarity, remuneration is reported in pound sterling, in line with the Group's reporting currency. Where relevant, remuneration is converted to pound sterling from euros, to simplify reporting.

2021 meeting attendance

Committee members[1]	Date appointed	Attended / eligible to attend
Peter Rigby (Chair until 29 April)	Jan 2018 (member: Feb 2016)	3/3
Andrew Higginson (Chair from 29 April)	Apr 2022 (member: Feb 2020)	8/8
Nancy Dubuc[2]	June 2021	4/4
Alfred Hurley	May 2020	8/8
Gary McGann	Jul 2015	8/8
Mary Turner[3]	May 2020	7/8

1. All members are Independent Non-Executive Directors and the Chair of the Board was independent on appointment to that role.
2. Appointed Committee member on 15 June 2021.
3. Mary Turner was unable to attend one meeting due to a prior commitment, which had been notified in advance.

Other attendees

The Chief Executive Officer, Chief Financial Officer, Chief People Officer, Company Secretary, Global Director of Reward and Benefits, Group Reward and Benefits Director, Head of Executive Compensation and PricewaterhouseCoopers ("PwC"), our remuneration advisers, attended some or all of the meetings by invitation but are not members. Individuals are not present when their own remuneration is discussed.

The Deputy Company Secretary & Head of Governance acts as secretary to the Committee.

In recent years, Flutter has transformed into a global industry leader in betting and gaming. We are a vastly different organisation than when the current Executive team joined, with a significant shift even since I joined the Board just two years ago. This change is reflected in our growth across many of our key markets and no more so than in the US. We have built scale, both organically and through acquisition, and our growth continues apace.

2021 has seen Flutter continue to evolve. Despite the ongoing global effects of the Covid-19 pandemic, which continue to impact parts of our business as well as the wider environment, we have continued to sharpen our strategy and shape the business to capitalise on the vast opportunities that lie ahead. This is particularly true in the US however we continue to make progress in all our divisions.

The transformation of our business over recent years means that we operate in a very different global marketplace for talent to when we last considered our Executive Director remuneration arrangements. In light of this development and the remuneration challenges it presents, the Committee conducted a detailed review of Executive Director remuneration this year and discussed the findings extensively with shareholders.

Context for considering change

Last year continued our trend of multiple strong years of performance. In recent years, Flutter has transformed as a Group and under the leadership of our current Executive team, Flutter has:

- completed a strategic combination with The Stars Group Inc.;
- acquired and scaled the FanDuel business to take advantage of the exceptional opportunity in the US market, such that we are the clear market leaders; and
- thoroughly executed on our strategy in core markets, extending market share through both organic growth and key strategic acquisitions including Adjarabet, Junglee, Singular, Tombola and the upcoming acquisition of Sisal.

Our evolution has brought us much closer to the US both operationally and in respect of competition for talent. The US market represents the fastest growing area of our business today, and the most attractive market opportunity in the sector. FanDuel is scaling rapidly, reflecting the pace of regulatory change in the US. By the end of 2022 the Group will be live, online, in 19 states. It is anticipated that the US will become our largest market in revenue terms by 2023, notwithstanding expected growth in other markets.

We need to ensure that we have a strong global leadership team that offers a blend of sector expertise with experience in scaling digital businesses. The recent search for the FanDuel Group CEO highlighted how competitive the market is for proven executives in this space. This gives us a challenge on compensation with current Executive Director remuneration levels now lagging behind the UK market as well as being significantly below the US market. Without significant changes to the current package, we are exposed in our ability to both:

- retain current Executive Directors; and
- recruit future Executives, where we will need access to the highest calibre of talent from the global market, including in particular the US and international digital marketplace.

Whilst the Board and Committee are not concerned about the commitment of the existing Executive team, it is important that we pay the established management team fairly in the context of the current size and complexity of the company and the market in which we operate, as well as having regard of their success in growing the business to date. If and when it becomes necessary to recruit at this level, we will need to have an established pay structure in place that demonstrates we are able to pay competitively against the talent markets from which we wish to recruit, including the US and international digital markets.

In this context we developed proposals to address the issues set out above and incentivise our Executive team to continue to create exceptional levels of value for our shareholders and other stakeholders alike. These comprised two components:

- an uplift to salary levels for the CEO and CFO, to bring their salaries in line with other UK-listed business of similar size and scale; and
- a new long-term incentive focussed on continued strong growth, with higher opportunity levels for outstanding performance.

Our analysis showed that the combination of these changes would position remuneration at the upper quartile compared to other large UK companies and at the lower quartile compared to similar US-listed business, which we judged to be an appropriate outcome.

In the last quarter of 2021, we consulted with shareholders representing around two-thirds of our share capital. They universally recognised the issues we had identified and were supportive of change, and most endorsed the size of the change required. We received helpful input on the details of our proposals which we took into account as we refined them.

Remuneration Committee Chair's Statement continued

However, in the period immediately before finally agreeing these proposals, the external environment changed markedly. Valuations in the global technology sector receded in the early part of the year and, in late February and early March, this was accelerated by significant changes in the geopolitical environment. The Committee judged that, in light of a significant fall in the value of shareholders' investments in Flutter, it was no longer appropriate to proceed with the full package of change we had intended. We therefore decided not to make changes to our long-term incentives for 2022, continuing instead with the structure we have used since 2020. However, we believe it remains appropriate to implement the intended changes to the Executive Directors' salaries to partly bridge the gap to the competitive positioning we identified.

Over the coming year, we will re-evaluate whether the proposed long-term incentive plan we developed this year should form part of a new Remuneration Policy, to be put before shareholders at next year's AGM. Our existing Remuneration Policy was approved by shareholders at the 2020 AGM and is therefore ordinarily due for renewal in 2023. We will consider what is right for the business over the course of 2022 as Flutter develops and the broader macroeconomic environment evolves.

Changes to total salary

Current total salary levels are positioned towards the lower end of the UK market for companies of a similar size. In order to address this, total salaries will be increased, effective 1 March 2022 as follows:

	1 March 2021	1 March 2022[1]	% increase
Peter Jackson	£927,000	£1,170,000	26%
Jonathan Hill	€694,220		
	£596,946	£715,000	20%

1. Both Executive Directors will have UK contracts going forward and, as such, both will have their salaries set in GBP.

Whilst these increases are materially higher than the average increase across the rest of our UK workforce, they are required to achieve the required market positioning. As outlined above, we believe that these increases are necessary to ensure that the Executive Director total packages are representative of Flutter's business context, and are more competitive in both the current UK market and the wider US and international digital markets in which we operate. The process we undertook in reviewing the salaries is also in line with the approach that we take for the wider workforce i.e. if an individual's role and responsibility significantly increases as a result of growth in the size of the business they manage, or the market value of the role shifts significantly, we would review their salary and remuneration levels to ensure that they remained appropriate within this new context. Whilst we considered taking a phased approach to increases, following internal discussions, and discussions with shareholders, we ultimately decided that it would be more appropriate to make the increases in one go. We believe that the Executive Directors are already delivering value now, and therefore aligning their reward to this now is deemed important. Our decision not to implement the new long-term incentive, which would have further enhanced our competitive position, cemented this decision.

2021 performance outcomes

Business context

As noted on the previous pages, 2021 was another strong financial year for Flutter; we continued our strong momentum across all divisions, whilst progressing with the integration of our businesses and growing our leadership positions in core markets. In the context of another challenging and uncertain year, with lockdowns extending into 2021 to various degrees across our respective markets, we were able to successfully navigate this situation through our diversification.

Each of our divisions played an important part in helping to deliver on our key strategic objectives. We retained gold medal positions in our core markets of UK and Australia, whilst continuing to win in the US, with FanDuel remaining the clear market leader in online sportsbook. We also supplemented our International division with the acquisition of Junglee in India and announced the acquisition of Sisal in Italy, subject to competition clearance.

Importantly, we continued to lead and innovate in respect of our safer gambling and wider ESG agenda. Not only did we establish and develop our overall ESG strategy, as well as our global safer gambling and DEI strategies, we have actively started tracking and measuring our progress in many of these areas across all parts of our business, and developed and committed to plans to significantly enhance reporting during 2022. We included safer gambling targets for two of our divisions in our 2021 annual bonus plan, and are pleased that we are including all of our divisions in our 2022 annual bonus plan. We believe it is our responsibility to lead from the front and, as such, we have disclosed our safer gambling targets on a prospective basis. Full details around the measures and associated targets are set out on page 146. Whilst safer gambling is clearly an area which is extremely important in determining the sustainable future success of our business, we are also actively considering how our remuneration framework will interact with, support and incentivise our wider ESG agenda.

Annual bonus

The strong performance of our brands resulted in an annual bonus pay-out close to maximum, at 99.9% (2020: 98.4%). The 2021 bonus plan was based on Group EBIT (excluding US) (65%), US Net Revenue (25%) and safer gambling (UK&I and Sportsbet) (10%), with stretching targets set for all three measures. Notwithstanding the extremely challenging targets, each was met in full, other than the UK&I safer gambling measure, which paid out just below maximum in the context of significantly stretching targets.

Given the strong performance of all of our brands and divisions over the course of the year, particularly in the context of ongoing uncertainties in many of the markets in which we operate, the Committee considered the level of annual bonus pay-out to be appropriate. A consistent approach was taken with bonus outcomes for all colleagues throughout the Group. Half of each Executive Director's resulting pay-out will be deferred into the Deferred Share Incentive Plan ("DSIP") for a period of three and four years. Further details are set out on pages 146 to 154.

2019 LTIP

75% of the 2019 LTIP (linked to Relative TSR) is due to vest in March 2022 and the remaining 25% (linked to a US Value target) is due to vest in July 2023. The US Value target is linked to the external valuation of our FanDuel business, which would not have been available to us until July 2023 as part of the original FanDuel deal and related put and call options. However, in December 2020, we announced that we had reached early agreement to increase our stake in FanDuel, and the valuation of the business undertaken at this time indicates that the US Value target will be significantly exceeded, resulting in full vesting of this element. We have reflected this likely outcome in this report. Nonetheless, this element will not vest until July 2023, subject to the Committee being satisfied that the value has not decreased below the level required for the measure to pay out at maximum. The relative TSR element of the 2019 LTIP has well exceeded the upper end of the stretching performance range, and so the overall vesting of the plan is expected to be 100% (2018 LTIP: 100%).

Prior to approving this level of vesting, the Committee considered the Group's wider achievements over the three-year performance period to objectively determine that full vesting was warranted. The Committee considered that:

- Flutter's TSR performance over the period was 3.7 times the median of our comparator group (99.6% versus 26.7%).
- The current business is significantly larger, more diverse in scale and scope and, crucially, far more sustainable over the long-term than it was three years ago. Whilst a large extent of this is a result of the successful merger with The Stars Group Inc. in 2020, the acquisitions of Adjarabet, Junglee, Singular and Tombola, and organic growth through exceptional leadership have also contributed.
- These achievements are all in the context of a global pandemic, which the Committee believes was extremely successfully navigated by the current management team.
- Our safer gambling and wider ESG agenda have led the market; these now guide each and every significant business decision we make as a Group.

Effectiveness of the Committee

The operation, performance and effectiveness of the Committee is monitored throughout the year, and also specifically reviewed as part of the internal evaluation process. All feedback received is used to improve the Committee's effectiveness. I am pleased to confirm that the Committee continues to operate effectively. Read more on our Board evaluation on page 114.

Looking ahead

I would like to thank my predecessor, Peter Rigby, for his immense contribution to this Committee over the course of the last five years, firstly as a member and latterly as the Chair of the Remuneration Committee. I would also like to welcome Nancy Dubuc, who joined the Committee in June 2021, and I look forward to working with her over the coming years.

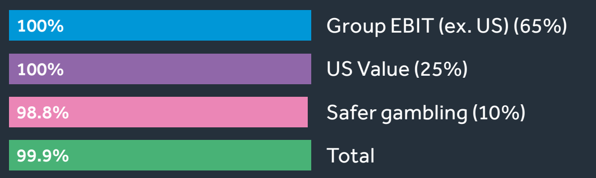
I strongly believe that the proposed changes to the Executive Directors' remuneration arrangements will be vital in incentivising the management team to lead the business through the next phase of our growth. We look forward to receiving shareholders' support at the 2022 AGM, and I look forward to meeting you later in 2022 as we prepare for our Remuneration Policy review.

