

TOWERGATE'S GENDER PAY GAP REPORT 2017

Towergate is one of the UK's largest independent insurance intermediaries and is committed to transparency, equality and the fair treatment of all our employees.

UNDERSTANDING THE GENDER PAY GAP

From April 2017, all organisations with over 250 employees are required to report their gender pay gap annually. Gender pay compares the average (mean¹ and median²) hourly earnings of male employees and the average earnings of female employees in a company, regardless of their job role. The difference between those average earnings is known as the gender pay gap, which is expressed as a percentage of men's earnings.

Gender pay is not the same as equal pay. Equal pay looks at whether men and women receive equal pay for equal work. A gender pay gap may exist where there is equal pay. For example, there will be a gender pay gap where more men than women are employed in higher earning roles.

ANALYSING TOWERGATE'S GENDER PAY GAP

Towergate has over 4,000 employees across several employing companies.

We are only legally obliged to report on the four of our Group companies that have more than 250 employees. However, we have gone further because we agree with the Government's principle that greater transparency is key to accelerating the closure of the gender pay gap, as it promotes consideration of the complex reasons for it and drives action and change. Therefore, the main body of this report gives information on the gender pay gap for employees across our entire Group. Separate figures are produced in Appendix A in relation to the four companies we are legally obliged to report on individually.

Fig.1 TOWERGATE GROUP GENDER PAY GAP

Difference between men and women		
	Mean	Median
Pay gap	32.2%	28.5%
Bonus gap	78.5%	60.9%

Fig.2 PROPORTION OF MALES AND FEMALES IN EACH PAY QUARTILE³

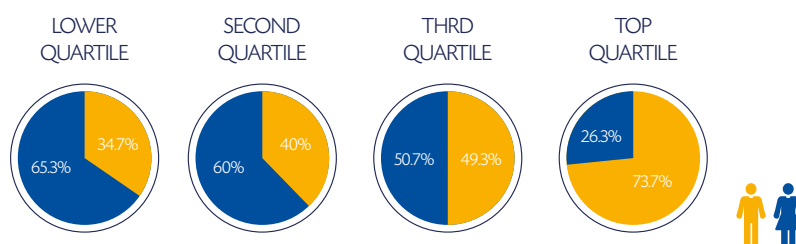
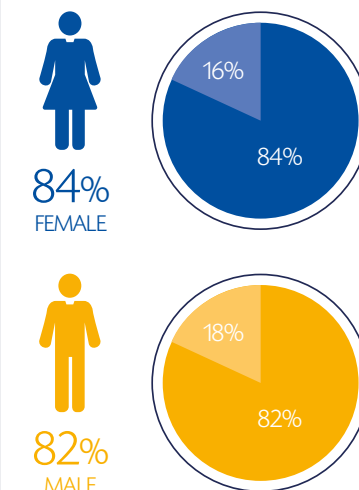


Fig.3 PERCENTAGE OF EMPLOYEES WHO RECEIVED A BONUS IN 2016 (%)



¹Mean: The sum of all earnings in a dataset divided by the number of employees in the dataset

²Median: The mid-point earning in a dataset

³Quartile: Values that divide a dataset into four equal parts

The average gender pay gap across the Towergate Group is 32.2% - this is below the insurance industry sector survey's average gender pay gap of 47%⁴ and the finance industry's average gender pay gap of 39.5%⁵.

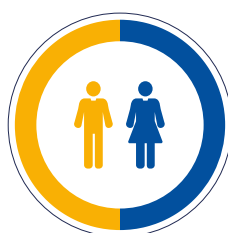


Figure 2 shows the distribution of relevant male and female employees in four quartile pay bands by dividing the Group's workforce into four equal segments. The higher proportion of men within the top pay quartile (73.7%) indicates that our gender pay gap exists because there are more men in senior roles which attract a higher rate of pay.

In 2016, a higher percentage of women received a bonus than men. However, we recognise that there is a gap in the average bonus paid to women and men. Towergate has a number of bonus schemes which are tailored to different roles to compliantly incentivise and reward employees. Sales and management roles (a greater proportion of which are undertaken by men) typically attract higher annual bonuses due to the impact and responsibility of those roles.

In addition, 2015 was an unusual year for Towergate which completed a financial restructure and recapitalisation. This triggered exceptional one off payments (which have been included in these figures) to some senior sales and management employees which significantly contributes to the gender bonus gap for 2016. When we exclude the exceptional one off payment, our mean bonus pay gap drops to 57.2% while our median bonus gap drops to 24.8%.

