REMUNERATION:
DIRECTORS' REMUNERATION REPORT

for the year ended 31 December 2018

STRUCTURE OF THE DIRECTORS' REMUNERATION REPORT:

FOR 2018 WE HAVE MADE SOME CHANGES TO THE FORMAT OF OUR DIRECTOR'S REMUNERATION REPORT, INCLUDING NEW SUMMARY "AT A GLANCE" AND ALL-EMPLOYEE REMUNERATION SECTIONS. WE HOPE THAT SHAREHOLDERS FIND THESE CHANGES HELPFUL AND INFORMATIVE.

Jane Anscombe
Chair of the Remuneration Committee
5 March 2019

PART A – ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR

Outlines the key remuneration developments at GVC during 2018, including performance context for the year and looks ahead to 2019. Includes frequently asked questions

+ **Read more on page 82.**

PART B – OUR REMUNERATION AT A GLANCE

Provides a summary of key 2018 remuneration outcomes

+ **Read more on page 86.**

PART C – APPROACH TO DIRECTORS' REMUNERATION

Summary of the remuneration framework in place for Executive Directors at GVC, as approved by shareholders at our 2017 General Meeting, and how this aligns with our approach for all our employees

+ **Read more on page 88.**

PART D – ALL-EMPLOYEE REMUNERATION

Overview of the approach to remuneration across the Group

+ **Read more on page 90.**

PART E – ANNUAL REPORT ON DIRECTORS' REMUNERATION

Presents remuneration outcomes for 2018 and how we intend to apply the Policy in 2019

+ **Read more on page 92.**

PART A – ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR

As the Chair of the Remuneration Committee ("the Committee"), I am pleased to present the Board's report on remuneration policy and practice for the year ended 31 December 2018. GVC is an Isle of Man incorporated company but the Committee has voluntarily chosen to comply with the Regulations and associated voting requirements of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 ("the Regulations").

How the business has developed

Over the last few years the Company has transformed the size and scope of its operations, growing rapidly over this period and transitioning from AIM to the Main Market, GVC is now the largest listed online-led sports-betting and gaming operator by revenue with, in addition, a substantial retail estate. Our recent evolution has been driven by strong underlying organic growth, supported by the acquisitions of bwin.party digital entertainment ("bwin.party") in 2016 and Ladbrokes Coral in 2018, which have significantly increased GVC's scale and diversification, broadened our product range and strengthened our proprietary technology. Target synergies of €125m from bwin.party were successfully delivered and we have made a good start integrating Ladbrokes Coral and working towards the £130m of identified cost synergies. A measure of the growth in the scale and complexity of our operations is the increase in our employee headcount during 2018, from circa 3,000 to over 25,000.

The sustained performance and growth of GVC is testament to our highly talented CEO and senior executive, and the efforts of the colleagues in their teams. It is a measure of Kenneth Alexander's success that £1 invested in GVC at the time of his appointment as CEO in March 2007 would have been worth £25.67 at the end of 2018, assuming dividend reinvestment

Legacy awards

The single figure of remuneration for our CEO and Chairman of the Board ("Chairman") was high in 2018. The high single figure is largely driven by the vesting of the final tranches of awards under the 2015 LTIP, made at the time of the bwin.party acquisition in 2016. The value of those awards reflects the value created for our shareholders since that time. 2018 is the last year in which those awards will vest and the single figure will be substantially lower in 2019.

Much has changed at GVC since 2016, including the appointment of a new Remuneration Committee. We implemented a new Remuneration Policy in December 2017, which substantially reduced the CEO's incentive opportunity to more UK-typical levels. Likewise, the Chairman is now on a standard fee-only arrangement. Our remuneration framework is now aligned with typical UK practice.

During 2018 the CEO and Chairman exercised the final tranches of their 2015 LTIP awards. As a result their beneficial shareholdings increased to 2.73m shares and 1.19m shares, respectively (after selling sufficient shares to cover the exercise price and applicable taxes). For the CEO, this translates into a beneficial shareholding of 1,936% of salary, creating substantial and continued alignment with shareholders.

Our current approach

As mentioned above, our approach to remuneration has evolved in recent years. The Committee has at all points sought to balance our wish to align with UK best practice remuneration and corporate governance standards, with the need to appropriately reward and retain this team during a period of significant business development. The Remuneration Policy was approved by shareholders in December 2017 and we are well-positioned against many of the new provisions of the UK Corporate Governance Code, including on pensions and our remit as a Committee.

The online gaming industry is extremely competitive, with a relatively small talent pool across both public and private companies internationally. Within this context, the Committee recognises the critical need to retain our key talent to drive future growth within this industry, particularly given the ongoing regulatory change and challenge.

2018 Group performance

It was another year of strong performance for GVC. The Executive Directors and senior management team have continued to drive the Group's strategy to extend its position in the sports-betting and gaming sectors. Proforma Group Net Gaming Revenue ("NGR") increased by 9% in 2018 within which our Online operations increased their NGR by 19%, materially outperforming the market and taking share in all of our major territories in a business where scale counts. Proforma underlying EBITDA increased by 13% and good progress is being made in achieving the priorities from the Ladbrokes Coral integration.

Key 2018 performance highlights include:

- Proforma Net Gaming Revenue* up 9% to £3,571m;
- Proforma underlying EBITDA up 13% to £755m;
- Adjusted diluted EPS of 76.3 pence, up 51%;
- Dividends of 32.0 pence per share declared in respect of 2018, 7% higher than in 2017;
- New 50/50 joint venture with MGM Resorts International to create a world-class sports betting and online gaming platform in the US; and
- New Corporate and Social Responsibility (CSR) Board committee established with a strategy based on three important pillars: providing responsible gambling; being a responsible employer and enabling a positive impact on our communities and markets (see the separate CSR report).

* Proforma as if the current Group, post the acquisition of the Ladbrokes Coral Group, had existed since 1 January 2017 (please see the CFO's Review for further details).

REMUNERATION: DIRECTORS' REMUNERATION REPORT CONTINUED

for the year ended 31 December 2018

Shareholder engagement

We remain committed to maintaining an open and transparent engagement with our shareholders. As such, the Board was naturally disappointed with the overall voting outcome of 56.06% in favour of the 2017 Remuneration Report. We had consulted extensively with shareholders during autumn 2017, and feedback from these discussions had demonstrated strong support for the future direction and structure of the Company's remuneration practices. However, we understand that ultimately a number of shareholders felt unable to support the report, primarily due to the value of awards vesting under legacy arrangements and transition arrangements put in place for our Chairman.

Following the vote, the Chairman and Senior Independent Director conducted a corporate governance roadshow with a number of our largest institutional shareholders during autumn 2018, which included frank and open discussions on remuneration. These discussions were fed back to the Committee, which discussed the feedback at length.

I would like to thank shareholders for the helpful and constructive feedback which we received both at these meetings, as well as over the last 18 months. We recognise the importance of a strong relationship with all our stakeholders and will continue to engage with shareholders in the lead up to our AGM in June 2019.

2018 executive remuneration outcomes

Our key financial performance indicator, underlying proforma EBITDA increased by 13% to £755m on a proforma basis. This was ahead of the £741m target as set by the Committee for the enlarged Group as soon as practicable after the acquisition of Ladbrokes Coral. This performance reflected strong operational management and the early benefits of the Ladbrokes Coral acquisition, and was achieved despite well-publicised regulatory headwinds in many of our markets. As a result, the level of bonus pay-out to the Executive Directors was 91.5% of maximum. The Committee reflected on this outcome and assessed whether it was appropriate given GVC's wider performance, taking into account relevant considerations including progress against environmental, social and governance (ESG) criteria including responsible gambling. The Committee was satisfied that 2018 was another strong year for the Company, and as such there was no need to apply any discretionary adjustment to this outcome.

The LTIP gains captured in the single figure of total remuneration reflect the returns made by investors. From the date of grant in February 2016 to the time that the final LTIP award vested in August 2018, GVC's total shareholder return rose by more than 130%, compared to 26% for the FTSE 350.