Andrew Higginson
Remuneration Committee Chair
14 March 2022

Remuneration at a glance

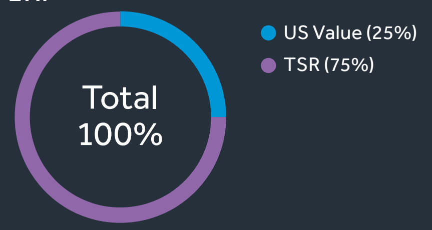
2021 outturns

2021 annual bonus outcome



Overall, the bonus outturn for the CEO is 284.6% of salary and for the CFO is 264.7% of salary. Half of this will be deferred under the DSIP, 50% for 3 and 50% for 4 years.

2019 LTIP

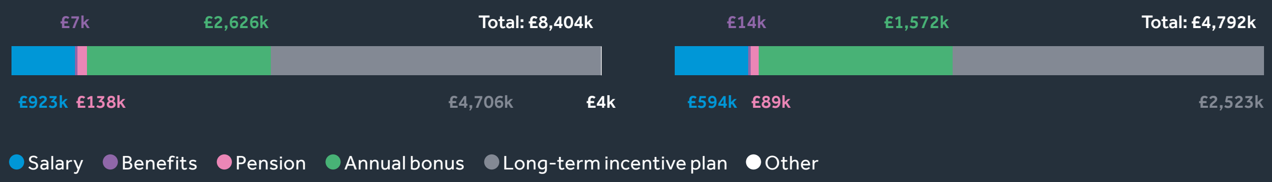


The 2019 LTIP is estimated to vest in full. The TSR element will vest in March 2022 and the US Value element will vest in July 2023.

2021 single total remuneration figures

Peter Jackson, Chief Executive Officer

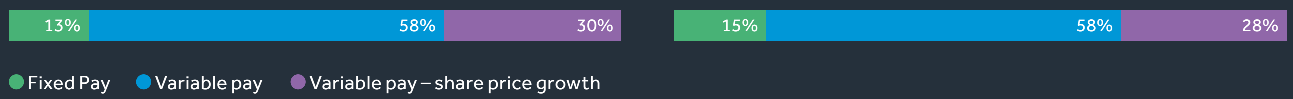
Jonathan Hill, Chief Financial Officer



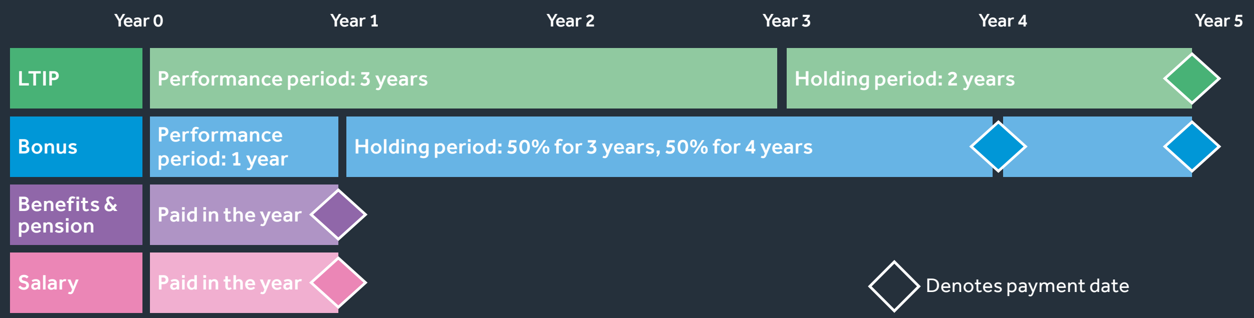
Balance of fixed versus variable pay

Peter Jackson, Chief Executive Officer

Jonathan Hill, Chief Financial Officer



Structure of Executive Directors' pay



Annual Report on Remuneration

The Committee believes that the existing Remuneration Policy operated as intended during 2021. This section provides details of remuneration outcomes for the financial year ended 31 December 2021 for Executive Directors and Non-Executive Directors who served during 2021, as well as how the Remuneration Policy will be implemented in 2022.

The Remuneration Committee's responsibilities

Set out below is a summary of the Committee's key responsibilities:

- setting the Remuneration Policy for the Executive Directors;
- engaging with shareholders in respect of the Remuneration Policy for Executive Directors and its implementation as appropriate;
- reviewing the wider workforce remuneration and related policies, the alignment of incentives and rewards with culture and taking these into account when setting the policy for Executive Director remuneration;
- supporting the Board in determining whether reward-related employee policies and practices are in line with the Group's culture, strategy and values;
- ensuring that the Remuneration Policy and reward decisions incentivise and retain talent, and support the delivery of our long-term strategy;
- considering the appropriateness of the Remuneration Policy when reviewed against the rest of the organisation;
- ensuring that the remuneration framework remains effective in attracting and retaining colleagues in our industry;
- determining the terms of employment for Executive Directors, members of the Executive Committee and the Company Secretary, including remuneration, recruitment and termination arrangements;
- approving the measures and targets for incentive plans for Executive Directors, the Executive Committee and the Company Secretary; and
- assessing the appropriateness of and achievement against performance targets relating to incentive plans.

The Directors' biographies of the current members of the Committee are given on pages 96 to 99

The Remuneration Committee's focus in 2021

Overall remuneration	• Reviewing and approving total remuneration of the Executive Directors and members of the Executive Committee • Reviewing the Remuneration Policy approved by shareholders in 2020 in the context of the current business and extensively discussing potential changes to it • Discussing the feedback received from shareholders in respect of remuneration arrangements for 2022
Total salary	• Reviewing current total salary levels in the context of both the current size and scope of the business, as well as their impact on total pay, and subsequently approving increases for both the Chief Executive Officer and Chief Financial Officer
Annual bonus	• Determining and approving bonus outcomes in respect of 2020 performance • Reviewing and approving performance measures and targets for 2021 bonus • Reviewing forecasted 2021 bonus outcome • Reviewing and considering the 2022 annual bonus structure and performance measures, including the appropriateness of expanding the safer gambling element of the bonus plan • Reviewing and approving an additional bonus for all Sportsbet colleagues, to recognise and reward the exceptional performance of the division
Long-term incentives	• Reviewing the TSR performance measures and targets for the 2021 LTIP awards • Approving 2021 incentive plan grants for Executive Directors, the Executive Committee and Company Secretary • Approving overall quantum of awards for 2021 share incentives for all employees • Receiving updates on the performance of the long-term incentive in place across the Group • Approving the vesting of the 2018 LTIP, including the US Value element, which vested later in the year • Reviewing and approving the vesting of the FanDuel Value Creation Plan • Reviewing and approving the structure of other division-specific incentive plans and share award grants, including for Executive Committee members • Approving new long-term incentive arrangements for FanDuel employees
Governance	• Reviewing and approving the 2020 Directors' Remuneration Report • Reviewing the annual Remuneration Committee calendar • Reviewing and updating the Committee's Terms of Reference • Assessing dilution from share plans against recommended limits, and use of Employee Benefit Trust • Reviewing the Flutter gender pay gap and CEO pay ratio disclosures • Approving the 2021 Sharesave grant, and receiving an update on A Gift of Shares award made to all employees in 2020
Changes to the Executive Committee	• Reviewing and approving the leaver arrangements for the outgoing FanDuel CEO • Reviewing and approving the remuneration package and employment terms for the incoming FanDuel CEO
Shareholder consultation	• Extensive engagement with shareholders on proposed changes to both Executive Director salaries and Remuneration Policy for 2022

Annual Report on Remuneration continued

External advisers

PwC are the Committee's remuneration advisers. They were appointed by the Committee in 2017 following a competitive tender process. They provide independent commentary and advice, together with updates on legislative requirements and market practice to assist the Committee with its decision-making.

PwC report directly to the Committee, and are a signatory to, and abide by the Code of Conduct for Remuneration Consultants (which can be found at www.remunerationconsultantsgroup.com). The Committee undertakes due diligence periodically to ensure that the remuneration advisers remain independent of the Group and that the advice provided is impartial and objective. The Committee is satisfied that any conflicts are appropriately managed.

The fees paid to PwC in respect of work carried out for the Committee in 2021 totalled £217,000 and were based on an agreed fee for business-as-usual support (with additional work charged on a time and materials basis). PwC advised on TCFD reporting requirements and also provided tax advice to the Group during 2021 .

The Committee also seeks internal advice and support from the Chief People Officer, Global Director of Reward and Benefits, Group Reward and Benefits Director, Head of Executive Compensation, Company Secretary and Deputy Company Secretary and Head of Governance, as appropriate.

Shareholder voting at shareholder meetings

The following shows the results of the advisory votes on the Annual Statement and Annual Report on Remuneration and the Remuneration Policy at the 2020 and 2021 AGMs:

	For	Against	Total votes cast	Votes withheld
Annual Report on Remuneration (AGM 2021)	70,293,675 (84.52%)	12,870,333 (15.48%)	83,164,008	214,537
Remuneration Policy (AGM 2020)	53,240,152 (94.64%)	3,012,332 (5.36%)	56,254,924	2,440

Details of our engagement with shareholders over the relevant year are provided in each year's Annual Report and Accounts.

Read more on shareholder engagement on page 39

Single figure of total remuneration for Executive Directors (audited)

The table below sets out the single figures of total remuneration earned by each Executive Director of the Company during the year ended 31 December 2021 and the prior year. Remuneration relates to the period during which each Executive Director was a member of the Board in this capacity. Please refer to notes below the table for full details of how the figures are calculated.

	Peter Jackson 2021 £'000	Peter Jackson 2020 £'000	Jonathan Hill[1] 2021 £'000	Jonathan Hill[1] 2020 £'000
Total salary[2]	923	840	594	569
Benefits[3]	7	10	14	15
Pension[4]	138	126	89	85
Fixed pay	**1,068**	976	**697**	669
Annual bonus	2,626	2,355	1,572	1,483
Long-term incentives[5]	4,706	4,596	2,523	2,145
Other[6]	4	479	—	133
Variable pay	**7,337**	7,430	**4,095**	3,761
Total	**8,404**	8,406	**4,792**	4,430

1. Where applicable, values are converted from euros to pound sterling using the 12-month average exchange rate over the relevant financial year (2021: £1 = €1.1630; 2020: £1 = €1.1052).
2. Total salary: represents the total amount earned for the relevant financial year. Peter Jackson's total salary at the start of the year was £900,000. This was increased to £927,000 on 1 March 2021. Jonathan Hill's salary at the start of the year was €674,000. This was increased to €694,220 on 1 March 2021.
3. Benefits comprise private medical insurance, life assurance and income protection.
4. Pension: the pension for both Executive Directors is the value of the cash paid to them in lieu of contributions. Neither of the Executive Directors has a prospective entitlement to a defined benefit pension.
5. The Committee used its discretion to replace the EPS and Revenue elements of both the 2018 and 2019 LTIPs with a Relative TSR measure. As dividends are added at the time of vesting, for the 2019 LTIP they will be included when this figure is updated in next year's report. For the 2018 LTIP, these have been included. For Peter Jackson, £2.5m of the 2019 LTIP (or 53%) is attributable to share price growth, whilst for Jonathan Hill £1.3m of this (or 53%) is attributable to share price growth. For Peter Jackson, £2.2m of the 2018 LTIP is attributable to share price growth, whilst for Jonathan Hill £1.2m of this is attributable to share price growth.
6. Other includes the value of the buyout options for both Peter Jackson and Jonathan Hill which vested during 2020. For 2021, it also includes the value of Peter Jackson's SAYE award on the date of grant.

