

## Terms and Conditions – Awards (RSUs)

### Declaration

By completing and returning the Election Form you:

### General

- (a) confirm that you have received and read the letter (the **Letter**) from Betfair and Paddy Power dated 27 November 2015 and accompanying Appendix or Appendices relating to the Betfair Employee Share Plans in which you participate and have read, understood and agree to these Terms and Conditions and that you are aware of the terms of the Scheme Document.
- (b) confirm that each of the Options in respect of which you make a choice is valid and has not lapsed and is free from all mortgages and any third party interests and acknowledge that if any of the Options have lapsed or lapse before the Court Sanction, the completion of this Election Form will be of no effect in relation to those Options.
- (c) confirm that the decisions which you have made on the Election Form cannot be withdrawn or altered except with the agreement of Betfair and that you have signed the Election Form as a deed.
- (d) accept that documents sent by, to or from you in connection with your Options will be sent at your own risk to the postal address and/or email address shown on the Election Form.
- (e) acknowledge that neither Betfair, Paddy Power, Equiniti nor Computershare will be responsible for any consequential loss in the event that the Election Form is incorrectly completed or where it has not been possible to obtain clarification of your instructions or where the Election Form is delayed or fails to arrive.
- (f) appoint Betfair, or any person nominated by Betfair, as your attorney and authorise such attorney to execute, complete and sign and submit any document and to do anything on your behalf as necessary or desirable to give effect to the choices you have made in the Election Form and confirm that all powers of attorney and authorities given by you under the terms of the Letter and the Election Form are given by way of security for the performance of your obligations and cannot be withdrawn or altered in accordance with section 4 of the Powers of Attorney Act 1971 and you undertake to ratify and confirm any action properly taken on your behalf by any such attorney.
- (g) agree that the delivery of the Election Form duly signed may, if Betfair determines it appropriate, be treated as being as effective as if it were duly completed and received by any deadline specified in the Letter, notwithstanding that it is not completed or received strictly in accordance with the Election Form, and these terms and conditions, or by the deadline specified.
- (h) acknowledge that, subject to paragraph (i) below, in the event of any differences between the Letter or any of the other documents enclosed with the Letter and the rules of the relevant Betfair Employee Share Plan or applicable legislation, the rules of the relevant Betfair Employee Share Plan rules or applicable legislation (as appropriate) will prevail.

### **Nominee arrangements**

- (i) agree that the Betfair Shares acquired on the vesting of your Awards and any Paddy Power Shares acquired by you as a result of the exchange of those Betfair Shares under the Scheme (together, the **Nominee Shares**) will be held on your behalf in the Share Plan Account (as defined in the enclosed Terms and Conditions of the Share Plan Account (the **Computershare Ts&Cs**)). You acknowledge and agree that the Nominee Shares shall be held subject to the Computershare Ts&Cs except that, in the event of any difference between the Computershare Ts&Cs and these Terms and Conditions, these Terms and Conditions shall prevail.

### **Vesting of Awards**

- (j) acknowledge that your Awards will vest conditionally upon the Scheme being sanctioned by the Court and that the Betfair Shares that you acquire on the vesting of your Awards will be subject to the Scheme and will be automatically acquired by Paddy Power Betfair for 0.4254 Paddy Power Betfair Shares per Betfair Share except in relation to any such Betfair Shares that are sold on your behalf prior to the Suspension Time.
- (k) irrevocably agree, if you have ticked Box 1A and/or Box 1B in relation to an Award, that the Betfair Shares you acquire on the vesting of that Award will be sold (either in whole if you have elected to 'sell all' or in part if you have elected to 'sell to cover') on your behalf as soon as reasonably practicable following the Court Sanction. You acknowledge that Computershare will use all reasonable efforts to effect such a sale prior to the Effective Date but, if this is not possible, a sale of the Paddy Power Betfair Shares which are received in exchange for your Betfair Shares will be arranged as soon as practicable on or after the Effective Date.

### **Tax and social security contributions**

- (l) where you have elected a 'sell to cover' or a 'sell all' transaction in respect of an Award, agree and authorise Computershare to sell sufficient of the Betfair Shares which you acquire on the vesting of that Award and/or, if necessary, the resulting Paddy Power Betfair Shares to provide proceeds which, after deducting dealing costs and SDRT, shall be used to satisfy the aggregate withholding obligations in respect of income tax and social security contributions or other amounts payable by your nominee or by your employer or former employer to the appropriate authorities in relation to the vesting of your Award (**Tax Withholding Liabilities**), and to account for the same to Betfair.
- (m) acknowledge that a best estimate as to the number of Betfair Shares or Paddy Power Betfair Shares (as the case may be) required to be sold to satisfy the Tax Withholding Liabilities shall be made and that such number of shares may be increased by not more than 2% in order to reduce the risk of insufficient funds being realised.
- (n) acknowledge that if you have elected a 'sell to cover' transaction in respect of an Award and if, due to share price movements or other external factors, sufficient funds are not realised on the sale of your Betfair Shares or Paddy Power Betfair Shares (as the case may be) to satisfy the Tax Withholding Liabilities, your employer may make a deduction of an amount equal to any shortfall from other sums owed to you by your employer via payroll.