CEO salary increase: The Ladbrokes Coral acquisition marked a very material change in the size and scope of GVC. The business more than doubled in size (in terms of EBITDA), and we are proud that the number of GVC employees has increased from circa 3,000 to over 25,000. These changes have led to a substantial increase in the complexity and responsibilities of the CEO's role. The Committee recognises that executive pay remains an area of intense focus in the UK, and therefore did not take the decision to consider a change to the CEO's salary as a result of these developments lightly. We were conscious though of the critical need to do the right thing for the long-term success of GVC, and to ensure that we retained the services of an individual who is widely considered to be a leading figure in the sector; is best-placed to navigate the Group through regulatory changes in the UK and elsewhere; and is able to take advantage of new international opportunities including the United States. We had extensive discussions on this issue, as a Committee and with the Board. As a result of these discussions, and with the full support of the Board, the Committee was of the view that there was a critical need to increase the CEO's salary to £950,000 per annum. Only £800,000 of this salary will be used to calculate his incentive opportunities (with the remaining £150,000 not being "eligible" for incentive pay). The CEO will not receive any increase in 2019. Also, there is no provision in our policy for executive pension arrangements.

Looking ahead to 2019

GVC's underlying trading remains strong, with proforma net gaming revenue 11% higher in the period to 24 February 2019, and the Board is confident the Group is well placed for future growth. However the Group faces a number of material regulatory headwinds during 2019, notably the implementation of the UK Triennial Review ("TR") and increase in Remote Gaming Duty ("RGD") in April 2019. As discussed in the CEO's Review, the reduction in maximum stakes on "B2" machines to £2 per spin is expected to cut our EBITDA by £135m in 2019. The Committee has taken account of such large regulatory changes, which are outside management's control, when setting remuneration for 2019. However, it will carefully monitor management's progress against published targets for mitigating actions.

Given the increase made to the CEO's salary in 2018 and the fact that the CFO has only recently been appointed, there will be no change to Executive Directors' salaries in 2019. The structure of the annual bonus plan is unchanged and will continue to be linked to financial performance. However, in addition to underlying EBITDA we have added net debt as a financial performance measure, which we believe is appropriate given the increased debt/leverage post the Ladbrokes Coral transaction and investor focus on this metric.

There will be no changes to the measures used under our LTIP, as underlying cumulative EPS remains our most appropriate measure of bottom-line financial performance, while relative TSR provides strong alignment to our shareholders. The Committee aims to set stretching targets that require strong outperformance for maximum vesting, yet remain realistic in the context of the significant regulatory headwinds we face during 2019. The Committee recognises that the 2019 LTIP EPS targets are in absolute terms slightly below those for the 2018 LTIP, but considers that in the current environment, and particularly with implementation of the UK Triennial Review and Remote Gaming Duty in April 2019, the targets represent at least an equivalent stretch to those set in prior years. The targets will require management to deliver strong underlying growth and achieve ambitious published targets to mitigate the impact of the Triennial Review and achieve Ladbrokes Coral acquisition synergies.

Our current Remuneration Policy was approved by shareholders in December 2017, and we therefore expect to seek approval for a new Policy at our AGM in 2020. We anticipate that we will review the current Policy during the second half of 2019, with a view to consulting with shareholders later in the year should any material changes to the current Policy be proposed.

Corporate Governance

The Financial Reporting Council published a new UK Corporate Governance Code ("Code") during 2018, which applies to GVC with effect from the 2019 financial year. The Committee welcomes the new Code and during the latter half of 2018 held discussions as to how those provisions that GVC did not already satisfy could be implemented in the most effective manner for the Company and our stakeholders. The Committee is pleased to note that in several areas of the Code practice at GVC is already well-aligned, including pension provision, incentive structures, the Committee's remit, and our oversight of wider employee pay and conditions (see below for more details).

Over the course of 2019, we will continue to monitor how practice develops in these areas, especially in relation to post termination shareholding policies, and work towards implementing the new requirements in the most effective manner for GVC, particularly as we look towards renewing our Policy in 2020. Further details will be provided in next year's report.

All employee remuneration

During 2018 the Committee received updates on all employee remuneration and discussed material changes to remuneration arrangements, including the introduction of new incentive plans from 2019. The Committee will continue to review reward harmonisation activity as the Ladbrokes Coral integration progresses.

2018 is the first year that the Group has been required to disclose its gender pay gap. Our median hourly pay difference between male and female colleagues is 2.9% which compares favourably with the UK median pay gap of 17.9% across all sectors. However, we are working hard to improve it, including our aim to increase female representation at our senior levels. The full report, including details on the initiatives we have underway to close our gender pay gap, is available on our website (gvc-plc.com).

Board and Committee changes

As a result of the acquisition of Ladbrokes Coral, Paul Miles stepped down as an Executive Director in March 2018. Details of Paul Miles' termination arrangements were published on the Group's website in Q2 2018 and further information is contained in Part E of the Directors' Remuneration Report. In October 2018, it was announced that Paul Bowtell would retire as Chief Financial Officer in March 2019 and be replaced by Rob Wood, the Deputy CFO at that time.

Paul Bowtell's leaving arrangements, summary details which were posted on our corporate website in October 2018, are fully in line with the terms of his contract and our Remuneration Policy. Rob's salary on appointment to the Board shall be £400,000, 39% below that for Paul Bowtell, reflecting that he currently has less experience as a Group CFO. All elements of the package are aligned with the terms of our Remuneration Policy, including maximum bonus and LTIP opportunities of 200% and 250% of salary, respectively, and pension provision in line with UK statutory minima.

Details of Paul's retirement arrangements and Rob's package on his appointment to the Board are also set out in Part E.

In June 2018, Peter Isola and Will Whitehorn stepped down as Committee members and I would like to thank them for their respective contributions. I was pleased to welcome Virginia McDowell as a new Committee member following her appointment as a Non-executive Director.

Conclusion

GVC continued to grow strongly during 2018, with proforma underlying EBITDA up by 13% and Online market share gains in all key territories. As a Committee we have sought to make decisions which effectively drive and support this growth, balanced with our desire to reflect UK best practice remuneration and corporate governance standards. Going forward, our remuneration framework and opportunities are aligned with typical UK practice and the Committee will continue to ensure that it sets stretching targets under these plans, such that good pay-outs will only occur where warranted by strong performance.

I hope that you find the report clear and informative, and that the Committee has your support for our Remuneration Report at the forthcoming AGM.

Jane Anscombe
Chair of the Remuneration Committee
5 March 2019

REMUNERATION: DIRECTORS' REMUNERATION REPORT CONTINUED

for the year ended 31 December 2018

PART B – OUR REMUNERATION AT A GLANCE

Summary of the Executive Directors' remuneration policy

At the December 2017 General Meeting, an updated Directors' remuneration policy was approved by shareholders, including new incentive plans in line with UK best practice.

- Incentivises Executive Directors to execute the strategy and create value for shareholders.
- Annual bonus based on stretching financial performance measures, with half of any pay-out deferred for three years.
- Long-term incentive plan based on stretching financial and shareholder return measures, creating long-term alignment with shareholders, and with an additional two-year holding period post-vesting.
- No provision for executive pension arrangements.
- Malus and clawback provisions on all variable pay.
- Above-market shareholding guidelines, with Executive Directors being required to retain 50% of all net-of-tax shares vesting from incentive plans until they meet the guideline.

Executive Directors' remuneration structure in 2019

	2019	2020	2021	2022	2023	2024	2025	Implementation for 2019
SALARY								■ Kenneth Alexander – £950,000, only £800,000 of this salary will be used to calculate his incentive opportunities. ■ Rob Wood – £400,000.
BENEFITS								■ No change in how policy operated. ■ Continue to receive standard benefits such as medical and life insurance cover, car or and accommodation allowance. ■ All employees have the opportunity to participate in a Company-provided pension in line with statutory requirements (i.e. from April employer contribution of 3% if employee contributes 5%). Kenneth Alexander has opted out of the plan.
ANNUAL BONUS	Awarded			Deferred				■ Maximum entitlements unchanged. ■ Kenneth Alexander (250% of salary) and Rob Wood (200% of salary). ■ Dividends accrue on any vested deferred shares for three years. ■ Based on stretching financial performance for 2019, 70% underlying EBITDA and 30% net debt. ■ Targets are considered commercially sensitive but will be disclosed in full in the 2019 DDR.
LTIP		Awarded		Performance period		Holding period		■ Kenneth Alexander (300% of salary) and Rob Wood (250% of salary). ■ For 2019 LTIP awards will be subject to stretching cumulative EPS and relative TSR performance targets measured over 2019-21, with shares vesting subject to a further two-year holding period. ■ Dividends accrue on any vested LTIP and are delivered in shares.