2021 annual bonus (audited)

The maximum annual bonus opportunity for Executive Directors in 2021 was 285% and 265% of salary for the CEO and CFO respectively. Target bonus was two thirds of the relevant maximum. The 2021 annual bonus was based on Group EBIT (excluding US business performance), US-specific measures and a safer gambling measure. The table below shows the outcome for each element relative to the targets set:

	Weighting	Performance targets[1] Threshold	Target	Maximum	Actual performance	Bonus outcome (% of element)	Bonus outcome (% of max)	Bonus outcome Peter Jackson	Jonathan Hill
Group EBIT (excluding US)	65%	£852.8m	£916.9m	£962.8m	£1,035.7m	100%	65.0%		
Net revenue from all verticals in existing states	25%	$971.6m	$1,214.5m	$1,457.4m	$1,617.9m	100%	25.0%		
Safer gambling:	10%								
UK&I TRI score[2]	*5%*	*1% reduction*	*4% reduction*	*8% reduction*	*7.7% reduction*	*97.5%*	*4.9%*		
Sportsbet reduction of net of revenue at risk[2]	*5%*	*10% reduction*	*15% reduction*	*20% reduction*	*33% reduction*	*100%*	*5.0%*		
Total							**99.9%**	**£2,625,970**	**£1,572,340[3]**

1. Awards pay out on a straight-line basis between the points shown.
2. In 2020, we introduced safer gambling bonus targets for our PPB business. In 2021 we were able to extend this to include both our UK&I and Sportsbet divisions. For the UK&I this measure was Transactional Risk Indicator (TRI) score, which measures aggregated margin for customers who apply either a Self-Exclusion (greater than 6 months) or Gamstop divided by the total UK&I margin, over a 12-month period. In Sportsbet we measured the reduction of net revenue from potentially at-risk customers, as defined by the Sportsbet SG predictive model.
3. Converted from euros to pound sterling at the 12 month average exchange rate over the financial year of £1 = €1.1630.

In line with market practice and as with in previous years, the bonus targets have been adjusted for exchange rate movements over the period ensuring that bonus is measured on a constant currency basis.

Prior to approving the annual bonus outcomes, the Committee discussed whether or not the proposed outcome was considered to be fair and reasonable in the context of the Company's overall business performance over the year. Following the discussion, the Committee was satisfied that the outcome was appropriate and fair.

In line with the Remuneration Policy, half of any bonus earned has been deferred into Flutter shares under the DSIP, vesting 50% on the third anniversary of the grant and 50% on the fourth anniversary. A revenue underpin of 2% per annum growth will apply. Malus and clawback provisions apply to the annual bonus and DSIP both prior to vesting and for a period of two years post-vesting.

2019 LTIP (audited)

The tables below set out a summary of performance relative to the 2019 LTIP targets, and the outturn for each Executive Director. As disclosed in last year's Report, the Committee decided to replace EPS and Revenue measures with relative TSR over the full performance period, and retain the US Value measure (which was unaffected by the merger). The TSR element of the 2019 LTIP is due to vest in March 2022 and the US Value measure will vest in July 2023. The performance outcome of the US Value measure has been estimated at maximum, based on the valuation reached in December 2020 to increase Flutter's stake in FanDuel. The outcome will be retested in July 2023 when the award vests as originally communicated. Awards are also subject to the relevant leaver treatment, i.e. continued employment except for those reasons set out in the Policy for Payments for Loss of Office section.

Performance measure	Targets: Threshold (25% vesting)	Targets: Maximum (100% vesting)	Outcome: Actual performance	% of maximum achieved	% of award eligible for vesting
US Value measure (25%)	30% growth ($1.04bn)	90% growth ($1.52bn)	1,400% growth ($11.2bn)[1]	100%[1]	100%
TSR relative to FTSE 31-130[2]	Growth in line with median (26.7%)	Growth in line with upper quartile (73.5%)	99.6%	100%	100%
Total vesting (% of max)					**100%**

1. Currently expected to be significantly above the maximum 90% growth required, and we have therefore estimated the outcome to be 100%.
2. TSR relative to the FTSE 31-130 (excluding housebuilders, real estate investment trusts and natural resources companies).

Executive Director	Award type	Date of grant	Number of shares awarded	% of total award vesting	Number of shares vesting[1]	Value at vesting[2]
Peter Jackson	Nil-cost options	11/03/2019	37,983	100%	37,983	£4,706,212
Jonathan Hill	Nil-cost options	11/03/2019	20,361	100%	20,361	£2,522,792

1. Dividend equivalent shares will be added to reflect any dividends accrued during the vesting period, as appropriate.
2. As the award vests after the publication of this report, the value for reporting purposes is based on the average share price over three months to 31 December 2021 of £123.90. For Peter Jackson, £2.5m of this is attributable to share price growth, whilst for Jonathan Hill £1.3m of this is attributable to share price growth.

Annual Report on Remuneration continued

2018 LTIP update (audited)

In last year's Report, we estimated the value of the 2018 LTIP using the 3-month average share price to 31 December 2020, in line with the prescribed single figure methodology. We have now updated the values using the actual share price at the date of vesting. We have also included dividends, where relevant, which were only calculated at the time of vesting:

Executive Director	Number of shares	3-month average share price to 31 December 2020	Estimated value of LTIP 2018 awards	Dividends	Share price on vesting[1]	Actual value of LTIP 2018 awards
Peter Jackson	27,261	£136.18	£3,712,458	1,837	£157.95	£4,596,029
Jonathan Hill	14,181		£1,931,197	703	£144.10	£2,144,784

1. Jonathan Hill joined in October 2018 and his award was granted, and therefore also vested, later than Peter Jackson's.

Incentive plan interests awarded in the year (audited)

On 18 March 2021, awards were granted to the Executive Directors under the LTIP and DSIP. Details of these awards are set out in the following table:

	Type of interest in shares	Face value (%)	Face value (£)[1]	Number of shares	Vesting at threshold	Vesting date[2]
Peter Jackson						
SAYE	Discounted options	—	£4,493	155	n/a	1 December 2024
LTIP	Nil-cost options	180% of total salary	£1,668,561	9,969	25%	18 March 2024
DSIP	Nil-cost options	50% of net bonus	£1,177,316	7,034	n/a	50%: 18 March 2022 50%: 18 March 2023
Jonathan Hill						
LTIP	Nil-cost options	150% of total salary	£893,280[3]	5,337	25%	18 March 2024
DSIP	Nil-cost options	50% of net bonus	£703,142[3]	4,201	n/a	50%: 18 March 2022 50%: 18 March 2023

1. Three-day average share price prior to the date of grant, which was £167.38. For SAYE this is the value of the gain on the date of grant.
2. A further two-year holding period applies to the LTIP following the vesting date. Both the LTIP and DSIP are subject to a post-employment holding period of two years.
3. The value of the award was calculated using the three-day average exchange rate prior to the date of grant, which was £1 = €1.1657.

The DSIP is subject to an underpin which requires Revenue growth of at least 2% p.a. over the deferral period.

The LTIP awards will vest subject to the achievement of TSR performance, as per the vesting schedule below:

	Below threshold (nil vesting)	Threshold (25% vesting)[1]	Maximum (100% vesting)[1]
Relative TSR[2]	Below median growth	Growth in line with median	Growth in line with upper quartile

1. Awards vest on a straight-line basis between the points shown.
2. TSR relative to the FTSE 100 (excluding housebuilders, real estate investment trusts and natural resources companies) over the period 1 January 2021 to 31 December 2023.

Single figure of total remuneration for Non-Executive Directors (audited)

The table below sets out the single figures of total remuneration received by each Non-Executive Director who served during the year ended 31 December 2021:

Non-Executive Director	Board Committee membership	Fees (£'000)[1] 2021	2020
Zillah Byng-Thorne	Audit, Risk (Chair)[2]	112	100
Michael Cawley	Audit (Chair), Risk	114	104
Nancy Cruickshank[3]	Nomination, Risk, Workforce Engagement	90	81
Nancy Dubuc[4]	Remuneration, Nomination, Workforce Engagement	65	—
Richard Flint[5]	Risk, Workforce Engagement	340	303
Dave Gadhia[6]	Risk, Nomination	26	53
Andrew Higginson[7]	Nomination, Remuneration (Chair[4])	134	101
Alfred Hurley	Nomination, Remuneration	90	53
Holly Koeppel[8]	Audit, Risk, Nomination	62	—
David Lazzarato	Audit, Risk	90	53
Gary McGann[9]	Nomination (Chair[2]), Remuneration, Chair of the Board	477	407
Atif Rafiq[10]	Risk	6	—
Peter Rigby[6]	Remuneration (Chair), Nomination	33	97
Mary Turner[11]	Audit, Remuneration, Workforce Engagement (Chair[3])	99	53

1. Fees for Non-Executive Directors are pro-rated according to their appointment date or date of role change where appropriate. Fees are paid in euros but have been shown here in pounds sterling for consistency.
2. The Risk Committee was repurposed as the Risk and Sustainability Committee on 10 December 2021.
3. Nancy Cruickshank rotated off the Audit Committee and was appointed as a member of the Nomination Committee and Workforce Engagement Committee on 15 June 2021.
4. Nancy Dubuc was appointed to the Board on 29 April 2021, and was appointed as a member of the Nomination Committee, Workforce Engagement Committee and Remuneration Committee on 15 June 2021.
5. Richard Flint has a consultancy agreement with Flutter to provide additional advice and guidance and received additional fees in respect of this. He was appointed as a member of the Workforce Engagement Committee on 15 June 2021.
6. Divyesh (Dave) Gadhia and Peter Rigby stepped down from the Board following the 2021 AGM on 29 April 2021.
7. Andrew Higginson was appointed Chair of Remuneration Committee on 29 April 2021.
8. Holly Koeppel was appointed to the Board on 13 May 2021, and was appointed as a member of the Audit Committee, Risk Committee and Nomination Committee on 15 June 2021.
9. No fees were paid to Board Chair for chairing Nomination Committee.
10. Atif Rafiq was appointed to the Board and as a member of the Risk and Sustainabaility Committee on 10 December 2021.
11. Mary Turner was appointed Chair of Workforce Engagement Committee on 15 June 2021.

Implementation of Remuneration Policy for 2022

Total salary

The Committee has approved the following total salaries for the Executive Directors, effective 1 March 2022. As noted in the Remuneration Committee Chair's Statement, these increases are higher than the average increases awarded to our UK colleagues in order to address significant issues around market competitiveness. Total salaries for Peter Jackson and Jonathan Hill are split between a salary in respect of their employment and payment of Board fees in respect of their roles as Directors.

	1 March 2021	1 March 2022	% increase
Peter Jackson	£927,000	£1,170,000	26%
Jonathan Hill[1]	€694,220		
	£596,946	£715,000	20%

1. Converted from euros to pound sterling at the 12-month average exchange rate over the financial year of £1 = €1.1052. Both Executive Directors will have UK contracts going forward and, as such, both will have their salaries set in GBP.

Pension and benefits

The Executive Directors will receive a cash supplement in lieu of pension contribution of 15% of total salary in 2022. They will also receive benefits in line with the Remuneration Policy. From 1 January 2023 these will reduce to the level applying to the wider workforce in the country in which an Executive Director is based. Currently, both are based in the UK where this is 5% of total salary.

Annual bonus

The maximum annual bonus opportunity for the CEO and CFO in 2021 will remain at 285% of total salary and 265% of total salary respectively.

As in previous years, the Committee has determined that financial performance targets will not be disclosed on a prospective basis for reasons of commercial sensitivity but will be disclosed retrospectively in next year's Annual Report on Remuneration. However, we believe that, where possible, targets should be disclosed externally to ensure that our shareholders can hold us accountable and, as such, we have disclosed our Safer Gambling metrics prospectively. Details are set out on the next page.

The performance measures for the 2022 bonus are as follows:

	Weighting
Group EBIT (excluding US)	60%
FanDuel: Net revenue from all verticals in existing states	30%
Safer gambling	10%

Half of any bonus earned will be paid in cash, with the remaining half deferred into shares under the DSIP, vesting 50% after three years and 50% after four years from grant, subject to continued employment and a revenue underpin of 2% growth per annum. Awards are eligible to receive dividend equivalents. Malus and clawback provisions apply to the annual bonus and DSIP both prior to vesting and for a period of two years post-vesting.

