

## ENTAIN PLC

### TERMS OF REFERENCE OF THE CAPITAL ALLOCATION COMMITTEE

The Capital Allocation Committee (“the Committee”) is a committee of the Board of Directors of Entain plc (“the Company”) from which it derives its authority and to which it regularly reports.

#### 1. PURPOSE

The role of the Committee is to:

- Review all material strategic capital investment and divestment opportunities, including the acquisition and disposal of minority investments, joint venture interests and non-core assets in accordance with the Company’s approved strategy and business plan.
- Oversee Balance Sheet strength and consider options regarding the Company’s capital structure, including financing plans, liquidity thresholds and leverage appetite.
- Make recommendations to the Board on returns to shareholders such as dividend policy.
- Challenge management on proposals for material investments and disposals with the objective of ensuring that capital allocation is aligned with strategic priorities, maximises long-term shareholder value, delivers on market prioritisation objectives and accelerates organic growth.
- Oversee such other matters as may be referred to it by the Board.

#### 2. MEMBERSHIP

2.1 The Committee shall have a minimum of three members. Each Committee member shall be a non-executive director as determined by the Board.

2.2 Members shall be appointed by the Board on recommendation of the People & Governance Committee, in consultation with the Chair of the Committee.

2.3 The Board shall appoint the Committee Chair, who shall be a non-executive director. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting.



2.4 The Committee Chair shall review membership of the Committee annually, as part of the annual review of the Committee's effectiveness.

### **3. MEETINGS**

3.1 The Company Secretary, or their nominee, shall act as the Secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues. The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee and to all other members of the Board once approved.

3.2 Only members of the Committee are entitled to attend and vote at meetings. Other directors, members of management, advisers or other appropriately experienced outsiders may attend at the invitation of the Committee. The Committee Chair shall have the discretion to decide who, other than Committee members, shall attend.

3.3 The Committee shall meet as required.

3.4 The Secretary of the Committee shall ascertain, at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly.

3.5 Unless otherwise agreed, notice of each meeting confirming the venue, time and date of the meeting together with an agenda of items to be discussed and supporting papers shall be forwarded to each member of the Committee prior to the date of the meeting in a timely manner.

3.6 The quorum for meetings shall be two of whom at least one must be the Committee Chair or in his absence his appointed delegate. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

3.7 The Committee Chair shall report to the Board on all meetings of the Committee.

### **4. AUTHORITY**

4.1 Carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate independent legal or professional advice on any matter within its terms of reference as it considers necessary.



4.2 The Committee may seek any information it requires from any employee of the Company in order to perform its duties.

## **5. DUTIES**

The Committee shall carry out the duties below for Entain plc, its major subsidiary undertakings and the Group as a whole, as appropriate.

The Committee shall:

5.1 Oversee the performance of the Group's capital investments.

5.2 Oversee the progress of all disposals (whether fully or partially owned) and make recommendations to the Board as deemed appropriate.

5.3 Keep under review and make recommendations to the Board on strategic options to maximise the value and performance of BetMGM.

5.4 Keep under review the prioritisation of businesses and markets for capital investment/ divestment opportunities with specific consideration to expected return on investment.

5.5 Consider financing plans and keep under review liquidity thresholds and leverage metrics.

5.6 Make recommendations to the Board on proposals to return capital to shareholders.

## **6. OTHER MATTERS**

6.1 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

6.2 The Committee shall conduct an annual review of its work, constitution and these terms of reference to ensure it is operating effectively and make recommendations to the Board for any changes it considers necessary.

6.3 The Committee shall make these terms of reference available to shareholders of the Company.