Executive Directors' variable remuneration in 2018

As a result of the Group's 2018 financial performance, the annual bonus outcome was 91.5% of the maximum and results in the following bonus awards for Executive Directors. The Committee considered that this outcome was appropriate in the context of GVC's overall performance and that of the Executive Directors during the year. Half of each Executive Directors' bonus is deferred for three years. Executive Directors will also receive an LTIP award in March 2019 subject to relative TSR and cumulative EPS performance measures.

	K Alexander	P Bowtell
Performance outcome (% of max)	**91.5%**	**91.5%**
Maximum award (% of salary)	**250%**	**200%**
2018 annual bonus (£'000)	**£1,778**	**£738**
2018 annual bonus deferral	**50%**	**50%**
2019 LTIP award (% of salary)	**300%**	**N/A**
2019 LTIP award (face value)	**£2.4m**	**N/A**

Executive Directors' single total figure of remuneration

	K Alexander	P Bowtell
2018 total remuneration (£'000s)	**19,100**	**1,240**
2018 total remuneration excluding legacy 2015 LTIP (£'000s)	**2,736**	**1,240**
Year on year change	4.5%	N/A

The CEO's total remuneration includes the vested value of legacy awards under the 2015 LTIP, granted at the time of the acquisition of bwin.party. Under the 2015 LTIP, awards vested in tranches until August 2018. The "single figure" values reflect the growth in share price between 2016 and the vesting dates in 2018. The new policy remuneration framework adopted in 2017 will result in much lower levels of total vested remuneration from 2019.

Additional information

	Percentage/Ratio
CEO shareholding requirement (% of salary)	400%
CEO's actual shareholding as a proportion of his salary	1,936%
Median gender pay gap	2.9%
Median gender bonus pay gap	25.0%

REMUNERATION: DIRECTORS' REMUNERATION REPORT CONTINUED

for the year ended 31 December 2018

PART C – APPROACH TO DIRECTORS' REMUNERATION

Directors' Remuneration Policy

The Company's Directors' Remuneration Policy was approved at the General Meeting on 14 December 2017. The full Remuneration Policy can be found on pages 20 to 30 of the Notice of the General Meeting (https://gvc-plc.com/wp-content/uploads/2017/12/GVC-EGM-Notice-2017.pdf). The table below presents a summary of the Policy:

Element	Approach
SALARY	An Executive Director's salary is set on appointment and reviewed annually or when there is a change in position or responsibility. When determining an appropriate level of salary, the Committee considers: ■ Remuneration practices within the Group; ■ The general performance of the Group; ■ Salaries within the ranges paid by the companies in the comparator group used for remuneration benchmarking (when the Committee determines it is appropriate to carry out a benchmarking exercise); ■ Any change in scope, role and responsibilities; ■ The experience of the relevant Director; and ■ The economic environment. Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set below the targeted policy level until they become established in their role. Subsequent increases in their salary may be higher than normal until the target positioning is achieved.
BENEFITS	Benefits include, but are not limited to, private health insurance, life insurance, car and accommodation allowances.
PENSION	The Company does not currently have a separate pension arrangement for Executive Directors. It does however provide the opportunity for all employees to participate in a Company-provided pension in line with statutory requirements.
ANNUAL BONUS	Awards made annually based on the achievement of a combination of financial and non-financial performance measures. Half of the bonus is paid immediately following the end of the financial year, while half is deferred into shares which will vest at the end of three years subject to continued employment. Maximum annual incentive opportunity of 250% of salary for CEO and 200% of salary for CFO. Threshold and target performance are equal to 25% and 60% of the maximum opportunity, respectively. Malus and clawback provisions apply.
LONG-TERM INCENTIVE PLAN ("LTIP")	Annual awards of conditional awards or nil-cost options, which vest after three years subject to achievement of performance measures. For awards granted to Executive Directors, a two-year holding period (on a net basis) follows the three-year vesting period. Maximum opportunity of 300% of salary for the CEO and 250% of salary for the CFO. Threshold performance is equal to 25% of the opportunity granted, performance below which will result in zero vesting. There is straight-line vesting between threshold performance and maximum performance. Awards vest based on performance against stretching targets, measured over a three-year performance period.
SHAREHOLDING GUIDELINES	Executive Directors are subject to formal shareholding requirements, ensuring that their interests are closely aligned to those of shareholders. These are currently 400% of salary for the CEO and 200% for the CFO. The shareholding should be built up over a five-year period and maintained until retirement, and until an Executive Director meets their shareholding requirement, they are required to retain 50% of the post-tax number of vested shares from the Company incentive plans. Adherence to these guidelines is a condition of continued participation in the equity incentive arrangements.
INTERNAL PROMOTIONS	Where an executive is promoted onto the Board, there shall be no retrospective application of the Directors' remuneration policy in relation to subsisting incentive awards or remuneration arrangements. Prevailing elements of the remuneration package for an existing colleague are honoured and form part of his or her ongoing remuneration
NON-EXECUTIVE DIRECTOR FEES	Non-executive Directors are paid an annual fee and additional fees for chairmanship and membership of committees. The Chairman receives an "all-in" fee and does not receive any additional compensation for membership of committees.

Illustrative remuneration scenarios for Executive Directors

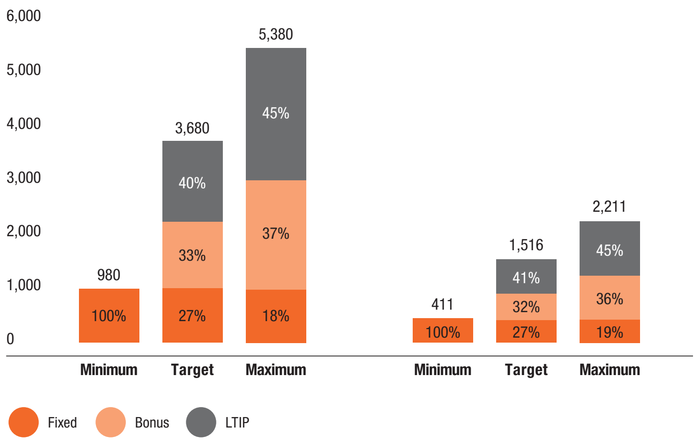
The Group's remuneration policy results in a significant proportion of the remuneration received by Executive Directors being dependent on Group performance. The chart below shows how total pay for the Executive Directors is expected to vary under three different performance scenarios (minimum, target and maximum).

MINIMUM:
Comprised of salary (as at 1 January 2019) and cash benefits.

TARGET:
Comprised of fixed pay and the target value of bonus (i.e. 60% of maximum opportunity) and 62.5% of normal LTIP awards vesting (i.e. midpoint between threshold (25%) and maximum (100%)).

MAXIMUM:
Comprised of fixed pay and the maximum value of bonus and full vesting of normal LTIP awards.

Remuneration (£000)



Alignment between the Directors' remuneration approach and that of other colleagues

The Executive Directors' remuneration policy was designed to be aligned with the remuneration philosophy and principles that underpin remuneration for the wider Group.

When setting Executive Directors' remuneration, the Committee considered the remuneration arrangements of other senior managers and colleagues in the Group more generally to ensure that executive remuneration arrangements were appropriate in this context. GVC undertakes an annual salary review and uses this opportunity to review remuneration in line with the market. When determining salary increases for GVC, the Committee considers the outcome of the wider pay review for the Group. In addition, pension arrangements for the Executive Directors are fully aligned with those for our wider workforce.

The Committee does not consult colleagues directly regarding Executive Directors' remuneration. However, the Company periodically seeks views of colleagues (through employee forums and surveys) in respect of their experience of working at GVC, including the structure of remuneration. In light of the new UK Corporate Governance Code requirements, we plan in 2019, to review how we ensure that colleagues' views flow into Board and Committee discussions.