We will review the Group EBIT (excluding US) targets during the year in the context of the acquisition of Sisal. Given its materiality, the Committee intends to adjust the targets to take account of Sisal, however it will determine the exact approach depending on when the deal closes.

Incentivising Safer Gambling

At Flutter, we recognise that the future success of our industry is predicated on getting safer gambling right. In 2022, as part of our Positive Impact Plan, we launched our first global safer gambling strategy, Play Well, as detailed on page 46. This strategy enables us to leverage the depth and breadth of our global expertise in safer gambling, to support the continued evolution of our divisional safer gambling strategies which are tailored to customers across our various markets.

As our divisions operate within different regulatory and societal contexts, with varying levels of maturity with regards to being able to measure safer gambling, we have taken the approach of considering safer gambling on a divisional basis for the purposes of setting bonus targets. This allows us to set targets which are meaningful, linked to divisional strategy, and which can really drive change tailored to helping to keep our customers safe in the context in which those customers operate.

In 2021, we challenged all divisions to determine suitable bonus metrics around safer gambling to include in the 2022 bonus. We are pleased that all divisions were able to set meaningful and robust targets which they defined, refined and tested in 2021, ready to implement in 2022.

The following targets have been included in each of our divisional bonus plans as well as in the Group plan, thereby aligning each employee's bonus outturn with strategic gambling objectives for their division. The goals all support safer gambling tool usage, which is the focus of our overarching global safer gambling goal (see page 46). Each division takes a slightly different approach to measurement, and they all have differing starting points in terms of the level of safer gambling maturity in the markets in which they operate. Notwithstanding, we believe that there is an equivalent level of stretch contained in each division's targets.

UK&I

Measure: Transactional Risk Indicator score, which measures the % of revenue from customers who self-exclude (either directly with a Flutter brand or via GAMSTOP) in the year as a proportion of total revenue for that year (target is a reduction year-on-year on a like-for-like basis).

Rationale: Retaining the TRI score, which was used to measure "at risk" revenue generated by the UK&I division's online brands for 2021; targets are shown as a % reduction from 2021 on a like-for-like basis. In addition, we will be measuring revenue identified from new initiatives in 2022 (including from Paddy Power Retail and as a consequence of any sharing of self-exclusion data) for which we do not have comparative data.

Targets:

Threshold	Target	Maximum
1% reduction compared to 2021	2% reduction compared to 2021	4% reduction compared to 2021

Sportsbet

Measure: % of net revenue from customers with a deposit limit.

Rationale: This is considered a more proactive measure than the one used in 2021; it measures affirmative action on safer gambling taken by the team rather than being reactive.

Targets:

Threshold	Target	Maximum
13.5%	15%	16.5%

International

Measure: % of customers applying a deposit limit, cooling-off period or stake limit.

Rationale: Like the Sportsbet measure, this is considered to be proactive rather than reactive, measuring preventative actions taken on safer gambling.

Targets:

Threshold	Target	Maximum
33.5%	36.5%	39.5%

FanDuel

Safer gambling has been introduced for the first time into the FanDuel bonus plan. As the US is our most nascent market, we are working hard to build out our safer gambling tools and capabilities. For 2022 we have decided to measure safer gambling based on a basket of measures:

Measure	Threshold	Target	Maximum
Employee training completion (20%)	95%	98%	100%
New customer first impressions (40%)	31 Dec 2022	8 Sept 2022 (NFL kick off)	1 July 2022
RG impressions for all customers aged 21-25 (40%)	31 Dec 2022	8 Sept 2022 (NFL kick off)	1 July 2022

The two customer impressions measures have been designed to reach customers (either new customers or those aged between 21-25) with Safer Gaming messaging through in-app messaging and interstitials.

Annual Report on Remuneration continued

LTIP

The 2022 LTIP award grant levels are in line with the Remuneration Policy, as set out below:

	Face value at date of award (£)	Face value at date of award (% of total salary)
Peter Jackson	2,106,000	180% of salary
Jonathan Hill	1,072,500	150% of salary

The awards will vest based on Relative TSR performance. The proposed targets are the same as for 2021, and are set out in the table below:

	Below threshold (nil vesting)	Threshold (25% vesting)[1]	Maximum (100% vesting)[1]
Relative TSR[2]	Below median growth	Growth in line with median	Growth in line with upper quartile

1. Awards vest on a straight-line basis between the points shown.
2. TSR relative to the FTSE 100 (excluding housebuilders, real estate investment trusts and natural resources companies).

Save As You Earn ("SAYE")

Executive Directors are eligible to participate in the plan with the same terms as all other UK employees if an invitation to enter a savings contract is offered during the year.

Chair and Non-Executive Director fees

During the year, we reviewed both Non-Executive Director and Chair fees, the latter of which had not been increased since it was originally set at the time of the merger between Paddy Power and Betfair in 2016. The previous and current fees, which took effect from 1 June 2021, are set out in the table below:

	1 January 2021	1 June 2021
Base fee		
Chair	€450,000	**€630,000**
Base Non-Executive Director fee	€90,000	**€115,000**
Additional fees		
Senior Independent Director	€15,000	**€30,000**
Audit Committee Chair	€25,000	**€30,000**
Remuneration Committee Chair	€25,000	**€30,000**
Risk and Sustainability Committee Chair	€20,000	**€30,000**
Nomination Committee Chair[1]	€20,000	**€20,000**
Workforce Engagement Committee Chair[2]	—	**€20,000**

1. If the Board Chair holds the position of Nomination Committee Chair, no additional fee will be paid for the Nomination Committee role.
2. The Workforce Engagement Committee was established during the year. The fees for the role of the Chair of this Committee will be reviewed in 12 months, taking into account the evolution of the Committee's remit and responsibilities.

Percentage change in Directors' remuneration compared with other employees

The table below shows the percentage change in the Chief Executive Officer's remuneration from the prior year compared with the average percentage change in remuneration for all other employees. To provide a relevant comparison, the analysis includes only salaried corporate office UK and Ireland employees and is based on a consistent set of employees. The Committee considers this to be the most appropriate comparator group.

	Percentage change in 2021 compared with 2020			Percentage change in 2020 compared with 2019		
	Base salary/fee	Taxable benefits	Annual bonus	Base salary/fee	Taxable benefits	Annual bonus
Peter Jackson	3.0%	-32.8%	11.5%	21.6%	39.4%	141.9%
Jonathan Hill	3.0%	-8.6%	6.0%	21.6%	-78.3%	131.9%
Zillah Byng-Thorne	19%	—	—	-3%	—	—
Michael Cawley	15%	—	—	0%	—	—
Nancy Cruickshank	16%	—	—	59%	—	—
Richard Flint	77%	—	—	—	—	—
Divyesh (Dave) Gadhia[1]	-50%	—	—	—	—	—
Andrew Higginson	39%	—	—	397%	—	—
Alfred Hurley	77%	—	—	—	—	—
Holly Koeppel	—	—	—	—	—	—
David Lazzarato	77%	—	—	—	—	—
Gary McGann	23%	—	—	0%	—	—
Peter Rigby[1]	-65%	—	—	18%	—	—
Atif Rafiq	—	—	—	—	—	—
Mary Turner	96%	—	—	—	—	—
Corporate office UK&I employees	12.7%	-0.6%	7.9%	10.8%	20.2%	56.3%

1. Both Non-Executive Directors stepped down from the Board in April 2021.

Governance

Annual Report on Remuneration continued

Relative importance of spend on pay

The table below shows the percentage change in total employee pay expenditure and shareholder distributions (i.e. dividends and return of capital) from the financial year ended 31 December 2020 to the financial year ended 31 December 2021.

	2021 (£m)	2020 (£m)	% change
Dividends	—	—	—
Share buybacks	—	—	—
Total shareholder distributions	—	—	—
Employee remuneration	£1,049.1	£856.6	22%

CEO pay ratio disclosure

The CEO pay ratios for our UK employees in respect of 2021 and previous years are as follows:

Financial year	Calculation method	CEO pay £'000	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2021	A	8,404	346:1	214:1	122:1
2020	A	7,522	340:1	198:1	114:1
2019	A	2,099	107:1	89:1	54:1
2018	A	1,664	113:1	92:1	54:1

The total pay and benefits of each employee at the 25th, 50th and 75th percentile is as follows:

	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
Total pay and benefits	£24,281	£39,327	£69,146
Salary	£20,376	£31,080	£52,333

The pay and benefits of employees were calculated in line with the single total figure of remuneration methodology. We have used calculation method A (which is the most comprehensive). As such, we have used actual pay and benefits from 1 January to 31 December 2021 for any employee who was employed as at 1 October 2021. Joiners, leavers and part-time employees' earnings have been annualised on a full-time equivalent ("FTE") basis, excluding any payments of a one-off nature, with FTE calculations based on 40 hours per week. Those on unpaid leave for more than 30 days have been excluded from the analysis. For annual bonus payments, bonuses calculated for the 2021 year and to be paid in 2022 have been used. Benefits included in the calculation are employer pension/or cash in lieu received and the benefit in kind/P11D value of any taxable benefits.

The ratio is broadly consistent with last year. There was a strong level of bonus payout across all UK&I employees, however as the CEO has a higher bonus opportunity than others, this has had a greater impact on his number and has therefore led to a small increase in the pay ratio. Both salary and total pay and benefits for the wider employee workforce have increased since last year: median salary levels are 7% higher than the levels disclosed in last year's report, and the median total pay and benefits are 4% higher, which is consistent with pay and progression policies for UK employees.

Directors' shareholdings (audited)

We believe it is important that Executive Directors build up a significant holding in Flutter Entertainment plc shares, in order to align their interests with those of our shareholders. As part of our approved Remuneration Policy, the holdings that the CEO and CFO are required to build and maintain are 300% of salary and 200% of salary respectively. Shareholding requirements may be met through both beneficially owned shares and vested but unexercised options net of notional tax. Those subject to continued employment or performance assessment are not included.

Post-employment holding periods apply on LTIP awards (from 2020 onwards) DSIP awards (from 2021 onwards). As such, Executive Directors are required to hold the higher of their actual shareholding at the time of departure and the applicable shareholding requirement for two years post-departure.

The table below shows the shareholding of each Director against their respective shareholding requirement (where relevant) as at 31 December 2021. Since this time, Nancy Cruickshank, Andrew Higginson and Gary McGann each bought Flutter shares (1,255, 3,343, and 2,200 respectively). Peter Jackson exercised his SAYE share options. In addition, both Peter Jackson and Jonathan Hill's DSIP 2020 nil-cost options vested, and both were granted nil-cost options in respect of their 2022 DSIP and LTIP awards.

