

Paddy Power Betfair plc (the “Company”)

Statement on Independence of Non-executive Directors

In establishing the board of Paddy Power Betfair, the Company very carefully considered the independence of all its directors, including Pádraig Ó Ríordáin, a partner in Arthur Cox. As required by the UK Corporate Governance Code (the “Code”), the Board considered whether there were relationships or circumstances that were likely to affect or could affect his judgement, namely his role as a partner in Arthur Cox. Similar to previous years, the Board concluded that there were no such relationships or circumstances. The following key contextual points formed the basis to allow the Board to reach the conclusion that Pádraig continued to be independent (as in previous years):

- The Code indicates that a non-executive’s independence may be impaired if he or she has a material business relationship with the Company. The Board does not consider that Pádraig has had, or currently has a material business relationship with the Company, for the following reasons:
 - Pádraig does not have any role in the selection or retention of Arthur Cox as a legal adviser to the Company; and
 - Arthur Cox’s relationship with the Company is not linked with Pádraig’s income as a partner within Arthur Cox.
- The Company confirms that:
 - Pádraig does not have any role in the selection or retention of Arthur Cox as a legal adviser to the Company nor is the Company in any way influenced in its choice of legal advisers by reason of him being a director; and
 - Pádraig does not have any involvement in advising the Company on any legal matters, nor does he offer a legal opinion on matters under consideration by the Board. All work undertaken by Arthur Cox for the Company is managed by other partners within the firm, and there are information barriers in place that ensure that no information about the Company’s legal affairs is available to Pádraig which is not available to directors generally.
- The Board also noted that nothing changed in 2015 in terms of Pádraig’s or Arthur Cox’s relationship with the Company as against previous years, save that there was an increase in the amount of fees received by Arthur Cox (€1,682,574 in 2015 vs. €404,425 in 2014) for very specific reasons. This increase in fees is entirely the result of the Company undertaking two very significant transactions in one financial year, the B share return of capital and associated reduction in capital, and the merger with Betfair Group plc. The Board expects that the fee level will revert to more normalised levels as those that prevailed in previous years.

In addition, the Company will be undertaking a robust and detailed external assessment of directors’ effectiveness and independence this year.

Edward Traynor
Company Secretary

4 May 2016