

Forward thinking.
Straight talking.

Gender pay gap report

March 2019

For data as at 5th April 2018

Gateley

Introduction

Gender pay gap - what is it?

Gender pay gap reporting is based on government methodology focusing on the difference in average pay between men and women in an organisation.

Gender pay is not the same as equal pay. Whilst it is true that both deal with the disparity of pay women receive in the workplace, they are different and should not be confused.

Equal pay means that men and women in the same employment performing equal work must receive equal pay. At Gateley, our remuneration is based on the appropriate level of experience someone has for the job role they are performing and not their gender. We are confident we pay men and women equal pay for performing equal work.

Gender pay measures a very different metric - it is a measure of the difference between men and women's average earnings across the entire organisation regardless of their job role.

Across the UK economy and society as a whole, currently men are more likely than women to be in senior roles and therefore earn more. Most organisations will therefore have a gender pay gap.

Why is our gender pay gap different to other top 50 UK law firms?

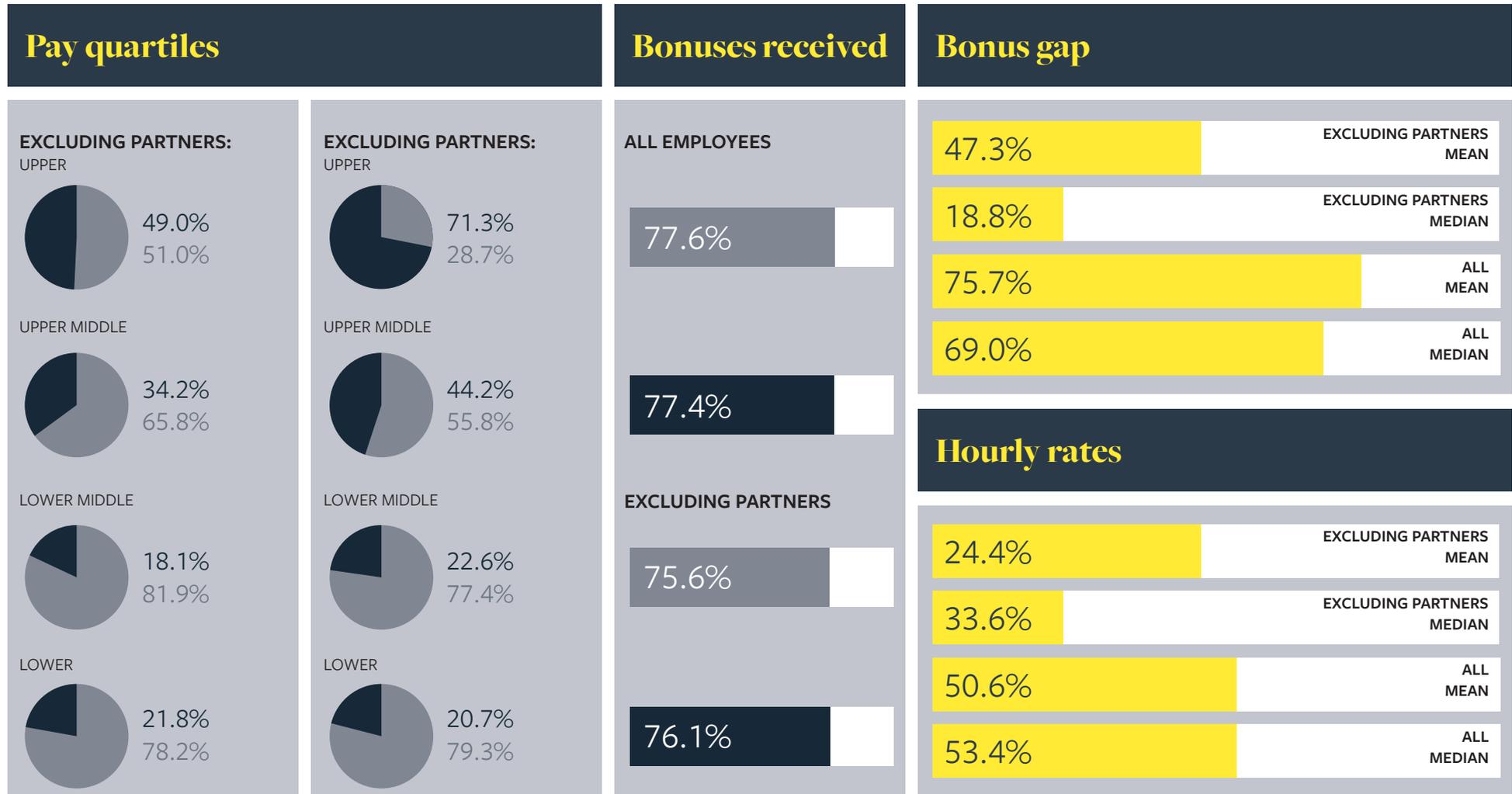
In 2015 we were the first UK law firm to float on the Alternative Investment Market of the London Stock Exchange. As a result, we are now a plc company and no longer have equity partners.

