MAREX SPECTRON

Gender Pay Gap Report 2018

Our Commitment

As we build a world class organisation, we recognise the importance of making Marex Spectron a place where the most talented people, regardless of gender, culture or sexual orientation, want to build their careers. Our employees come from a diverse social and educational background and as a meritocracy we value employees equally for the contribution they make to our firm.

There are five Corporate Values that are implicit in everything that we stand for:

- Respect
- Personal Integrity
- Collaboration
- Developing our People
- Adaptability

Over the course of the last year we made 'Developing our People' a key strategic priority and this included working to improve gender diversity. We recognise that this is an issue that cannot be resolved swiftly and a great deal of sustained work will be required over a long period of time. Positive steps have been taken, and will continue to be made, to redress any imbalance and this will become apparent in future reporting.

The nature of our business and the historic gender bias in our industry will take an extended period to accomplish true diversity. Importantly, it is about taking the right steps now and here we recognise the need and business benefits that true diversity and inclusion brings and will look for opportunities to accelerate our success. In 2019, for example, we are introducing company wide diversity training, where possible 50/50 resourcing shortlist, and for the first time, we have appointed a female Chair and will continue to strengthen our team through a broader more diverse approach. There are specific challenges in our industry - these we acknowledge – but we are working hard to overcome them.

Ian Lowitt
CEO Marex Spectron

"...it is about taking the right steps now and here we recognise the need and business benefits that true diversity and inclusion brings..."

Overview

We welcome this opportunity to share our detailed information for the UK Government's Gender Pay Reporting initiative. In addition, we provide information beyond the legislative requirements.

This is our second gender pay gap report, in which we set out our action plans on how we are addressing, over the medium term, the implications of our gender pay gap.

This report relates to Marex Financial, the company that employs the majority of our staff in the UK. [Population 303]

The UK government requires the firms to report the following:

- Mean gender pay gap in hourly pay
- Median gender pay gap in hourly pay
- Mean bonus gender pay gap
- Median gender bonus pay gap
- Proportion of males and females receiving a bonus payment
- Proportion of males and females in each pay quartile

In addition, we have presented the following information:

- Pay differences (if any) between male and females for matched roles.
- Pay differences resulting from the distribution of roles.

Unsurprisingly, for a firm that has 'developing our people' as a cultural value, and is committed to treating employees fairly, of the 140 out of 303 Marex Financial employees for whom we can match roles, the mean and median gap is -1% and 1% respectively.

As we pay the same for matched roles, all of our gender pay gap is a function of the distribution of roles. Essentially there are more men in higher paying roles, rather than men and women being paid different amounts for performing the same roles.

Marex Solutions, a fast growing specialist division was launched in mid-2017 with senior male hires, despite our best efforts to find a good mix of candidates. Selective fixed pay increases have also been made to retain key staff during a significant period of business change, of whom most are male.

Both of these actions contributed to the widening gender pay gap in 2018.

Our total gender pay gap has a mean and median of 36% and 34% respectively, versus the financial industry's 36% and 33%. This is clearly higher than we would like and we have work to do on this, but it is in the process of being addressed.

	Gender pay gap		Matched Roles (Equal Pay)	
	2017	2018	2017	2018
Mean	29%	36%	-1%	-1%
Median	31%	34%	0%	1%

Matched Roles

While we do not have a formalised grading structure, we are able to categorise our front office and control and support staff into like for like roles. This reflects seniority and functions that enables us to effectively analyse our data in a more meaningful way and provide detailed information for base pay comparisons. On a like for like basis, the data shows a mean and median gender pay gap of -1% and 1% respectively.

Executive	Receptionist
Department/Desk Head	Senior Broker
Senior Manager	Broker/Trader
Manager	Trainee/Junior Broker
Assistant Manager	LME Sales Senior
Senior Analyst/Officer	LME Sales - Mid
Analyst	LME Sales - Junior
Co-Ordinator/Officer	LME Dealer
Engineer/Developer	LME Clerk
Specialist	Admin/Runner
PA	

Gender Pay Gap

Within Marex Financial, our employee base total is 303. For analysis we are able to match a total of 140 employees (95 males and 45 females) in comparable roles. From this detailed analysis we are confident that our pay is fair and equitable, irrespective of gender.

	Male/ Female Employee Distribution	
	Total Employee Distribution	Matched Employee Distribution
Total Population #	303	140
Male	232	95
Female	71	45

Matched Roles Gender Pay Gap	
	Matched Roles
Total Population#	140
Mean*	-1%
Median*	1%

**The mean and median gender pay gap is calculated on the total average hourly rate at 5 April 2018*

Male/ Female Distribution

Whether comparing our total Marex Financial or matched male and female populations the statistics clearly demonstrate that it is gender distribution, rather than equal pay, that is the main driver of the pay gap.

It is therefore gender distribution that we are focusing on and over the mid to long-term our aim is to increase female employee numbers across the board and specifically within senior roles.

	Male/ Female Employee Distribution - 2018			
	Total Employee Distribution	Matched Employee Distribution	Support & Control Matched Roles	Front Office Matched Roles
Total Population #	303	140	100	40
Male	232	95	68	27
Female	71	45	32	13

Looking at the statutory reporting statistics of male/female distribution by pay quartile again shows that the lower numbers of female employees, primarily in the 'Upper and Upper Middle' categories, adversely impacts our gender pay reporting.