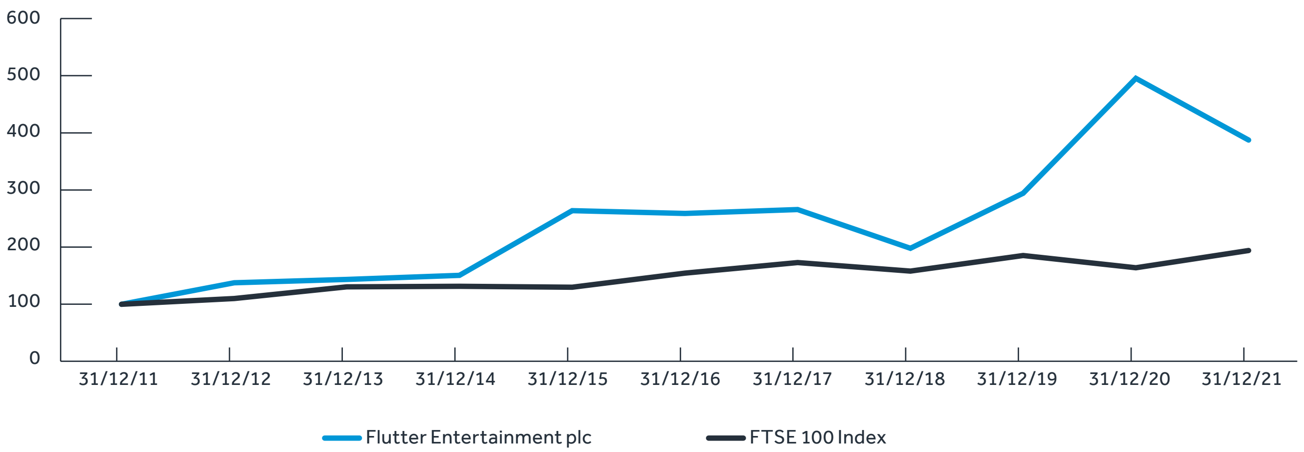
	Beneficially owned[1]	Share options subject to performance	Share options vested but unexercised	Share options subject to continued employment only	Share options exercised in the year	Shareholding requirement (% of salary)	Current shareholding (% of salary)[2]	Requirement met?
Peter Jackson[3]	7,561	62,615	29,427	9,145	15,238	300%	275%	No
Jonathan Hill	1,728	34,003	18,206	5,729	—	200%	206%	Yes
Zillah Byng-Thorne	1,287	—	—	—	—	—	—	—
Michael Cawley	3,660	—	—	—	—	—	—	—
Nancy Cruickshank	—	—	—	—	—	—	—	—
Nancy Dubuc	—	—	—	—	—	—	—	—
Richard Flint	24,134	—	—	—	—	—	—	—
Holly Koeppel	—	—	—	—	—	—	—	—
Andrew Higginson	—	—	—	—	—	—	—	—
Alfred Hurley	2,960	—	14,358	—	—	—	—	—
David Lazzarato	2,708	—	8,291	—	—	—	—	—
Gary McGann	3,314	—	—	—	—	—	—	—
Atif Rafiq	—	—	—	—	—	—	—	—
Mary Turner	4,296	—	7,096	—	—	—	—	—

1. Includes shares held by the individual and those held by persons closely associated with them.
2. Based on beneficially owned shares and vested but unexercised options net of notional tax, a share price of £117.60 and salaries as at 31 December 2021.
3. Peter Jackson exercised 15,238 options during the year, realising a gain of £2.17m.

Annual Report on Remuneration continued

Pay for performance

The graph below shows the TSR performance (share price plus dividends paid) of Flutter Entertainment plc[1] compared with the performance of the FTSE 100 Index over the 10-year period to 31 December 2021, assuming a nominal £100 investment in Paddy Power plc[1] and the FTSE 100 Index at the start of the timeframe. This index has been selected because the Company believes that the FTSE 100 provides a relevant and appropriate broad market comparator index for the combined entity and includes companies of a similar size.



1. Paddy Power plc changed its name to Paddy Power Betfair plc on completion of the merger of Paddy Power plc and Betfair Group plc on 2 February 2016. In 2019, Paddy Power Betfair plc was renamed Flutter Entertainment plc.

Change in Chief Executive Officer's single total figure of remuneration

	2012	2013	2014	2015	2016		2017	2018		2019	2020	**2021**
	Patrick Kennedy	Patrick Kennedy	Patrick Kennedy	Andy McCue	Andy McCue	Breon Corcoran	Breon Corcoran	Breon Corcoran	Peter Jackson	Peter Jackson	Peter Jackson	**Peter Jackson**
CEO single figure of remuneration[1] (£'000)	6,534	6,752	6,450	2,701	2,109	1,557	3,233	295	1,664	2,099	8,406	**8,404**
Annual bonus outcome (% of maximum)	62%	55%	67%	77%	0%[5]	67%	60%	0%[6]	49%	73%	98%	**99%**
LTIP vesting[2] (% of maximum)	100%	95%[3]	83%[4]	100%	100%	100%	100%	64%	n/a[7]	n/a[7]	100%	**100%**

1. Remuneration is converted from euros to pounds sterling as appropriate, using the 12-month average exchange rate over the financial year. Patrick Kennedy and Andy McCue were paid in euros. Breon Corcoran was paid in pound sterling, as is Peter Jackson.
2. Before retesting – note, there is no provision for retesting in respect of LTIP awards made from 2013 onwards.
3. Retesting was applied to the unvested portion of the 2011 LTIP based on performance to 31 December 2014, and as a result an additional 4.9% of the award vested in March 2015.
4. Retesting was applied to the unvested portion of the 2012 LTIP based on performance to 31 December 2015, and as a result an additional 4.0% of the award vested in March 2016.
5. Andy McCue was not eligible for a bonus in 2016 in line with his payment for loss of office.
6. Breon Corcoran was not eligible for a bonus in 2018 in line with his payment for loss of office.
7. Peter Jackson has no LTIP vestings in these years.

Remuneration Policy

The Remuneration Policy was approved by shareholders at the 2020 AGM. For ease of reference, the Remuneration Policy table and our remuneration policy for the wider workforce sections have been reproduced in the summary below. The full Remuneration Policy can be found in the 2019 Directors' Remuneration Report.

Remuneration Policy table

The table below sets out our Remuneration Policy for Executive Directors. It has been represented in full and unchanged from 2020:

Element	Purpose and link to strategy	Operation and performance measures	Maximum opportunity
Salary	To attract and retain high-calibre talent in the labour market in which the Executive Director is employed.	Generally reviewed annually but may be reviewed at other times of the year in exceptional circumstances. Salaries (inclusive of any Director fees) are set with reference to individual skills, experience, responsibilities, Company performance and performance in role. Independent benchmarking is conducted on a periodic basis against companies of a similar size and complexity, and those operating in the same or similar sectors, although this information is used only as part of a broader review.	Increases (as a percentage of salary) will generally be in line with salary inflation and consistent with those offered to the wider workforce. Higher increases may be appropriate in certain circumstances including, but not limited to: • where an individual changes role; • where there is a material change in the responsibilities or scope of the role; • where an individual is appointed on a below market salary with the expectation that this salary will increase with experience and performance; • where there is a need for retention; • where salaries, in the opinion of the Committee, have fallen materially below the relevant market rates; and • where the size of the Group increases in a material way. The Committee will review salaries if the proposed combination with The Stars Group completes. This may lead to increases awarded at rates higher than the wider workforce level, given that it would represent a significant change in the scale and complexity of the business and therefore the roles of the Executive Directors.
Benefits	To provide market competitive, cost effective benefits.	Employment-related benefits may include (but are not limited to) private medical insurance, life assurance, income protection, relocation, travel and accommodation assistance related to fulfilment of duties, tax equalisation and/or other related expenses as required. Where expenses are necessary for the ordinary conduct of business, the Company may meet the cost of tax on benefits.	The value of benefits may vary from year-to-year in line with variances in third-party supplier costs which are outside of the Company's control, business requirements and other changes made to wider workforce benefits.
Pension	To provide retirement benefits that are appropriately competitive within the relevant labour market.	Paid as a defined contribution and/or cash supplement.	Contribution of up to 15% of salary (or an equivalent cash payment in lieu) for current Executive Directors. These will reduce to the UK and Ireland wider workforce level from the start of 2023. For any new Executive Directors appointed during the term of this Policy, contributions will be set in line with the wider workforce level upon recruitment.

Remuneration Policy continued

Element	Purpose and link to strategy	Operation and performance measures	Maximum opportunity
Annual bonus and DSIP	To incentivise and reward the successful delivery of annual performance targets. The DSIP also provides a link to long-term value creation.	The Committee reviews the annual bonus prior to the start of each financial year to ensure that the opportunity, performance measures, targets and weightings are appropriate and in line with the business strategy at the time. Performance is determined by the Committee on an annual basis by reference to Group financial or strategic measures, or personal objectives, although the financial element will always account for at least 50% of the bonus in any year. The DSIP will be subject to a financial underpin; for 2020 this will be a revenue underpin but a different measure may be used in future years. Half of any annual bonus is paid in cash, with the remaining half deferred into shares under the DSIP. Any deferred element is released 50% after three years and 50% after four years from the date of grant. Malus and clawback provisions apply to the annual bonus and DSIP both prior to vesting and for a period of two years post-vesting. Dividends (or equivalent) accrue and are paid on DSIP awards that vest.	Threshold performance will result in an annual bonus pay-out of 25% of the maximum opportunity. For target performance, the annual bonus earned is two-thirds of the maximum opportunity. Maximum annual opportunity of 285% of total salary for the CEO and 265% of salary for other Executive Directors.
LTIP	To attract, retain and incentivise Executive Directors to deliver the Group's long-term strategy while providing strong alignment with shareholder interests.	Annual grant of shares or nil-cost options, vesting after a minimum of three years, subject to the achievement of performance conditions. The Committee reviews the performance measures, targets and weightings prior to the start of each cycle to ensure that they are appropriate. The measures and respective weightings may vary year-on-year to reflect strategic priorities, but at least 75% will always be based on financial measures (which can include TSR). Following vesting, awards are subject to a holding period of up to two years, such that the overall timeframe of the LTIP will be no less than five years. Directors may sell sufficient shares to satisfy the tax liability on exercise but must retain the net number of shares until the end of this two-year period. Malus and clawback provisions apply to the LTIP, which allow the Company to reduce or claw back awards during the holding period. Dividends (or equivalent) accrue and are paid on LTIP awards that vest.	The normal maximum opportunity is 180% of salary for the CEO and 150% of salary for other Executive Directors. Threshold performance will result in no more than 25% vesting.
SAYE	To facilitate share ownership and provide further alignment with shareholders.	The Company operates Save As You Earn share plans for all employees (in the UK this is an HMRC-approved and in Ireland this is an Irish Revenue-approved plan); the Executive Directors may participate in the plan on the same basis as other employees. Participants are invited to save up to the monthly limit over a three-year period and use these savings to buy shares in the Company at up to the maximum discount allowable in the relevant jurisdiction.	Maximum opportunity is in line with HMRC and Irish Revenue limits (currently £500 and €500 per month for UK and Irish employees respectively). Maximum opportunity for employees in other countries is the equivalent of €500 per month.
Shareholding guidelines	To create alignment between the interests of Executive Directors and shareholders.	Executive Directors must build up and maintain a holding of shares in the Company equivalent to a minimum of 300% of salary for the CEO and 200% of salary for other Executive Directors. Executive Directors must retain half of post-tax vested awards until the guidelines are met. Shareholding guidelines may be met through both beneficially owned shares and vested but unexercised options on a notional net of tax basis. Executives are required to hold the lower of their respective shareholding guideline and the actual shareholding immediately prior to departure for two years post-departure.	n/a

Our remuneration policy for the wider workforce

Below Board level, employees receive a remuneration package that is reflective of their role and responsibilities, set by reference to internal relativities and external market data where applicable. Employees at the Executive level will typically have a greater emphasis on performance-related and long-term pay compared with those below this level. Details are given in the table below:

Element	Approach
Salary	Our approach to salary reviews is consistent across the Group, with consideration given to the level of responsibility, experience, individual performance and salary levels in comparable companies. Remuneration surveys are referenced, where appropriate, to establish market rates. Although increases may vary, Executive Director increases are aligned with the typical increases awarded across the Group under normal circumstances.
Pension and benefits	Benefits and pension arrangements are tailored to local market conditions for all of our employees across the Group.
Annual bonus	The majority of our employees are eligible to participate in an annual bonus plan, though award sizes vary by level. Performance measures are tailored to be suitable to the nature and responsibility of the role, and the geographic location, though the structure remains broadly consistent across the Group.
Share plans	Executive Directors are eligible to participate in the LTIP. Employees at Executive Committee and senior management level are also eligible to participate in share plans, which vest based on continued employment and, in some cases, are also subject to performance conditions. The timing of the vesting is dependent on geographic location. The majority of our workforce is also eligible to participate in the employee SAYE plan; the basis of participation varies depending on geographic location.
Shareholding guidelines	Shareholding guidelines are in place for Executive Directors and Executive Committee members.

Considerations of the UK Corporate Governance Code principles

During the 2020 Remuneration Review, our Remuneration Policy was designed taking into account the following principles of the UK Corporate Governance Code.