All of our partners are employees and therefore their remuneration is included in our data. Other law firms have excluded their partner data because they are allowed to do so under the legislation.

We are positive about including our partner data because we are comfortable with being completely transparent. We have nothing to hide. We have however, also included our data excluding partners so that we can show how we compare with other law firms. We believe all law firms should be required to include the remuneration of their entire workforce, including partners, so that organisations across the sector are comparing 'like for like'.

Our gender pay gap statistics for April 2018

MALE FEMALE



Our results explained

Our pay gap and bonus gap exists primarily because we have a higher proportion of male partners than female. Conversely, a significant proportion of females in our business work in secretarial, paralegal or junior support roles and these fall within the lower and lower middle pay quartiles. This statistic is representative of the legal and professional services sector as a whole.

Changes from 2017

Our pay gap has slightly increased when compared with the data from 2017 for the following reasons:

- In April 2018 we employed 113 legal directors, senior associates and associates. These are our highest earning solicitors below partner level. This group include our future leaders of the business and 61% are female. We continue to support all of our employees to reach their career goals and we are encouraged by the percentage of female talent in this group.

However, 23% of females in this group were on maternity leave in April 2018 and therefore their data was excluded from the pay gap calculation because they were in receipt of maternity pay as opposed to their full normal pay. We had a significant increase in the number of senior females on maternity leave in April 2018 compared with the previous year and this has impacted adversely on our pay gap (23% compared with 1.5% the previous year).

- In the 12 months leading up to April 2018, we have more than doubled the number of paralegals working in the business. The salaries for paralegals fall within the lower pay quartile and 91% of our paralegal cohort on 5 April 2018 were female.

Bonuses received

The proportion of females that received a bonus is 77.6% and the proportion of males that received a bonus is 77.4%. This is an increase from the previous year - 64.6% for women and 62.1% for men.

For employees below partner level, bonuses at Gateley Plc are calculated by reference to a % of the employee's salary. The maximum bonus award as a percentage of salary differs depending on the role and ranges from 5% up to 20% of annual salary. The maximum bonus award increases for each role after the first two years of service with junior roles starting at 5%.

Our bonus pay gap is 75.7% mean for all employees falling to 47.3% mean excluding partners. This shows an increase in the gap from the previous year which is partly due to the following reasons:

- There is a separate bonus scheme for partners not capped at 20% of salary but based on the performance of business and their individual performance in the financial year. Awards can therefore be significantly higher for partners than bonuses awarded to other employees in the business. The bonus awards for most partners in 2018 were higher than in 2017 and as we have a higher proportion of senior partners who are male, this has impacted the bonus gap.
- Over 20% of our female employees work part time. This contrasts with 2.7% of our male employees choosing to work part time. Below partner level, this means that whilst the percentage of female employees that received a bonus was slightly higher than the percentage of male employees, the level of bonus awards are lower for female employees working part time because their salary (and therefore

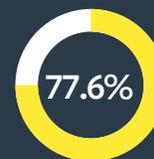
their bonus award) is pro-rated. Our flexible working policy is being successfully implemented across the business and we have a higher percentage of female legal directors, senior associates and associates (“Associates”) working part time when compared with last year. 42% of our female Associates work part time and given that Associates are our highest paid group of employees below partner level, there is a greater adverse impact on the bonus gap.