TACKLING OUR GENDER PAY GAP



We are proud that 50% of our workforce is made up of women and a growing number of women carry out senior and board level roles within our business. Currently 33% of our Senior executive team are female leaders, as are 23% of our senior managers.

PWC⁶, the professional services firm, reports that in the insurance industry women represent only 12% of executive committees. Towergate bucks that trend already and continues to challenge this position by carrying out some key actions outlined over the following pages.

OUR ACTION PLAN

Following detailed analysis of our gender pay gap and research into national and international trends, we are being proactive in taking action to address our gender pay gap by seeking to minimise the impact of limiting factors and promoting positive factors including:

- Strengthen our flexible working policy – all vacancies and opportunities will be offered on flexible working terms
- Improving enhanced maternity pay – we have increased enhanced maternity pay to 100% of basic salary for 3 months
- Develop female senior leaders of the future – allocate 10% of the learning and development budget to leadership training and personal development for female talent.
- Eliminate unconscious bias in our recruitment processes.

⁴ Chartered Insurance Institute (2017) Mind the gap

⁵ Financial services pay gap: www.gov.uk/government/news/major-financial-services-firms-step-up-efforts-to-tackle-gender-gap

⁶ PWC. (May 2017). Retrieved from <http://pwcblogs.com/fsrr/2017/05/how-tackling-a-lack-of-diversity-in-insurance-can-strengthen-relationships-with-customers-employees.html>

Towergate has four employing entities with 250 or more employees. Under the gender pay reporting regulations we are required to provide information for these entities within the Group structure, which are as follows:

Pay Gap

Employing Entity	Mean	Median
Towergate Underwriting Limited	33.6%	27.6%
Towergate Insurance Limited	19.8%	17.3%
CCV Risk Solutions Limited	33.3%	32.0%
Paymentshield Limited	25.7%	10.9%

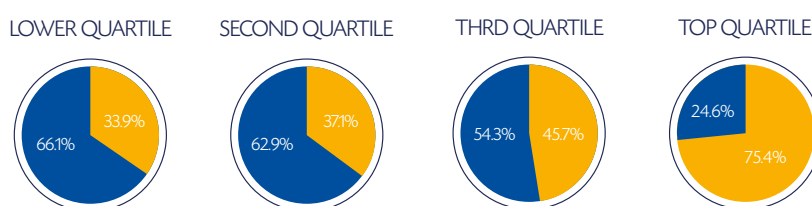
Bonus Gap

Employing Entity	Mean	Median
Towergate Underwriting Limited	79.2%	36.6%
Towergate Insurance Limited	47.6%	16.3%
CCV Risk Solutions Limited	91.4%	33.5%
Paymentshield Limited	43.2%	20%

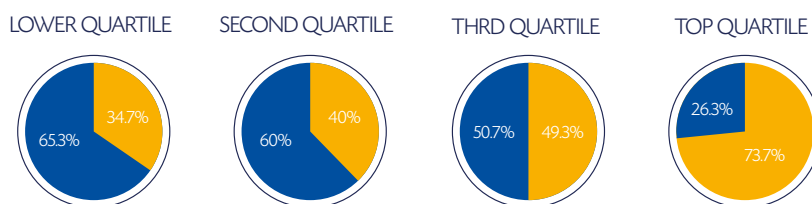
Pay Quartiles



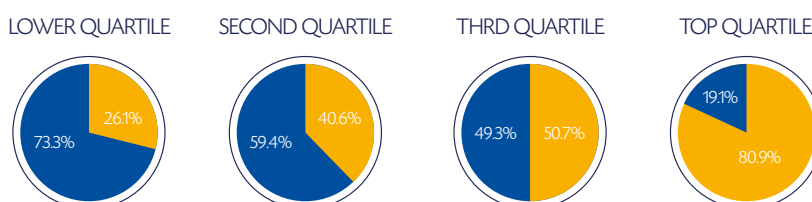
Towergate Underwriting Limited



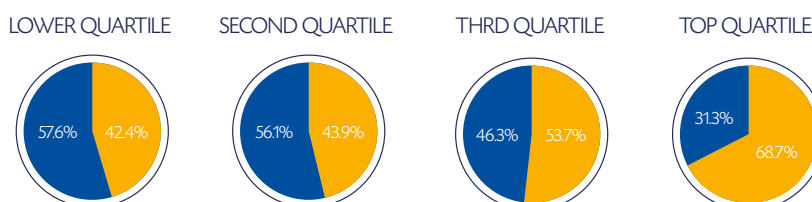
Towergate Insurance Ltd



CCV Risk Solutions Limited



Paymentshield Limited



Declaration

We confirm the information and data reported is accurate as of the snapshot date 5 April 2017.

David Ross
Chief Executive Officer