	Proportion Of Employees In Each Pay Quartile Band* 2018	
	Male	Female
Upper	90%	10%
Upper Middle	86%	14%
Lower Middle	68%	32%
Lower	64%	36%

**Quartiles: full spectrum of hourly rate divided in to four equal parts*

Gender Bonus Gap

Our gender bonus gap is larger than our gender pay gap with median at 47% and mean at 72%. This is an improvement on the 2017 numbers where the gap was 53% median and 73% mean.

This is the result of a formulaic front office bonus structure, reflecting individual and team performance, that are set to be competitive in the market place. The result is a sizeable bonus gap in the front office versus the back office.

Our support and control bonus gap is impacted by our gender distribution with more men in high remunerative roles. This is a trend we see across the financial services sector, but is one that we are aware of and in the process of redressing.

We believe that our action plan going forward on gender pay will narrow the gender bonus gap.

External Comparisons

Within financial services the consistent trend, without exception, is not an issue of equal pay in matched roles but of under-representation of women in senior, higher remunerative, roles within organisations. The challenge for our industry is to address this dynamic and is one we are seeking to redress in 2019, starting with the appointment of a female Chair.

	Statutory Gender Pay Gap 2018						
	Marex Spectron	Company 1	Company 2	Company 3	Company 4	Company 5	Company 6
	%	%	%	%	%	%	%
Mean Pay	36	26	49	32	30	34	49
Median Pay	34	15	44	33	35	28	38
Mean Bonus	72	57	77	66	49	68	79
Median Bonus	47	44	71	61	41	41	59

Source: www.gov.uk. These are real examples of large financial service organisations

	Gender Pay Gap National Average - Financial Services	
	Mean	Median
Financial Services	35.7%	33.4%

Source: Office of National Statistics

Mandatory Reporting

The UK Government requires all companies with 250 or more employees to formally report on gender pay gap by 5 April every year.

All qualifying companies are required to report:

- Mean and median pay gap
- Mean and median bonus gap
- Proportion of males and females receiving a bonus
- Proportion of males and females in each quartile band

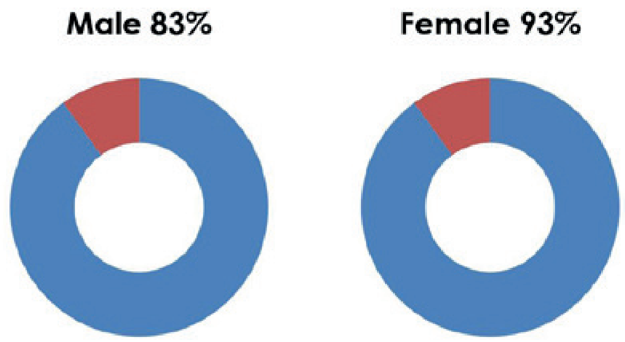
This analysis compares all roles irrespective of seniority or function.

	Mean & Median Pay & Bonus Gap	
	Mean	**Median**
Gender Pay Gap	36%	34%
Gender Bonus Gap	72%	47%

	Proportion of Employees in Each Pay Quartile Band *	
	Male	**Female**
Upper	90%	10%
Upper Middle	86%	14%
Lower Middle	68%	32%
Lower	64%	36%

**Quartiles: full spectrum of hourly rate divided in to four equal parts*

Proportion Of Employees Receiving A Bonus



Redressing The Imbalance

The firm laid out an action plan last year to add more women to higher remunerative roles, in the medium term, and to ensure we pay matched roles at the same levels for comparable performance.

First Year Action Points

- Identify and invest in key female talent already within our company for future succession.
- Identify potential target roles for senior female hires and develop a robust external talent pipeline.
- Enhance the capability of our line managers when recruiting; raise awareness of unconscious bias and improve our candidate assessment process.
- Ensure we have at least one viable female candidate for vacancies within our support and control functions and, where possible, in our front office.

First Year Achievements

The firm has already taken a number of steps since the release of the last gender pay gap report:

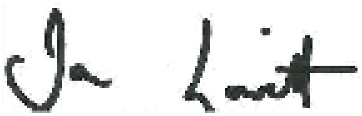
- Appointed a female chair.
- Hired a female resourcing manager and changed the hiring process to ensure fifty/fifty long list where possible.
- Ensured that Diversity in the recruitment process is monitored and highlighted.
- Improved the maternity policy in response to feedback from employees
- Sought to retain existing female employees and attract more female candidates for open positions.
- Hired and promoted a number of female employees that have included:
  - ✓ Employment Lawyer
  - ✓ CRO in Ireland
  - ✓ Deputy Head of Tax
  - ✓ Senior legal Officer
  - ✓ Payroll Manager (Promotion)

Second Year Plans

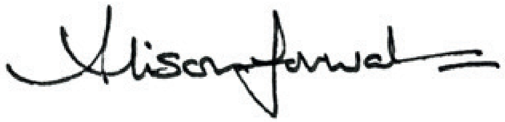
- Diversity Training for all employees.
- Unconscious bias training for all
- Broadening the recruitment supplier list to ensure a better candidate pool.
- Promotional activity to de mystify the industry and attract more female applicants
- Continue to enhance the workplace culture to support all aspects of diversity
- Move to a 50/50 candidate short list

Declaration

We confirm that our data is accurate and has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Ian Lowitt
Chief Executive Officer



Alison Forward
Head of Group Human Resources

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