- (o) where you have elected a 'sell to cover' or a 'sell all' transaction in respect of an Award, agree and acknowledge that Computershare may aggregate your sale with sales on behalf of other participants who have elected a 'sell to cover' or 'sell all' transaction. The third party broker or dealer used to execute your transaction (the **Broker**) may also aggregate your sale with sales it receives from its other clients. This may result in a more or less favourable price than if your instruction had been executed separately. If the Broker executes a number of sales for Computershare on a particular day then it may average the price obtained for all the shares sold if different shares were sold at different prices.
- (p) where you have elected a 'hold all' transaction in respect of an Award, you confirm that you will make arrangements to ensure you have paid an amount at least sufficient to meet any Tax Withholding Liabilities in respect of the relevant Award to Computershare by electronic transfer. If Computershare does not receive sufficient cleared funds by no later than 16.00 UK time on the fifth working day before the date of the Court Sanction, you will be deemed to have elected a 'sell to cover' transaction and the terms of paragraphs (l), (m), (n) and (o) above shall apply.
- (q) you agree that you will be responsible for payment direct to the tax authorities of any capital gains tax liability arising in connection with your Awards.
- (r) agree that the information provided to you by Betfair and/or Paddy Power does not constitute tax advice and the tax treatment applicable to you will depend on your own particular individual circumstances. You acknowledge that you have been advised to take independent tax and/or financial advice if you are in any doubt about your individual circumstances.

#### **Cash proceeds**

- (s) you authorise and request Betfair or Computershare or Equiniti (as applicable) to remit any cash proceeds from the sale of the Betfair Shares acquired by you on the vesting of your Awards or the resulting Paddy Power Betfair Shares (as the case may be) either (as Betfair may determine):
  - i. to Betfair or to your employer in the Betfair Group and you authorise any arrangements necessary for any such cash proceeds (less, where applicable, an amount in respect of Tax Withholding Liabilities and/or any dealing costs or SDRT in respect of such Award) to be paid to you through payroll or otherwise as Betfair may determine; or
  - ii. less, where applicable, an amount in respect of Tax Withholding Liabilities and/or any dealing costs or SDRT in respect of such Award directly to your bank account.
- (t) agree that any cash proceeds that are remitted to your bank account by Computershare or Equiniti (as applicable) pursuant to paragraph (s)ii above shall be remitted to the bank account in respect of which you have provided details on the enclosed Election Form(s).

The distribution of the Letter and its enclosures in or into jurisdictions other than the United Kingdom or the United States may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Goldman Sachs, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Betfair and no one else in connection with the Merger and will not be responsible to anyone other than Betfair for providing the protections afforded to clients of Goldman Sachs, or for providing advice in connection with the Merger, the contents of this document or any other matter referred to herein.

Morgan Stanley, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom is acting exclusively for Paddy Power and no one else in connection with the Merger and will not be responsible to anyone other than Paddy Power for providing the protections afforded to clients of Morgan Stanley, or for providing advice in connection with the Merger, the contents of this document or any other matter referred to herein.

IBI Corporate Finance, which is regulated in Ireland by the Central Bank of Ireland, is acting exclusively for Paddy Power and for no one else in connection with the Merger and will not be responsible to anyone other than Paddy Power for providing the protections afforded to clients of IBI Corporate Finance, or for providing advice in connection with the Merger, the contents of this document or any other matter referred to herein.

Goodbody Stockbrokers, trading as Goodbody, which is regulated in Ireland by the Central Bank of Ireland, is acting exclusively for Paddy Power and for no one else in connection with the Merger and will not be responsible to anyone other than Paddy Power for providing the protections afforded to clients of Goodbody, or for providing advice in connection with the Merger, the contents of this document or any other matter referred to herein. This document is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Merger or otherwise nor shall there be any sale, issuance or transfer of securities of Paddy Power or Betfair pursuant to the Merger in any jurisdiction in contravention of applicable laws.

The Betfair Directors, whose names are set out in the Scheme Document, each accept responsibility for the information contained in the Letter and its enclosures other than that for which responsibility is accepted by the Paddy Power Directors. To the best of the knowledge and belief of the Betfair Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Paddy Power Directors, whose names are set out in the Scheme Document, each accept responsibility for the information contained in the Letter and its enclosures relating to the Paddy Power Group and the Paddy Power Directors. To the best of the knowledge and belief of the Paddy Power Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.