REMUNERATION: DIRECTORS' REMUNERATION REPORT CONTINUED

for the year ended 31 December 2018

PART D – ALL EMPLOYEE REMUNERATION

Remuneration principles

The Group believes in fairness throughout the organisation. The Group operates a number of general principles applied to all levels. They are as follows:

- we will provide a competitive package compared to the relevant market for each colleague;
- we will ensure colleagues can share in the success of the business, where appropriate, through performance-based variable remuneration; and
- we aim for transparency and a fair cascade of remuneration throughout the Group.

Remuneration approach for all employees

Colleagues typically receive salary, pension and other benefits, with most colleagues also eligible to be considered for discretionary incentives. Within this there are some country variations based on statutory requirements and market practice.

Element	Principle	Operation
SALARY	A competitive pay package	Reflecting individuals' skills and experience. Reviewed annually against market information and in the context of performance and or affordability.
PENSION	An opportunity to save for the future	Colleagues may have access to country specific company funded pension plan, with details depending on local market practice. Reflective of our workforce profile, whereby a large proportion are young, historically pension contributions in GVC have tended to be provided at the statutory level with greater emphasis placed on other elements of remuneration. This is in line with the remuneration approach for Executive Directors.
BENEFITS	A tailored benefit offering	Colleagues may have access to country specific company funded benefits such as private medical insurance, life assurance and cash allowances, depending on local market practice. The cost of providing the benefits is defined and controlled. In some markets, GVC provides access to retail and childcare vouchers to support a positive work-life balance. Colleagues who are relocated or spend a substantial portion of their time in more than one jurisdiction for business purposes may be provided with mobility benefits. If colleagues incur tax charges when travelling overseas in performance of their duties, these costs may be met by the Group.
ANNUAL INCENTIVES		Most colleagues are eligible to be considered for an annual bonus or other incentive (based on role and determined by business performance) (see page 91).
LONG-TERM INCENTIVES		Senior colleagues are eligible to participate in a long-term incentive plan which has the same performance measures as for Executive Directors.

Committee oversight of all employee remuneration

During 2018 the Committee received updates on key activities and discussed material changes to remuneration arrangements.

- Review **reward harmonisation** activity following the acquisition of Ladbrokes Coral:
  - Policy harmonisation such as paid maternity leave and redundancy.
  - Incentive plan; design, participation and pay-out (see inset below).
  - Developing a consistent starter reward framework and deciding what reward elements to harmonise for existing colleagues.
  - Benefits: vendor harmonisation and harmonisation in terms of benefit eligibility and in the case of medical and other insurances, alignment of cover.
- In December the Committee reviewed the Group's plans for the annual salary review including proposals to harmonise the effective dates and approach across the legacy Ladbrokes Coral and GVC businesses. For 2019 it has been agreed that a uniform flat percentage increase will be applied to eligible colleagues, effective 1 January 2019.
- In terms of **pensions**, Legacy Ladbrokes and Gala Coral defined benefit plans in the UK are well funded and GVC does not currently need to make deficit payments.

Legislation requires all UK employers to enrol automatically eligible employees into a qualifying pension scheme. In 2019 there will be significant pension communications with UK colleagues relating to further changes in the minimum contribution rates and any re-enrolment of Ladbrokes Coral colleagues who have opted out.

Review of all employee incentives

During 2018 the Committee reviewed the Group's all-employee incentive arrangements. At the start of 2019, the Group has implemented changes to its discretionary annual bonus plan as part of the harmonisation of incentives following the Ladbrokes Coral acquisition. The changes will simplify the arrangements, increase transparency and strengthen the link between financial performance and pay-out.

The design of plans has been aligned, as far as possible, with those for the Executive Directors to ensure consistency across the organisation and delivery of strategic goals. In establishing a harmonised approach, GVC has sought to:

- Retain a focus on local performance, with pay-out in part linked to divisional profitability;
- Pivot to underlying EBITDA (GVC previously used NGR as the all-employee bonus plan measure). The Committee had considered whether to include non-financial measures. Although it will keep this under review over the coming years, at this stage the primary focus was to keep the plan structure simple; and
- Harmonise pay-out curves across the businesses, moving to 25% being payable for threshold performance and 100% for stretch performance.

Gender pay gap reporting

The UK Government introduced new reporting regulations under the Equality Act 2010 requiring companies with over 250 employees to disclose their gender pay gap annually from April 2017. 2018 is the first year that GVC has had a requirement to publish its results. The report for the year ending 5 April 2018 together with contextual information and detail on the initiatives we have underway to close our gender pay gap, can be viewed on the Corporate website.

Our median hourly pay difference between male and female colleagues is 2.9%. This compares favourably with the UK median pay gap of 17.9% across all sectors (source: Office for National Statistics, October 2018). However, we wanted to understand what's driving our pay gap and understand what we can do to improve it. As a result of this work, it is clear that the gap is largely a function of lower female representation at our senior levels. We recognise this and are challenging ourselves to change this over time.

Our median bonus pay gap is 25.0%, which is primarily due to a higher proportion of males at the higher grades and higher bonus levels.

REMUNERATION: DIRECTORS' REMUNERATION REPORT CONTINUED

for the year ended 31 December 2018

PART E – ANNUAL REPORT ON DIRECTORS' REMUNERATION

The 2018 Annual Report on Remuneration contains details on the remuneration paid and awarded to Directors during the financial year ended 31 December 2018. This report has been prepared in accordance with the provisions of the Companies Act 2016 and the Regulations. An advisory resolution to approve the Annual Report on Remuneration and the Annual Statement will be put to shareholders at the AGM on June 2019.

The Remuneration Committee ("the Committee")

COMMITTEE MEMBERS DURING 2018	Independent	Number of meetings in year held during tenure	Meetings attended
J Anscombe	Yes	4	4
P Isola	Yes	2	2
V McDowell	Yes	2	2
S Morana	Yes	4	4
W Whitehorn	Yes	1	1

1. Virginia McDowell was appointed to the Committee on 6 June 2018
2. Peter Isola and Will Whitehorn ceased to be members of the Remuneration Committee on 6 June 2018

None of the Committee members or attendees is involved in any Committee decisions from which they may financially benefit personally (other than as shareholders) in the decisions made by the Committee.

The Chief Executive Officer, Chief Financial Officer, Group HR Director and the Director of Reward may attend meetings at the invitation of the Committee but are not present when their own remuneration is being discussed. The Company Secretary acts as the secretary to the Committee.

Committee role and focus

The Committee is responsible for recommending to the Board the remuneration policy for Executive Directors and the senior management and for setting the remuneration packages for each Executive Director. The Committee also has oversight of the remuneration policy for all employees. The written Terms of Reference of the Committee are available on the Company's website and from the Company on request.

During the year, there were four scheduled Committee meetings. The matters covered included:

- Discussing shareholder feedback during the year in relation to Directors' remuneration;
- Determining the pay-outs from the annual bonus arrangements for 2017;
- Reviewing the satisfaction of the TSR performance measure attached to the legacy share awards;
- Approving the 2018 annual bonus plan targets;
- Approving of the 2018 LTIP awards and their associated performance measures and targets;
- Reviewing senior executives' remuneration arrangements following the Ladbrokes Coral acquisition;
- Approving the termination arrangements for Paul Miles and Paul Bowtell;
- Approving the remuneration arrangements for Rob Wood, the incoming CFO;
- Approving the future design of Group-wide incentive arrangements across the enlarged company following the acquisition of Ladbrokes Coral; and
- Reviewing broader all employee remuneration arrangements including reward harmonisation across the enlarged group following the Ladbrokes Coral acquisition, pensions, the annual salary review and ESG activity including health and safety.

In addition, the Committee met in February 2019 to consider (and, where appropriate, approve):

- the draft 2018 Annual Report on Remuneration and draft 2018 Gender Pay Gap report;
- 2019 salary increases for senior executives;
- the extent to which the 2018 bonus plan performance measures had been satisfied; and
- the measures and associated targets for both a) 2019 annual bonus plan and b) 2019 LTIP.