Clarity	Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	We removed the complexity of setting long-term targets, in favour of using TSR to measure performance under the LTIP. This requires no adjustments and is clear and easy to understand. Overall, the deferred bonus structure is clear and transparent.
Simplicity	Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	The removal of multiple complex long-term measures assists with simplicity. We believe that the current structure can be easily understood and articulated.
Risk	Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	The Committee was very conscious of this area in designing the 2020 Remuneration Policy, and took steps to mitigate potential risks. Full details of the approach to this can be found in the 2019 DRR.
Predictability	The range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the Policy.	The LTIP is performance-based, and the value delivered under both the LTIP and DSIP is influenced by share price performance.
Proportionality	The link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.	The Policy enables meaningful and appropriate targets to be set with a significant proportion of remuneration linked to long-term shareholder value. We believe that incentive plan outcomes will reflect the successful execution of our strategy.
Alignment to culture	Incentive schemes should drive behaviours consistent with company purpose, values and strategy.	The measures used in our incentive structure are aligned with our business strategy and values. For example, the inclusion of an RG measure demonstrates our commitment to the RG agenda, which is a core part of Flutter's values.

Directors' report

The Directors' Report for the year ended 31 December 2021 should be read in conjunction with the other sections of this Annual Report and Financial Statements. The following sections of this Annual Report and Financial Statements are incorporated into this Directors' Report by reference for the purposes of sections 325 and 1373 of the Companies Act 2014, Regulation 21 of the European Communities (Takeover Bids Directive (2004/25/EC)) Regulations 2006 (SI 255/2006), the Transparency (Directive 2004/109/EC) Regulations 2007 (SI 277/2007), the European Union (Disclosure of Non-Financial and Diversity Information by Certain Large Undertakings and Groups) Regulations 2017 (SI 360/2017) and the Disclosure and Transparency Rules of the UK Financial Conduct Authority as applicable:

Statutory, regulatory and other information

Matter	Location
The Strategic Report, which includes a review of the development and performance of the Group, the external environment, key strategic aims, the business model and certain financial and non-financial disclosure requirements arising from EU and Irish legislation	Pages 1 to 93
The non-financial information statement	Page 161 of this Directors' Report
Information on employees	Pages 52 and 55
The Corporate Governance Report	Pages 94 to 162
Information on the Company's diversity initiatives and Board Diversity Policy	Pages 52 and 55 an 116 to 119
The Directors' Remuneration Report, which includes information on the annual bonus, the LTIP, share options, Directors' service contracts and Directors' remuneration	Pages 136 to 154
Details of the Audit Committee	Pages 124 to 131
Details of share capital and reserves	Note 24 to the Consolidated Financial Statements on pages 223 to 225
Details of earnings per share	Note 11 to the Consolidated Financial Statements on page 202
Details of derivative financial instruments	Note 23 to the Consolidated Financial Statements on pages 219 to 223
The Treasury Policy and objectives of the Group	Note 27 to the Consolidated Financial Statements on pages 231 to 232

Principal activities

The Group is a global sports betting and gaming operator, whose headquarters are in Dublin, Ireland, employing over 16,500 people worldwide. During 2021, the Group operated across the following four divisions:

- UK&I: The division operates the Paddy Power, Betfair and Sky Betting & Gaming brands online, as well as retail operations in the UK and Ireland.
- Australia: Consists of Sportsbet, the market leading brand in the fast-growing Australian online betting market.
- International: Includes the PokerStars, Adjarabet, Betfair and Junglee brands which collectively offer online poker, casino, and sports betting, rummy and daily fantasy products.
- US: The US division includes FanDuel, FOX Bet, TVG, PokerStars US and Betfair Stardust Casino brands, offering regulated real money and free-to-play sports betting, casino, poker, daily fantasy sports and online racing wagering products to customers across various states in the US.

2022 outlook

The 2022 outlook set out in the Operating and Financial Review on pages 69 to 83 is deemed to be incorporated in this part of the Directors' Report.

Research and development

The Group performs research and development activities to ensure that it continues to be a recognised innovator in the betting and gaming industry. These activities support the introduction of new products, the creation of new betting markets, improved online customer experience and the development of better processes and systems. Continued research and development contributes to the Group's future growth and profitability. Further details of our research and development activities are set out in the Strategic Report on pages 1 to 93.

Results

The Group's EBITDA for 2021 of £723m reflects a decrease of 6% on the 2020 EBITDA of £772m. Overall Group operating loss for 2021 amounted to £63m. Further information is set out in the Consolidated Financial Statements on pages 171 to 242. Basic loss per share amounted to £2.37 compared with basic earnings per share of £0.29 in the previous year. The financial results for 2021 are set out in the Consolidated Income Statement on page 171. Total equity attributable to the Company's equity holders at 31 December 2021 amounted to £10,250.9m (2020: £10,965.1m).

Business review and key performance indicators

The Strategic Report on pages 1 to 93, which includes the Chair's Statement and the Chief Executive Officer's Review, contains a review of the performance and developments of the Group during the year, including the analysis of the key performance indicators.

Principal risks and uncertainties

Pursuant to section 327(1)(b) of the Companies Act 2014, Regulation 5(4)(c)(ii) of the Transparency (Directive 2004/109/EC) Regulations 2007 and Rule 9 of the Central Bank (Investment Market Conduct) Rules 2019, the principal risks and uncertainties facing the Group are set out on pages 84 to 91 and are deemed to be incorporated in this part of the Directors' Report.

Annual General Meeting ("AGM") 2022

The Notice convening the AGM to be held on 28 April 2022 will be sent to shareholders together with this Annual Report and Financial Statements. The Notice contains full details of the resolutions that will be put to shareholders at the AGM. It is also available on our corporate website: www.flutter.com/investors/shareholder-information/agm.

Changes to the Board of Directors

Dave Gadhia and Peter Rigby retired as Non-Executive Directors of the Company effective from the conclusion of the AGM on 29 April 2021 and Nancy Dubuc was appointed as a Non-Executive Director at the same date. Holly Keller Koeppel and Atif Rafiq also joined the Board as Non-Executive Directors effective from 13 May 2021 and 10 December 2021 respectively.

Michael Cawley will step down as a Non-Executive Director of the Company effective from the conclusion of the AGM on 28 April 2022 and Zillah Byng-Thorne will step down as a Non-Executive Director before the 2023 AGM.

In accordance with the provisions of the 2018 UK Corporate Governance Code (the "Code"), all Directors eligible for re-election should retire at each AGM and offer themselves for election or re-election (as appropriate). Accordingly, all Directors, except Michael Cawley, who will not be seeking re-election as outlined above, will retire and seek election or re-election at the AGM to be held on 28 April 2022. The Board believes that all Directors offering themselves for election or re-election continue to be effective and demonstrate commitment to the role. The names and biographies of our current Directors can be found on pages 96 to 99.

Directors' and officers' liability insurance

Throughout 2021, the Group had in place Directors' and officers' liability insurance, which covered all Directors and officers.

Directors' and Company Secretary's shareholdings

The Company has in place share ownership guidelines for Executive Directors to ensure that their interests are aligned with those of shareholders. For detailed information, see the Directors' Remuneration Report on pages 136 to 154.

As at 2 March 2022 (being the latest practicable date before publication of this Annual Report and Financial Statements), the current Directors and the Company Secretary held the same number of beneficial interests in shares as at 31 December 2021 as set out in the table below. These shareholdings include all beneficial interests and those held by persons closely associated with them. This does not include their share awards under the Company's share schemes. The interests of the Executive Directors in the Company's share schemes as at 31 December 2021 are set out on page 149. The Company Secretary has no interest in the Company's share schemes that requires disclosure.

	Number of ordinary shares of €0.09 each	
	31 December 2021 (or date of resignation, if earlier)	31 December 2020 (or date of appointment to the Company if later)
Zillah Byng-Thorne	1,287	1,287
Michael Cawley	3,660	3,660
Nancy Cruickshank	—	—
Nancy Dubuc[1]	—	—
Divyesh (Dave) Gadhia[2]	50,546	50,546
Richard Flint	24,134	24,134
Andrew Higginson	—	—
Alfred Hurley	2,960	2,960
Jonathan Hill	1,728	1,728
Peter Jackson	7,561	7,561
Holly Keller Koeppel[3]	—	—
David Lazzarato	2,708	2,708
Gary McGann	3,314	3,314
Atif Rafiq[4]	—	—
Peter Rigby[2]	128	128
Mary Turner	4,269	4,269

1. Appointed with effect from 29 April 2021.
2. Resigned with effect from 29 April 2021.
3. Appointed with effect from 13 May 2021.
4. Appointed with effect from 10 December 2021.

None of the Directors nor the Company Secretary had an interest in the shares of any subsidiary undertaking of the Group or in any significant contracts of the Group.

Remuneration report

The remuneration report required to be included in this Directors' Report pursuant to section 325(f) of the Companies Act 2014 is contained on pages 136 to 154 of this Annual Report and Financial Statements, which is incorporated into this Directors' Report.

Shares

Substantial shareholdings

As at 31 December 2021 and 2 March 2022 (being the latest practicable date before publication of this Annual Report and Financial Statements), the Company had been notified of the following details of interests of over 3% in the Company's ordinary share capital (excluding treasury shares):

Substantial shareholdings	Notified holding 31 December 2021	Notified holding 2 March 2022	Notified % holding 2 March 2022
The Capital Group Companies, Inc.[1]	26,030,020	26,030,020	14.87%
Caledonia (Private) Investments Pty Limited	17,959,749	17,959,749	10.26%
BlackRock Inc.	10,004,428	10,004,428	6.45%
Parvus Asset Management Europe Limited	5,422,128	5,422,128	3.09%
Massachusetts Financial Services Company	5,301,085	Below disclosure threshold	

1. As notified by The Capital Group Companies, Inc. ("CGC"), CGC is the parent company of Capital Research and Management Company ("CRMC") and Capital Bank & Trust Company ("CB&T"). Neither CGC nor any of its affiliates owns shares of Flutter Entertainment plc for its own account. Rather, CGC has advised Flutter that the shares reported on the notification provided by CGC to the Company are owned by accounts under the discretionary investment management of one or more of the investment management companies described above.

Corporate governance

For the purposes of section 1373 of the Companies Act 2014 and Rule 7.2 of the Disclosure and Transparency Rules of the UK Financial Conduct Authority, the Corporate Governance Report on pages 94 to 162 is deemed to be incorporated into this Directors' Report and forms part of the corporate governance statement required by section 1373 of the Companies Act 2017 and Rule 7.2 of the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

Share capital, rights and obligations

As at 31 December 2021, the Company's total issued share capital was €15,806,548.62, comprising 175,628,318 ordinary shares each with a nominal value of €0.09, all of which are of the same class and carry the same rights and obligations. As at 31 December 2021, no ordinary shares were held as treasury shares either directly by the Company or through Group companies or nominees.

Accordingly, as at 2 March 2022 (being the latest practicable date before publication of this Annual Report and Financial Statements), the Company's total issued share capital was €15,811,296.21, comprising 175,681,069 ordinary shares.

Rights attaching to ordinary shares

Ordinary shares carry the right to dividends declared by the Company from its profits available for distribution and to the return of capital on the winding up of the Company. Ordinary shares carry the right to attend and speak at general meetings of the Company and each share has the right to one vote. With regard to the Company's ordinary shares:

(i) there are no restrictions on their transfer;

(ii) no person holds shares carrying special rights with regard to the control of the Company;

(iii) there are no shares to which a Company share scheme relates carrying rights with regard to the control of the Company;

(iv) there are no restrictions on the voting rights attaching to the Company's shares; and

(v) there are no agreements between shareholders that are known to the Company that may result in restrictions on the transfer of securities or on voting rights.

Lock-up agreement with certain shareholders

The purchase agreement entered into between the Company and Fastball Holdings LLC ("Fastball") on 3 December 2020 (the "Purchase Agreement") in relation to the acquisition of Fastball's entire 37.2% minority interest in FanDuel Group Parent LLC (the "FanDuel Acquisition") contains certain lock-up provisions which restricted Fastball's ability to distribute or transfer the 11,747,205 ordinary shares in the Company which Fastball received as partial consideration for the FanDuel Acquisition (the "Consideration Shares") during the financial year ended 31 December 2021. Under the terms of the Purchase Agreement, subject to limited exceptions, Fastball was restricted from distributing or transferring the Consideration Shares during 2021, save that:

(a) from and after 31 March 2021, Fastball was permitted to distribute or sell up to 20% of the Consideration Shares;

(b) from and after 1 July 2021, Fastball was permitted to distribute or sell up to 50% of the Consideration Shares (inclusive of any shares distributed or sold prior to 1 July 2021); and

(c) from and after 31 December 2021, Fastball was permitted to distribute or sell up to 100% of the Consideration Shares.