- In calculating the bonus pay gap, we are required to include all employees employed on 5 April 2018 regardless of whether or not they are eligible to receive a bonus. Our bonus gap is impacted by our growth and a new influx of employees who have insufficient service to receive a bonus but who are included in the calculation. In the 12 months leading up to 5 April 2018, we recruited 107 new employees below partner level, two thirds of which are female and not eligible for a bonus. This has contributed to an increase in the mean and median bonus gap.

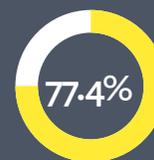
Pay quartiles

When you examine the upper pay quartile we have made some progress since the data last year with an increase in the percentage of females in the upper quartile (26.8% to 28.7%). This is due to internal promotions and shows our commitment to supporting all of our employees including our female talent to reach their full potential.

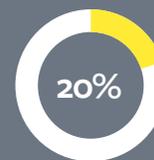
We have seen a reduction in the percentage of females in the upper middle quartile (61.9% to 55.8%). This quartile consists primarily of our legal director, senior associate and associate group and senior management within our business support teams. The salary data for 23% of females within this group is excluded from the calculation because they were on maternity leave and this has impacted the data. The percentage on maternity leave last year in this group was 1.5%.



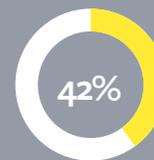
of females received a bonus



of males received a bonus



of female employees work part-time



of legal directors and associates work part-time



of employees (excluding partners) are women in the upper pay quartile

A diverse and inclusive business

We are committed to the on-going development of our diversity and inclusion strategy. At Gateley we want all of our people to feel they can be 100% themselves at work.

We are proud to have achieved Gold Status as part of the Law Society's Diversity & Inclusion Charter and to be part of the Stonewall Diversity Champions programme to support the LGBTQ+ community in our business.

During the last 12 months we have launched two new internal networks 'Inspire' and 'Thrive' to sit alongside 'Pride' our existing LGBTQ+ network. 'Inspire' is our business network focusing on supporting all of our talent including initiatives to help our females to develop their careers through to senior positions.

In the last 12 months we have held a series of internal focus groups right across the business, open to everyone to attend, to discuss whether there are barriers to women progressing their careers in a professional services environment.

The discussions helped us shape our 'Women in Leadership' programme which includes:

- Additional modules to our Management Skills Development course and our Developing Leader course called 'Making it all Work'. The modules are open to everyone to attend (male and female) but have been designed to address the areas our female talent have told us they would like support with;
- The launch of a mentoring scheme aimed at supporting employees at key points in their careers;

Through 'Inspire' we have also designed a 'Parental Support' programme aimed at providing coaching and on-going support for any of our employees re-joining the business following maternity, adoption or shared parental leave.

In addition, we are proud to have partnered with the Law Society in its pilot Law Returners scheme launched in the north of England. The scheme provides work placements for professionals looking to return to a career in the legal sector following a career break. We are delighted to support the programme to attract experienced women back into the sector and we have welcomed two female law returners to our Leeds office.

'Thrive' is our business wide health and well-being network which runs initiatives to support all of our employees physical and mental health.

Through 'Thrive' we encourage all of our employees to build their own personal resilience. Some of the initiatives are focused on issues faced by working parents, for example, we will be running a series of workshops on the importance of sleep in being able to maintain high performance with a specific session on strategies for getting children to sleep through the night aimed at our working parents.



We support equal opportunities for all across our business - what are we doing?

We are proud of our equal opportunities culture and will continue to ensure it is embedded in our values.

Our culture is all about standing apart from the crowd and differentiation. That is why we are on a journey to diversify and be a law-led professional services group that incentivises the people who help us get there.

Since floating we have introduced a range of employee share schemes, ensuring all staff can acquire shares and participate in the financial success of our business. In our culture if the business does well, then our people do too.

For us it is about our strong culture and value system and having an inclusive workforce that gives all of our employees 'room to breathe'.

I confirm that the data analysed and presented in Gateley Plc's Gender Pay Gap report is accurate.



Victoria Garrad
Partner & Group HR Director