Advice to the Committee

Advisers are appointed independently by the Remuneration Committee, which reviews its selection periodically. During the year the Committee undertook a review of advisers and Deloitte LLP was appointed as adviser, replacing PwC (avoiding any potential conflict with PwC's then role as Ladbrokes Coral's auditor).

The total fee paid to PwC in respect of 2018 (on an agreed per diem basis) was £43,900, which exclusively relates to advice to the Committee relating to Executive Directors' remuneration and the provision of Total Shareholder Return monitoring updates. The total fee paid to Deloitte in respect of 2018 was £97,650, on a time and materials basis. Deloitte's advice includes reviewing the remuneration policy, support on shareholder consultation exercises, pay benchmarking and the provision of general guidance on market and best practice. Deloitte LLP also provided a range of tax and advisory services to GVC during the year, including advice on various aspects of the GVC acquisition of Ladbrokes Coral and the subsequent combination of the businesses, support in certain technology areas and support for the business's internal audit function. PwC and Deloitte are signatories to the Code of Conduct for Remuneration Consultants in the UK, details of which can be found on the Remuneration Consultants Group's website at www.remunerationconsultantsgroup.com.

Management's advice to the Committee was also supported by a) the provision of market data from Deloitte and Willis Towers Watson and b) legal advice from Addleshaw Goddard.

Shareholder voting and consideration of shareholder views

We remain committed to taking into consideration shareholder views on our remuneration policy and practices. The Committee chair and the Senior Independent Director maintain contact, as required, with the Company's principal shareholders about all relevant remuneration issues. Ongoing dialogue with our shareholders on executive remuneration is important to us, with feedback being presented to and discussed by the Committee, where it is used to inform future decision making.

The 2017 Chairman's Annual Statement and the Annual Report on Remuneration were subject to an advisory vote at the Annual General Meeting (AGM) on 6 June 2018. The updated Directors' Remuneration Policy was put to a binding vote at the General Meeting on 14 December 2017.

Resolution	Date	Votes for	Votes cast	Votes against	Votes cast	Votes cast in total	Issued share capital voted	Votes withheld
To approve the Directors' Remuneration Report	June 2018	229,161,012	56.1%	179,626,226	43.9%	408,787,238	70.7%	476,595
To approve the updated Directors' Remuneration Policy	December 2017	148,035,292	72.5%	56,145,802	27.5%	204181094	67.2%	11,018
To approve the Directors' Remuneration Policy	June 2017	205,214,885	90.2%	22,361,595	9.8%	227,576,480	75.7%	5.674

While the vote on 2017 Remuneration Report was passed by shareholders at the June 2018 AGM, a significant majority did not support the resolution. The Committee was, of course, disappointed by the vote and acknowledges this feedback, thanking those shareholders who spoke with the Company and explained their reasons for not being able to support this resolution. The Committee has always sought to balance the views we have heard from shareholders with the clear need to appropriately reward and retain our successful management team.

Since the June 2018 vote, the Company Chairman and the Senior Independent Director have conducted a corporate governance roadshow with a number of our largest institutional shareholders, at which we had a frank and open discussion on remuneration at GVC. These discussions highlighted that shareholders' primary concern centred on legacy arrangements for the CEO and Chairman. These arrangements are now fully vested and do not form part of our ongoing Remuneration Policy, which is aligned with UK best practice expectations.

Priorities for 2019

Specific priorities for the Committee in 2019, in addition to its usual scheduled activities, will be:

- Overseeing progress made under the harmonisation of remuneration across the Group following the acquisition of Ladbrokes Coral; and
- Considering any further steps which are required to respond to the new UK Corporate Governance Code, including our approach to post-employment shareholding requirements.

REMUNERATION: DIRECTORS' REMUNERATION REPORT CONTINUED

for the year ended 31 December 2018

Single figure remuneration table (audited)

The remuneration of Directors showing the breakdown between components with comparative figures for the prior Financial Year is shown below. Figures provided have been calculated in accordance with Regulations. Further information on the component elements is provided in subsequent sections.

The Committee recognises that the "single figures" of total remuneration shown for the Chairman and CEO are substantial. These primarily relate to legacy awards made under the 2015 LTIP at the time of the acquisition of bwin.party, coupled with our strong share price performance over the vesting period. Our new policy framework will result in significantly lower levels of total remuneration from 2019 onwards.

		Base salary/fees £000	Taxable benefits £000	Annual bonus £000	Long-term incentive £000	Pension £000	Total £000	Legacy awards £000	Total including legacy awards £000
Executive Directors									
Kenneth Alexander	2018	858	99	1,778	–	–	2,736	16,364	19,100
	2017	739	98	1,846	–	–	2,683	15,594	18,277
Paul Bowtell	2018	492	10	738	–	–	1,240	–	1,240
	2017	–	–	–	–	–	0	–	0
Paul Miles	2018	89	1	163	–	1	254	211	465
	2017	303	4	353	–	3	664	831	1,495
Chairman and Non-executive Directors									
Lee Feldman	2018	350	–	–	–	–	350	8,182	8,532
	2017	1,090	–	–	–	–	1,090	7,797	8,887
Jane Anscombe	2018	111	–	–	–	–	111	–	111
	2017	59	–	–	–	–	59	–	59
Pierre Bouchut	2018	33	–	–	–	–	33	–	33
	2017	–	–	–	–	–	0	–	0
Karl Diacono	2018	88	–	–	–	–	88	–	88
	2017	88	–	–	–	–	88	–	88
Peter Isola	2018	88	–	–	–	–	88	–	88
	2017	88	–	–	–	–	88	–	88
Virginia McDowell	2018	63	–	–	–	–	63	–	63
	2017	–	–	–	–	–	0	–	0
Stephen Morana	2018	142	–	–	–	–	142	–	142
	2017	84	–	–	–	–	84	–	84
Norbert Teufelberger	2018	16	–	–	–	–	16		16
	2017	176	–	–	–	–	176	322	498
Will Whitehorn	2018	106	–	–	–	–	106	–	106
	2017	120	–	–	–	–	120	–	120

1. All figures are in £'000s. 2017 figures were previously reported in euros and have been converted into sterling using an average 2017 rate of 1.13452.
2. Norbert Teufelberger, Paul Miles, Will Whitehorn and Karl Diacono stepped down as Directors on 2 February, 29 March, 6 June and 21 December 2018 respectively.
3. Virginia McDowell and Pierre Bouchut were appointed Directors on 6 June and 13 September 2018 respectively. Paul Bowtell was appointed a Director on 29 March 2018. The above table shows his GVC Holdings PLC remuneration which became effective from 1 April 2018.

Notes to the single figure remuneration table

1. **Kenneth Alexander's salary** was increased on 15 June 2018 from £750,000 to £950,000, of which £800,000 is eligible to be used for the purposes of calculating incentive opportunities.
2. As outlined in the 2017 Directors' Remuneration Report, **Paul Bowtell's salary** comprises a salary of £656,000, of which £535,500 is eligible to be used for the purposes of calculating incentive opportunities, with the additional £120,500 reflecting the pension provision which he used to receive in the role at Ladbrokes Coral.
3. **Lee Feldman's fee** for 2017 included an additional one-off fee of £950,000 which post tax had to be invested in GVC shares which are subject to forfeiture. The forfeiture risk on 50% of the shares falls away on the second anniversary of payment and on the balance on the third anniversary.
4. **Executive Directors' taxable benefits** include private medical and life insurance. Paul Bowtell received a car allowance of £12,500 p.a. (as provided under his previous Ladbrokes Coral contract) and Kenneth Alexander received a housing allowance of £30,000 p.a. and reimbursement of certain travel expenses incurred in undertaking his duties as a Director. The table above includes these expenses and the tax contribution (restated for 2017).
5. **Executive Directors' annual bonuses** in respect of 2018 performance are delivered 50% in cash and 50% in deferred shares. More information on the performance measure used to determine the bonus level is set out below.
6. The single figure table includes the value of any **"legacy" 2015 LTIP share option arrangements** which have vested while the individual was a Director of GVC Holdings PLC. During the year ending 31 December 2018, share awards granted under legacy arrangements vested as shown below. The awards vested as GVC's Total Shareholder Return ranked above the median of the FTSE 250 over the measurement period (i.e. grant date until the relevant vesting date).