Controlling shareholders

As far as known to the Directors, the Company is not directly or indirectly owned or controlled by another company or any government. Further information on the Company's share capital is set out in Note 24 to the Consolidated Financial Statements on pages 223 to 225.

Authority to allot new shares

At the Company's AGM on 29 April 2021, shareholders authorised the Directors, by way of ordinary resolution, to allot new equity securities:

(a) up to a maximum aggregate value of €5,255,413.83 (representing 58,393,487 ordinary shares), being approximately 33.33% of the issued share capital of the Company (excluding treasury shares); and

(b) up to a maximum aggregate value of €10,510,827.66 (representing 116,786,974 ordinary shares), being approximately 66.66% of the issued share capital of the Company (excluding treasury shares), provided the allotment is made in connection with a rights issue or other pre-emptive issue in favour of holders of equity securities and less any amounts allotted pursuant to paragraph (a) above.

The authority conferred at the 2021 AGM will expire at the close of the Company's AGM in 2022 or the close of business on 28 July 2022 (whichever is earlier).

At the 2022 AGM, shareholders will be requested to renew this authority. Save for the allotment of shares in respect of the Group's employee share schemes, the Directors have no current intention to exercise this authority.

Disapplication of pre-emption rights

At the Company's AGM on 29 April 2021, shareholders authorised the Directors, by way of special resolution, to allot new equity securities:

(a) up to a maximum aggregate value of €788,312.07 (representing 8,759,023 ordinary shares), being approximately 5% of the issued share capital of the Company (excluding treasury shares); and

(b) up to an additional maximum aggregate value of €788,312.07 (representing 8,759,023 ordinary shares), being approximately 5% of the issued share capital of the Company (excluding treasury shares), provided the proceeds of any such allotment are to be used only for the purposes of financing (or refinancing) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights.

In each case, for cash without first being required to offer them to existing shareholders of the Company.

The authorities conferred at the 2021 AGM will expire at the close of the Company's AGM in 2022 or the close of business on 28 July 2022 (whichever is earlier).

At the 2022 AGM, shareholders will be requested to renew this authority. Save for the allotment of shares in respect of the Group's employee share schemes, the Directors have no current intention to exercise this authority.

Purchase of own shares

At the Company's AGM on 29 April 2021, shareholders authorised the Company and/or any of its subsidiaries, by way of special resolution, to make market purchases of a maximum of 17,518,046 of the Company's ordinary shares (being 10% of the issued share capital of the Company (excluding treasury shares)) at certain minimum and maximum prices specified in the resolution.

The authority conferred at the 2021 AGM will expire at the close of the Company's AGM in 2022 or the close of business on 28 July 2022 (whichever is earlier).

At the 2022 AGM, shareholders will be requested to renew this authority. The Board of Directors will only exercise the power to purchase shares in the future at price levels at which it considers purchases to be in the best interests of the shareholders generally after taking account of the Group's overall financial position. The Directors have no current intention to exercise this authority.

Capitalisation of merger reserve and capital reduction

At the Company's AGM on 29 April 2021, shareholders approved, by way of ordinary resolution, the capitalisation of up to the entire amount standing to the credit of the Company's merger reserve account as at 31 December 2020 for the purpose of applying such sum in paying up in full one or more unissued shares in the capital of the Company to be allotted as fully paid bonus shares (the "Capitalisation") and authorised the Board of Directors to determine, on behalf of the Company, the amount of the Capitalisation and the number of shares to be issued, to determine whether or not to proceed with the Capitalisation and to implement any such Capitalisation in accordance with the provisions of Article 126 of the Company's Constitution as it saw fit.

In addition, at the 2021 AGM, shareholders approved, by way of special resolution, subject to the confirmation of the Irish High Court, the reduction of the Company's company capital by up to the entire amount of the undenominated capital standing to the credit of the Company's share premium account as at 31 December 2020, together with any undenominated capital arising to the credit of the Company's share premium account as a result of implementation of Capitalisation, with the reserve arising to be treated as profits available for distribution within the meaning of section 117 of the Companies Act 2014.

On 9 September 2021, the Board of Directors approved the capitalisation of £7,982,942,509.88, being the entirety of the amounts standing to the credit of Flutter's merger reserve account at 31 December 2020 in connection with the allotment and issue of a single bonus share, resulting in the creation of undenominated capital standing to the credit of the Company's share premium account of £7,982,942,509.80, and resolved to make an application to the Irish High Court to seek confirmation of the reduction of the Company's company capital in an amount of £10,000,000,000 (or such lesser amount as the High Court may determine) standing to the credit of Flutter's share premium account following completion of the Capitalisation (the "Capital Reduction").

On 3 November 2021, the Irish High Court confirmed the Capital Reduction and ordered that the sum of £10,000,000,000 be transferred from the Company's share premium account to its distributable reserves account. Following completion of the Capital Reduction, the bonus share issued in connection with the Capitalisation was surrendered to the Company for nil consideration and cancelled.

Cancellation of treasury shares

On 1 January 2021, the Company's total issued share capital was 177,033,508 shares, comprising: (a) 175,067,908 ordinary shares in issue each with a nominal value of €0.09; and (b) 1,965,600 ordinary shares held as treasury shares either directly by the Company or through Group companies or nominees.

Ordinary shares held as treasury shares represented 1.1% of the Company's total issued share capital (including treasury shares) as at 1 January 2021. Ordinary shares held in treasury do not have any voting rights.

On 28 July 2021, the Board of Directors resolved to cancel all ordinary shares held as treasury shares in accordance with sections 106 and 109(6)(a) of the Companies Act 2014. Prior to cancellation, those ordinary shares held as treasury shares through Group companies or nominees were surrendered to the Company for nil consideration. The cancellation of the ordinary shares held as treasury shares was effective on 25 August 2021. As at 31 December 2021, no ordinary shares were held as treasury shares by the Company or through Group companies or nominees.

Shareholders' meetings

The Company operates under the Companies Act 2014 of Ireland. Under the Companies Act 2014, the Company is required to hold a general meeting of shareholders each calendar year as its Annual General Meeting ("AGM"). Any other general meeting of shareholders held in that year is classified as an Extraordinary General Meeting ("EGM"). Not more than 15 months may elapse between the date of one AGM and the next. EGMs are convened when considered appropriate by the Board and may also be convened at the request of members holding not less than 5% of the issued share capital of the Company which carries voting rights. A shareholder or a group of shareholders holding at least 3% of the issued share capital of the Company which carries voting rights has the right to put an item on the agenda of an AGM, provided the shareholder exercises that right within the prescribed time period, or to table a draft resolution for an item on the agenda of a general meeting.

No business may be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Under Flutter's Constitution, two persons entitled to vote upon the business to be transacted, present in person or by proxy or as a duly authorised representative of a corporate member, constitute a quorum. Only those shareholders registered on the Company's register of members at the prescribed record date, being a date specified by the Board in relation to the relevant general meeting, are entitled to attend and vote at a general meeting.

Notice of an AGM, the Form of Proxy and the Annual Report are sent to shareholders at least 20 working days before the AGM in line with the recommendations of the Code. The notice period for an EGM to consider any special resolution is 21 clear days. Subject to the approval of shareholders at the immediately preceding AGM, the Directors may also convene an EGM to consider any ordinary resolution on 14 clear days' notice. As a matter of policy, 14 clear days' notice will only be utilised to convene an EGM where the Directors believe that it is merited by the business of the meeting and the circumstances surrounding such business.

While the Company's Constitution provides that resolutions may be voted on by a show of hands or on a poll, Flutter's practice is that all resolutions are voted on a poll. After each resolution has been dealt with, details are given of the level of proxy votes cast on each resolution and the numbers for, against and withheld. On a poll, the votes of shareholders present and voting at the meeting are added to the proxy votes received in advance of the meeting and the total number of votes for, against and withheld for each resolution are announced following the conclusion of the meeting. Ordinary resolutions may be passed by a simple majority of votes cast in favour, while special resolutions require a 75% majority of votes cast in favour. Any shareholder who is entitled to attend, speak and vote at a general meeting is entitled to appoint one or more proxies to attend, speak and vote on his or her behalf. A proxy need not be a member of the Company.

The business of the Company is managed by the Directors who may do all such acts and things and exercise all the powers of the Company save for those powers required to be exercised by the Company in general meeting. Matters reserved to shareholders in general meetings include the election of Directors, the declaration of final dividends on the recommendation of the Directors, the fixing of the remuneration of the external auditor, amendments to the Constitution, measures to increase or reduce the ordinary share capital and the authority to issue shares.

Own shares held

During 2021, the Paddy Power Betfair plc Employee Benefit Trust ("EBT") transferred 1,372,056 (2020: 3,077) ordinary shares to employees under the Company's share schemes. At 31 December 2021, the EBT held 33,158 (2020: 67,320) ordinary shares in the Company, representing 0.019% (2020: 0.038%) of the total issued share capital of the Company as at that date. 1,337,894 shares were purchased into the EBT during the year ended 31 December 2021 (2020: 0). Further information is set out in Note 26 to the Consolidated Financial Statements on pages 225 to 229.

Outstanding options

980,835 (2020: 767,889) awards or grants over shares were made during 2021 that would be dilutive of the Company's issued share capital. We settle outstanding awards or grants under the Company's share schemes with shares purchased in the market and through issuing new shares. The Board continues to review this as appropriate. As at 31 December 2021, there were 2,090,603 (2020: 1,842,762) options outstanding.

Dividends

The Board's capital management policy for the Group remains to target a leverage ratio of 1.0x to 2.0x over the medium term. The Board will continue to monitor the impact of Covid-19, and the Group's anticipated deleveraging and balance sheet position, and will decide when it is an appropriate time to reinstate a dividend.

As a result, the Board did not recommend an interim dividend for 2021 (2020: £nil) or a final dividend for the year ended 31 December 2021 (2020: £nil).

Employees

Information on employee matters is contained on pages 52 to 55 and is deemed to be incorporated in this Directors' Report. Details of the Group's policy on the granting of options and awards under its employee share schemes and other long-term incentive schemes is contained in the Remuneration Report and on pages 136 to 154 and is deemed to be incorporated in this Directors' Report.

Events after the reporting date

Details of events after the reporting period are set out in Note 33 on page 242 of the Consolidated Financial Statements.

Other

Political donations

No political donations were made by the Company during 2021 that require disclosure in accordance with the Electoral Acts 1997 to 2002 and the Electoral (Amendment) Political Funding Act 2012.

Audit Committee

The Company has established an Audit Committee, the details of which are set out on pages 124 to 131.

Articles of Association

The Company's Articles of Association may only be amended by way of a special resolution approved by the shareholders. They were last amended, effective as of 19 January 2021, by way of a special resolution passed at the EGM held on that date.

Significant agreements – change of control provisions

Other than as detailed below, there are no significant agreements which contain provisions entitling other parties to exercise termination or other rights in the event of a change in control of the Company. The rules of certain Company share schemes include provisions which apply in the event of a takeover or reconstruction.

The Company is party to two credit agreements as follows:

- a Term Loan A and Revolving Facility Agreement originally dated 11 March 2020 between, among others, the Company and Lloyds Bank plc as agent and security agent as amended and/or restated from time to time including by way of an amendment agreement dated 10 December 2021 (the "TLA Agreement"); and
- a Term Loan B agreement originally dated 10 July 2018 between, among others, The Stars Group Inc. and Deutsche Bank AG New York Branch acting as administrative agent and collateral agent as amended and/or restated from time to time including by way of amendment agreements dated 15 June 2020 and 21 July 2021 (the "TLB Agreement").