Director	Unexercised shares under option	Face value of award	Vesting date	Shares vesting	Exercise price	Share price on vesting	Value of award included in single figure
K Alexander	2,932,689	14,986,041	2.2.18	977,563	4.22	9.1	4,770,507
			2.5.18	977,563	4.22	8.95	4,623,873
			2.8.18	977,563	4.22	11.35	6,970,024
							16,364,405
L Feldman	1,466,343	7,493,013	2.2.18	488,781	4.67*	9.1	2,385,251
			2.5.18	488,781	4.67*	8.95	2,311,934
			2.8.18	488,781	4.67*	11.35	3,485,009
							8,182,194
P Miles	116,664	849,314	2.2.18	38,888	4.22**	9.1	211,162
N Teufelberger	28,574	146,013	2.2.18	28,574	4.22	9.1	139,441

* Due to certain limitations associated with the grant of options to individuals subject to US federal income taxes, L Feldman's option was granted at a higher exercise price which represented the market value of GVC shares when the plan became effective, which was £4.67. To compensate for the higher exercise price, the Company agreed to pay him a cash bonus equivalent to the difference between £4.67 and £4.22, payable over the vesting period. In 2018 he received a cash bonus of £659,855 and this amount has been included in the single figure table above. L Feldman is required to invest half of the cash bonus (after taxes) into GVC shares.

** The rules of the option granted to P Miles provided for the strike price to be adjusted to take account of dividends paid in the vesting period, so the effective exercise price of this option was £3.67.

REMUNERATION:
DIRECTORS' REMUNERATION REPORT CONTINUED

for the year ended 31 December 2018

2018 Annual bonus plan

Target setting

Consistent with the statement made in last year's Directors' Remuneration Report, the CEO and CFO's 2018 annual bonus plan targets were set as soon as practicable following the completion of the acquisition of Ladbrokes Coral. The Committee considered that underlying EBITDA remained the most appropriate measure of financial performance for the Company, consistent with 2017 and with the intention expressed in the December 2017 General Meeting notice.

The targets set out below were calibrated by reference to a) internal forecasts covering the enlarged group and b) analyst consensus forecasts which were issued following the publication of GVC's trading update and historic proforma financials on 25 May 2018.

	Threshold	Target	Stretch
Underlying EBITDA* (£m)	722.5	741	759.5
Variance from target	97.5%	–	102.5%
Indicative bonus pay-out (as a % of entitlement)	25%	60%	100%

* Underlying EBITDA, and excluding joint ventures.

The target range was considered appropriate for 2018 given that the targets were formally set part way through the year following the completion of the Ladbrokes Coral acquisition, and as soon as a consensus view had formed following the transaction. The range takes into account the acquisition of a significant business and ongoing market and regulatory headwinds.

Year-end assessment of performance

At the end of 2018, the Committee reviewed the Group's financial performance and the achievement against strategic priorities.

The following table summarises the outcome of the Committee's decision.

	K Alexander	P Bowtell	P Miles
Performance outcome (0/100)	91.5%	91.5%	91.5%
Maximum opportunity as a % of salary	250%	200%	200%
Annual bonus as a % of salary	229%	183%	183%
Bonusable salary paid during 2018 (£)	777,397	403,459	89,338
2018 bonus (£)	1,778,296	738,330	163,488

1. Kenneth Alexander's salary was increased from £750,000 to £950,000 on 15 June. However, the salary which is applicable for incentive purposes was restricted to £800,000
2. Paul Miles was eligible for a Directors' annual bonus for the period he served as an Executive Director i.e. three months. Paul Bowtell was eligible for a Directors' annual bonus for the period he served as an Executive Director i.e. nine months.
3. 2018 bonuses are delivered 50% in cash and 50% in shares deferred for three years. Deferred share awards shall be granted in March 2019. In accordance with the bonus plan rules, the number of shares under each deferred award shall be calculated based on the three-month average share price ending on 31 December 2018, which was 813.54p.

The Committee carefully considered the proposed outcome in the context of GVC's underlying financial, operational and strategic progress during 2018. Taking all factors into account, including the individual performance of the Executive Directors, the Committee considered that the mechanical outcome under the annual bonus was reasonable and supportable within this context and decided that no upwards or downwards discretion was required.

2018 Long Term Incentive Plan ("LTIP")

Selection of measures and calibration of the targets

The 2018 Committee determined that the 2018 LTIP should be based on the same measures as in 2017, being cumulative EPS and relative total shareholder return (TSR). The former represents a key financial indicator of performance for GVC, while the latter reflects our returns to shareholders over the period.

Measure	Weighting	Target	Vesting
Cumulative earnings per share ("EPS")	50%	■ 191 pence ■ 224 pence	■ 25% ■ 100% ■ Straight line interpolation between the two points
Relative Total Shareholder Return ("TSR") vs FTSE 51-150	50%	■ Equal to median ■ Upper quartile or higher ■ Median to Upper quartile	■ 25% ■ 100% ■ Straight line interpolation between the two points

In setting appropriately stretching EPS targets, the Committee reviews internal forecasts, consensus, and analyst guidance. Ordinarily, the Committee would look to set targets in Q1 of the financial year. However, given the size and impact of the Ladbrokes Coral acquisition on the business, it took time for financial forecasts for the enlarged group to be finalised and for market consensus to emerge in July 2018. At that point, there still remained significant uncertainty around the timing and content of UK Government decisions regarding fixed odds betting terminals ("FOBT") and UK gaming tax ("RGD"), which represented a step-change in regulation for the group. The Committee anchored the targets against the summer 2018 internal and external forecasts but took the decision to wait until Q4 2018 to finalise the targets, when it was able to make a mechanical adjustment for the Government's final decision in November 2018 on the TR and RGD implementation date (1 April 2019) and tax rate (21%) versus prior consensus assumptions of January 2020 and 20% respectively. The adjustment resulted in a final target range for the cumulative EPS element of the 2018 award of 191 pence to 224 pence.

These targets are designed to be challenging but realistic, within the context of the Group's financial plan, strategic priorities and the outlook for our markets. The EPS targets were materially higher than those set for the 2017 LTIP (180 cents to 214 cents), demonstrating continued growth expectations despite a number of regulatory challenges.

Relative TSR is measured against the FTSE 51–150 (previously FTSE 250 for the 2017 LTIP).

Inevitably there are several factors which cannot be known at the time targets are originally set and could impact the 2018 LTIP. These factors might include the impact of corporate activity, material regulatory or tax changes, joint ventures and accounting changes. In each case the Committee retains discretion whether and, if so, how a) to adjust targets post grant and/or b) to take impact into account when determining performance outcome.

Share awards granted during 2018

Name	Award type	Grant date	Face value of award	Shares awarded	Percentage of award vesting at threshold performance %	Maximum percentage of face value that could vest %	Performance conditions
K Alexander	2017 deferral	20-Sep-18	£913,750	100,576	N/A	N/A	N/A
K Alexander	2018 LTIP	20-Sep-18	£2,250,000	225,338	25	100	See below
P Bowtell	2018 LTIP	20-Sep-18	£1,338,750	134,076	25	100	See below

1. Consistent with the Directors' remuneration policy, 50% of Group CEO's annual bonus is deferred in shares. The above deferred bonus award has been granted in respect of the Group CEO's annual bonus for the 2017 financial year. This award will normally vest on 20 September 2021, being the third anniversary of the award date, subject to continuous employment. The number of shares was calculated in line with the Plan rules based on a share price of £9.0851 (an average price measured over the last three months of the financial year to which the bonus award relates). The number of shares is also stated in the 2017 Directors' Remuneration Report (page 63).
2. The LTIP awards were granted on 20 September 2018. The performance period is 1 January 2017 to 31 December 2019 and the conditions are set out below. Awards will vest, subject to the level of performance achieved, on 20 September 2020. The share price used to determine the face value was £9.985p.

REMUNERATION: DIRECTORS' REMUNERATION REPORT CONTINUED

for the year ended 31 December 2018

Payments for loss of office and payments to past Executive Directors (audited)

Paul Miles stepped down as a Director of GVC Holdings PLC on 29 March 2018. The remuneration he received when he was an Executive Director is set out in the single figure table. As outlined in the disclosure on the Group's website, Paul Miles was treated in accordance with his contract of employment. He received on termination a payment in lieu of notice (£357,350), representing his salary over the remainder of his notice period. He was conferred eligible leaver status to allow him to retain his unexercised long-term incentive award, granted in December 2017, post his termination. This award will continue to vest over the original vesting period i.e. there is no acceleration of vesting, and the award will remain subject to a) malus (i.e. the potential claw-back of any unvested element), b) the future satisfaction of performance measures and c) time apportionment based on service. Paul Miles remained eligible to receive an annual bonus in respect of 2018, pro rata for the period of service.

As already outlined on the Group's website, **Paul Bowtell** retired as a Director and remained an employee until 5 March 2019, working on a variety of integration projects and undertaking an orderly handover and transition of responsibilities. The Committee determined that the following termination arrangements were fair and reasonable, consistent with the Directors' Remuneration Policy and in line with his contractual entitlements.

- He remained eligible to receive an annual bonus in respect of 2018, but will not be eligible for a 2019 annual bonus.
- No payment in lieu of notice is payable.
- He has been conferred eligible leaver status to allow him to retain his unexercised 2018 long-term incentive plan award post his termination. This award will continue to vest over the original vesting period i.e. there is no acceleration of vesting, and the award will remain subject to a) malus (i.e. the potential claw-back of any unvested element), b) the future satisfaction of performance measures, c) time apportionment based on service and d) the post vesting holding period.

Executive Directors' service contracts and external appointments

Executive Directors have rolling contracts, terminable by either party giving the appropriate notice.

Director	Contract date	Arrangement	Notice period
K Alexander	8 February 2018	Service contract	12 months
R Wood	17 October 2018	Service contract	12 months

Paul Bowtell, who retired as a Director on 5 March 2019, held two Non-executive Directorships at other organisations during 2018. These were Alua Hotels for which the fees retained were €26,667 and Townends & Stirling Ackroyd for which he received £29,000 in fees.

CEO pay versus Group performance

Summary of performance

The graph below shows the value of £100 invested in GVC Holdings PLC since obtaining main market listing on 1 February 2016 compared with the value of £100 invested in the FTSE 250 index and the FTSE 350 Travel and Leisure Index. The FTSE 250 index has been chosen on the basis that GVC was still part of the index at the start of 2018 and only became a constituent of the FTSE 100 in September 2018.

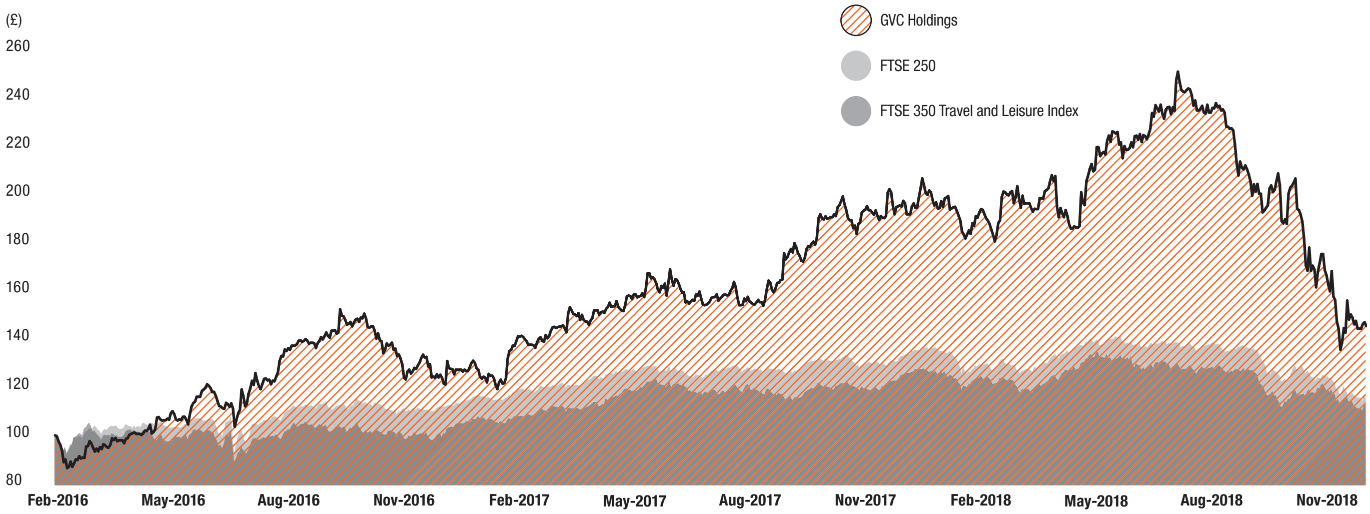
Significant regulatory headwinds in the second half of 2018 impacted the UK gaming sector and led to a fall in our share price. Despite the challenges, it is reassuring that our shares continued to out-perform our gaming sector peer group over this time.

Source: Datastream

	December 2018	December 2017	December 2016	December 2015
	K Alexander	**K Alexander**	**K Alexander**	**K Alexander**
Role	CEO	CEO	CEO	CEO
Single figure of total remuneration (£m)		18.21	17.83	3.41
Annual Bonus pay-out (% maximum)		100	–	–
LTIP vesting (% maximum)	–	–	–	–
Legacy award vesting (% maximum)	100%	100%	100%	100%

Figures for 2015-2017 were previously reported in euros and have been converted into sterling using an average rate for the relevant year.

GVC HOLDINGS VS FTSE 250 VS FTSE 350



Source: Datastream

REMUNERATION: DIRECTORS' REMUNERATION REPORT CONTINUED

for the year ended 31 December 2018

The percentage change in remuneration of the CEO and all employees

The following table sets out the percentage change in the remuneration between 2017 and 2018 for the CEO and for UK-based GVC colleagues, which we believe represents the most appropriate comparator group for reward purposes.

Remuneration element	CEO % change	All employee % change
Salary	14%	16%
Taxable benefits	1%	16%
Annual bonus (increase on pay-out versus opportunity)	0%	0%

1. The percentage changes for the CEO have been determined as follows: a) salary: the percentage change in salary paid in sterling in 2017 and 2018; b) benefits: taxable benefits as set out in the single figure table; and c) bonus: the difference in the payout as a percentage of the maximum (100%).
2. The CEO's annual salary increased to £950,000 on 15 June 2018 reflecting his increased responsibilities and scope of role following the Ladbrokes Coral acquisition. There has been no change in eligibility for the CEO's core benefits such as life, medical and housing between 2017 and 2018, with the above percentage change relating to premium increases.
3. To provide an appropriate basis of comparison year on year the employee data is based on colleagues employed by UK employing entities owned by GVC in both 2017 and 2018 i.e. Ladbrokes Coral entities are not included. In 2017 and 2018 the GVC all employee discretionary bonus plan paid out at 100% of maximum opportunity i.e. no increase year on year.

Relative importance of the spend on pay

The table below sets out the overall spend on pay for all employees compared with the returns distributed to shareholders.

Significant distributions	2018	2017	% change
Staff costs (£m)	498.8	123.9	303%
Distributions to shareholders (£m)	138.8	120.0	16%

1. 2017 figures previously reported in euros converted into sterling using an average 2017 rate of 1.13452
2. The increase in staff costs reflects the acquisition of Ladbrokes Coral.

Implementation of the remuneration policy for Executive Directors in 2019

A summary of how the Executive Directors' remuneration policy will be implemented in 2019.