Both the TLA Agreement and the TLB Agreement contain provisions entitling other parties to exercise certain rights to, among other things, demand prepayment of the relevant outstanding amounts in the event of a "Change of Control" (as set out and as defined in the TLA Agreement) and a "Change in Control" (as set out and as defined in the TLB Agreement).

Contractual arrangements

The Group has contractual arrangements with numerous third parties in support of its business activities. In that context, disclosure in this Annual Report and Financial Statements of information about any of those third parties is not considered necessary for an understanding of the development, performance or position of the Group's businesses.

Related party transactions

Internal controls are in place to ensure that any related party transactions involving Directors or their connected persons are carried out on an arm's length basis and are disclosed in the Consolidated Financial Statements. Transactions with Directors and parties related to them have been disclosed in Note 31 to the Consolidated Financial Statements on pages 239 to 240.

Funding and liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity from available cash and borrowing facilities to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. With regard to available cash, the Group's Treasury Policy sets conservative credit rating and tenor-based limits for exposures to financial counterparties. The Group performs regular cash flow projections to ensure that it has sufficient headroom available from cash and borrowing facilities to meet expected obligations over the forecasted period.

The Group has entered into a Term Loan A and Revolving Credit Facility Agreement (the "TLA Agreement") comprising a term loan and Revolving Credit Facility totalling £1.4bn, with a maturity date of 5 May 2025. In November 2021, an additional lender was added to the TLA Agreement, bringing the total facility to £1.5bn, and the Group completed a drawdown of £68m under the existing terms. The Term Loan A amounts to £1,018m and the entire principal is due at maturity. The TLA Agreement also provides a multi-currency Revolving Credit Facility in an aggregate amount of £482m.

The Group holds a USD term loan with an outstanding principal balance of $2.9bn (the "USD First Lien Term Loan B") and a EUR first lien term loan with an outstanding principal balance of €507m (the "EUR First Lien Term Loan B"), each with a maturity date of 25 July 2026. The USD First Lien Term Loan requires scheduled quarterly principal payments in amounts equal to 0.25% of the initial aggregate principal amount of the USD First Lien Term Loan B of US$2,938m, with the balance due at maturity. There is no amortisation on the EUR First Lien Term Loan B and the principal is due at maturity.

At 31 December 2020, total borrowings were £3.6bn. During the 12 months ended 31 December 2021, the Group complied with all covenants related to its borrowings under all facilities. Further details are set out in Note 22 of the Consolidated Financial Statements on pages 217 to 219.

Viability statement

The viability statement, as set out on pages 92 to 93, is deemed to be incorporated in this section of the Directors' Report.

Going concern, responsibilities and disclosure

The Group reported EBITDA of £723.3m and a loss after tax of £411.9m for the year ended 31 December 2021. This includes £797.7m of non-cash depreciation and amortisation charged against profit in the year. The net cash generated from operating activities during the year ended 31 December 2021 was £685.5m. The balance sheet at 31 December 2021 reported a net current liability position of £112.3m. During 2021, the Group's various lenders consented to waive any Default or Event of Default that may have arisen by virtue of the Kentucky judgement, including any enforcement steps or actions taken by the Commonwealth of Kentucky prior to settlement. During the 12 months ended 31 December 2021, the Group is in compliance with all covenants related to its lending arrangements.

The Directors have considered the available financial resources which include, at 31 December 2021, £951.7m of cash and cash equivalents and a £482.0m Revolving Credit Facility with undrawn capacity of £467.0m. Whilst there are certain loan repayments due within the next 12 months of £22.1m, the Group's lending facilities primarily fall due in 2026 as set out in more detail in Note 22. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully. See 'Managing and understanding our principal risks' in this report for more detail.

The Group's forecasts to the year ending 31 December 2022 and beyond indicate that it will continue to have significant financial resources, continue to settle its debts as they fall due and operate well within its banking covenants as outlined in Note 22 for at least a period of 12 months from the date of these consolidated financial statements. 12 months from the date of these consolidated financial statements was selected as the going concern period as it represents the period in which the Group has prepared detailed forecasts for the majority of the period and it also reduces the degree of judgement and estimation uncertainty involved in both the forecasts and the downside scenarios.

When preparing the forecasts, the Group has included the cash outflows associated with the post balance sheet acquisition as detailed in Note 33. Various downside scenarios over and above those already included in the base case model on the potential impact of further reductions to cash flows due to changes in the legal, regulatory and licencing landscape and the Group's cyber and IT resilience have been considered in respect of these forecasts. The impact of these items involves significant judgement and estimation uncertainty.

In the event that it were necessary to draw down additional debt funding, the Directors have a reasonable expectation that this could be achieved within the confines of its existing debt facilities and financial covenant requirements.

Having given regard to the above, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these consolidated financial statements, and therefore they continue to adopt the going concern basis in its consolidated financial statements.

Risk management and internal control

The Directors confirm that, in addition to the monitoring carried out by the Risk and Sustainability and Audit Committees under their respective terms of reference, they have reviewed the effectiveness of the Group's risk management and internal control systems as at the date of approval of the Financial Statements. This review had regard to all material controls, including financial, operational and compliance controls that could affect the Group's business. Further details are set out on pages 124 to 135.

Compliance policy statement

It is the policy of the Directors of the Company to comply with its relevant obligations (as defined in the Companies Act 2014). As required by section 225(2) of the Companies Act 2014, the Directors acknowledge that they are responsible for the Company's compliance with its relevant obligations. The Directors have drawn up a compliance policy statement (as defined in section 225(3)(a) of the Companies Act 2014) and arrangements and structures are in place that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations. The Directors confirm that these arrangements and structures were reviewed during the financial year. In discharging their responsibilities under section 225, the Directors relied on the advice both of persons employed by the Company and of persons retained by the Company under contracts for services, who they believe have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations.

Non-financial reporting

In compliance with the non-financial reporting requirements set out in the Companies Act 2014, the European Union (Disclosure of Non-Financial and Diversity Information by Certain Large Undertakings and Groups) Regulations 2017 (SI 360/2017) and the EU Taxonomy Regulation (Regulation (EU) 2020/852), the table below sets out certain non-financial information to provide investors and other stakeholders with an understanding of the Group's development, performance, position and impact of its activity and where this information has been provided in this Annual Report and Financial Statements:

Non-financial reporting

Reporting requirement	Relevant policies and additional information	Location of information[1]	Page
Environmental and climate matters	Sustainability and environment	Sustainability	60 to 63
Social and employee matters	Code of Ethics; Global Health and Safety DEI Strategy Framework	Safer Gambling Sustainability Business Integrity	44 to 63 and 64 to 65
Human rights	Code of Ethics; Modern Slavery Statement[2]	Business Integrity	64 to 65
Anti-bribery and corruption	Code of Ethics; Anti-Bribery and Corruption Policy	Business Integrity	64 to 65
Business model	—	Business Model	32 to 33
Non-financial KPIs	—	Measuring Our Progress	28 to 31
Principal risks	—	Understanding and Managing Our Principal Risks	84 to 91
Environmentally sustainable activities (Regulation (EU) 2020/852)	—	Sustainability ESG supplementary information	60 to 63 and 261 to 266

1 The referenced sections are deemed to be incorporated within this Directors' Report.

2 Available on Flutter's website, www.flutter.com.

Task Force on Climate-related Financial Disclosures ("TCFD")

In accordance with LR 9.8.6R (8) and LR 9.8.7, the Company is required to include a statement in this Annual Report and Financial Statements setting out whether the Company has included climate-related financial disclosures consistently with the recommendations of the Task Force on climate related Financial Disclosures ("TCFD"). We have disclosed consistent with the TCFD recommendations except for disclosing a listing of climate related risks and opportunities ("CROs"), embedding those CROs into our strategy and financial planning and conducting scenario analysis (strategy pillar), identifying CROs, managing those risks and integrating them into the organisation's overall risk management (risk management pillar) and identifying and monitoring metrics and targets aligned to those CROs (metrics and targets pillar).

Further information is set out in the Sustainability section of the Strategic Report on pages 261 to 266.

Greenhouse gas emissions

Disclosures relating to the Group's greenhouse gas emissions are contained in the Sustainability section of the Strategic Report on pages 63 and 261 to 266.

Provision 38 of the UK Corporate Governance Code

At the time of the introduction of provision 38 of the UK Corporate Governance Code, the Company had already signed a contract with the CEO and CFO that entitled them to an annual pension contribution equivalent to 15% of their annual total salary. This is higher than the pension contribution levels of the wider workforce which, in the UK, are currently 5% of annual salary. As a result, the Company has been non-compliant with provision 38 since its introduction. Despite the contractual obligations, the Remuneration Committee has agreed with the CEO and CFO that, from 1 January 2023, their pension contribution entitlements will reduce to the wider workforce level. The Committee has engaged with shareholders on this matter and explained the reasons why the Company has not been able to comply with provision 38 to date and assured shareholders that the Company will be fully compliant with provision 38 by 1 January 2023.

Auditor

KPMG, Chartered Accountants, was appointed statutory auditor on 18 May 2018 and has been reappointed annually since that date, and pursuant to section 383(2) of the Companies Act 2014 will continue in office. Prior to 18 May 2018, KPMG LLP, the UK member firm of KPMG International, was the auditor to Flutter Entertainment plc, having served as auditor for the two financial years ended 31 December 2017. KPMG in Ireland previously served as auditor to Paddy Power plc (subsequently renamed to Flutter Entertainment plc) for 14 uninterrupted financial years.

In accordance with section 381(1)(b) of the Companies Act 2014, a resolution authorising the Directors to fix the remuneration of the auditor will be proposed at the 2022 AGM.

Disclosure of information to the external auditor

Each of the Directors who held office at the date of approval of this Directors' Report confirms that:

(i) so far as they are aware, there is no relevant audit information of which the external auditor is unaware; and

(ii) they have taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the external auditor is aware of that information.

Books of account

The measures which the Directors have taken to ensure that adequate accounting records are kept with the requirements of sections 281 to 285 of the Companies Act 2014 are:

(i) the appointment of suitably qualified personnel;

(ii) the adoption of suitable policies for recording transactions, assets and liabilities; and

(iii) the appropriate use of computers and documentary systems.

The Group and Company accounting records are kept at the Company's headquarters at Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4, Ireland.

Listing Rule 9.8.4C

In its Q3 2021 trading update, the Company published the following guidance in respect of the financial year ending 31 December 2021.

Outlook:

- Group ex-US: Unfavourable sports results in the first 24 days of October have impacted EBITDA by around £60m. Combined with the expected £10m EBITDA impact from the Netherlands, we are revising our adjusted EBITDA expectations for 2021 to £1.24bn-£1.28bn (previous guidance: £1.27bn-£1.37bn).
- US: Net revenue guidance remains unchanged at £1.285bn-£1.425bn ($1.8bn-$2.0bn) with an adjusted EBITDA loss now expected to be £250m-£275m (previous guidance: £225m-£275m). This revised EBITDA range includes a £15m impact from adverse sports results in October.

The above statements represented a profit forecast for the purpose of LR 9.2.18 and replaced the Company's previous guidance as outlined in the statement. For the purposes of compliance with LR 9.8.4R (2), the Company confirms that 2021 adjusted EBITDA for the Group, excluding the US, was £1.24bn, within the range previously indicated. US net revenue was $1.9bn, within the range previously indicated, whilst the 2021 adjusted EBITDA loss in the US was £243m, exceeding the top end of the guidance previously issued by 3%.

For the purposes of compliance with LR 9.8.4R (4) details of any long-term incentive schemes are included in the Directors' Remuneration Report on pages 136 to 154 and included by reference within this Directors' Report.

For the purposes of compliance with LR 9.8.4R (12) and (13) – Waivers of Dividend Disclosure – the Trustee of the Employee Benefit Trust has elected to waive dividends in respect of certain holdings of Flutter shares, details of which are set out on page 225 of the Financial Statements and are included by reference within the Directors' Report.

The remaining LR 9.8.4R sections are not applicable.

On behalf of the Board of Directors

Peter Jackson
Chief Executive Officer
14 March 2022

Jonathan Hill
Chief Financial Officer
14 March 2022

Flutter Entertainment plc, registered in Ireland

Company number 16956