Element	Approach
SALARY	■ Kenneth Alexander remains on £950,000 of which £800,000 is the salary to be used in the calculation of incentive opportunities. ■ Rob Wood's salary on appointment to the Board was £400,000. ■ Paul Bowtell's salary, until his retirement from the Board on 5 March remained £656,000.
BENEFITS	■ No change in how policy operated. ■ Benefits include, but are not limited to, private health insurance, life insurance and accommodation allowances. ■ Continue to receive standard benefits such as medical and life assurance cover. ■ Rob Wood receives a car allowance of £10,700 (which he previously received under his Ladbrokes Coral contract). ■ All employees have opportunity to participate in a Company-provided pension in line with statutory requirements (i.e. from April employer contribution of 3% if employee contributes 5%). Kenneth Alexander has opted out of the plan.
ANNUAL BONUS	■ Kenneth Alexander: 250% of salary and Rob Wood: 200% of salary. ■ Threshold performance delivers 25% of award, target performance delivers 60% and stretch performance 100%. ■ Awarded in March 2020 following the year end. 50% paid in cash and 50% deferred in shares for three years. ■ Dividends accrue on any vested deferred shares and are delivered in shares. ■ Stretching financial performance measures: for 2019, 70% underlying EBITDA and 30% net debt. ■ Targets are considered commercially sensitive but will be disclosed in full in the 2019 DRR.
LTIP	■ Kenneth Alexander: 300% of salary and Rob Wood: 250% of salary[1]. ■ Performance measures and targets are set out below. ■ 2019 LTIP awards will be subject to stretching cumulative EPS and relative TSR performance targets measured over 2019-2021, with any shares vesting subject to a further two-year holding period. ■ Dividends accrue on vested LTIP and are delivered in shares.
SHAREHOLDING REQUIREMENT	■ 400% of salary for the CEO (unchanged). ■ 200% of salary for the CFO (unchanged).

1. LTIP awards are expected to be granted in March 2019 to Kenneth Alexander and Rob Wood with a face value of £2.4m and £1.0m respectively, equivalent to 300% and 250% of base salary respectively. The awards vest after three years subject to the following performance conditions and are subject to two year holding period post vest.

The Committee reviewed the appropriate performance metrics for the 2019 bonus plan. Underlying EBITDA was considered to remain the most appropriate profit metric, with the benefit of simplicity during a period of reward harmonisation across the enlarged group. However, the Committee determined that, given the level of debt post the Ladbrokes Coral acquisition and investor focus on leverage ratios (net debt/underlying EBITDA), net debt should also be included as a second financial performance measure. As a result, the annual bonus will be based on underlying EBITDA (70%) and net debt (30%).

The annual bonus target range takes into account the Group's annual financial plan and its priorities, in the context of the economic and regulatory environment, together with analyst consensus forecasts. The Committee considers such targets to be commercially sensitive and that it would be detrimental to the interests of the Group to disclose them before the end of the year.

The Committee considered that underlying cumulative EPS and relative TSR remain the most appropriate measures for the 2019 LTIP. There are no changes proposed to the relative TSR measure.

The Committee carefully considered the positioning of the underlying cumulative EPS targets for the 2019 award. It is recognised that the range of 184 pence to 214 pence is about 4% lower than the range set for the 2018 LTIP. The Committee is of the view that in the current environment, and particularly with implementation of the UK TR and RGD in April 2019, these targets represent at least an equivalent stretch to those set in prior years. The targets will require management to deliver strong underlying growth and achieve ambitious published targets for TR mitigation and Ladbrokes Coral acquisition synergies. As for the 2018 award, the 2019 targets do not include earnings from the Group's US joint venture as it is too early for the Committee to sensibly judge the way in which US markets will open up for the Group, and how soon. If necessary the Committee may apply discretion at the end of the LTIP period to take into account the Group's performance in this important new market.

Measure	Weighting	Target	Vesting
Cumulative earnings per share ("EPS")	50%	■ 184 pence ■ 214 pence	■ 25% ■ 100% ■ Straight line interpolation between the two pts
Relative Total Shareholder Return vs FTSE 51-150	50%	■ Equal to median ■ Upper quartile or higher ■ Median to Upper quartile	■ 25% ■ 100% ■ Straight line interpolation between the two pts

Shareholdings and share interests (audited)

Executive Directors are required to maintain a shareholding as determined by the Committee. Executive Directors are expected to build up their shareholding over a period of five years from the date of appointment as an Executive Director (or, if later, from the date of any change to the terms of the shareholding requirement). Shares that count towards the requirement are beneficially owned shares and any vested share awards subject to a holding period. The current shareholding requirements are:

- Group Chief Executive: 4x base salary.
- Chief Financial Officer: 2x base salary.

The Committee plans to adopt a formal post-termination Executive Directors' shareholding policy during 2019. Executive Directors already have some interest after a departure by virtue of: a) the requirement to defer 50% of the annual bonus in shares, and b) the application of a two-year LTIP holding period post vesting. A Director afforded eligible leaver status would continue to have alignment with shareholders for an extended period post-departure through their existing awards.

During 2018 the CEO and Chairman exercised their 2015 LTIP awards, selling only sufficient shares to cover the award exercise price and applicable taxes. As a result, their beneficial shareholdings increased by 0.83 million shares and 0.45 million shares, to 2.73 million shares and 1.19m million shares respectively. As at 31 December 2018 the value of the CEO's and Chairman's shareholdings were £18.4m and £8.0m respectively, representing 1,936% of the CEO's annual salary and 2,286% of the Chairman's annual fee. These shareholdings demonstrate that the CEO and Chairman's interests are closely aligned with those of GVC's shareholders.

REMUNERATION:
DIRECTORS' REMUNERATION REPORT CONTINUED

for the year ended 31 December 2018

Directors' share interests as at 31 December 2018 are set out below:

Director	Number of beneficially owned shares	% of base salary/fee	Alignment to shareholding requirement	Interests in share awards: Total interests subject to conditions	Interests in share awards: Total vested interests unexercised	Interests in share options: Total interests subject to conditions	Interests in share options: Total interests unexercised	Total interests at 31 December 2018
K Alexander	2,728,141	1,936	Exceeded	325,914	–	242,587	–	3,296,642
P Bowtell	387,438	398	Exceeded	134,076	–	–	–	521,514
L Feldman	1,187,408	2,286	N/A					
J Anscombe	5,169	N/A	N/A	–	–	–	–	5,169
P Bouchut	–	N/A	N/A	–	–	–	–	
P Isola	–	N/A	N/A	–	–	–	–	
V McDowell		N/A	N/A	–	–	–	–	
S Morana	14,759	N/A	N/A	–	–	–	–	14,759

1. Beneficial interests include shares held directly or indirectly by connected persons. There were no changes in the interests in ordinary shares or share awards between the 31 December 2018 and the date this report was signed off.

Chairman and Non-executive Directors' fees

The following fees applied in 2018 to Non-executive Directors

	As at 1 January 2018	As at 1 January 2019
Chairman	£350,000	£350,000
Senior independent Non-executive Director	£155,000	£155,000
Board member	€100,000	€100,000
Additional fee for chairmanship of Audit, Remuneration or Corporate Social Responsibility Committee	€25,000	€25,000

In February 2016 following the completion of the bwin.party acquisition, the Chairman was granted a one-off award under the 2015 LTIP. Although no further awards were granted, this one-off legacy award has vested in tranches over a 30-month period up to and including August 2018. His fee, currently £350,000, is now the only element of remuneration from GVC.

Implementation of the remuneration policy for Non-executive Directors in 2019

There are no proposed changes as to how the policy will be implemented in 2019.

Chairman and Non-executive Directors' letters of appointment

Non-executive Directors do not have service contracts but are appointed under letters of appointment. Apart from the Chairman of the Board, each Non-executive Director is subject to an initial three-year term subject to annual re-election at the Company's AGM. The Chairman's contract was standardised during 2017, when non-standard cessation of employment and change of control provisions were removed. All service contracts and letters of appointment are available for viewing at the Company's registered office and at the AGM.

Director	Date appointed	Arrangement	Notice period/unexpired term
L Feldman	December 2004	Letter of appointment	12 months
J Anscombe	20 June 2017	Letter of appointment: three-year period	Remaining period
P Bouchut	13 September 2018	Letter of appointment: three-year period	Remaining period
P Isola	2 February 2016	Letter of appointment: three-year period	Remaining period
V McDowell	6 June 2018	Letter of appointment: three-year period	Remaining period
S Morana	2 February 2016	Letter of appointment: three-year period	Remaining period

Jane Anscombe
Chair of the Remuneration Committee
5 March 2019