

R&Q CENTRAL SERVICES LIMITED

GENDER PAY GAP REPORT 2017

Starting this April, businesses with more than 250 employees in the UK are required to report their gender pay and bonus gaps, along with other data including the proportion of men and women in the lowest and highest paying roles and the proportion of men and women receiving bonuses.

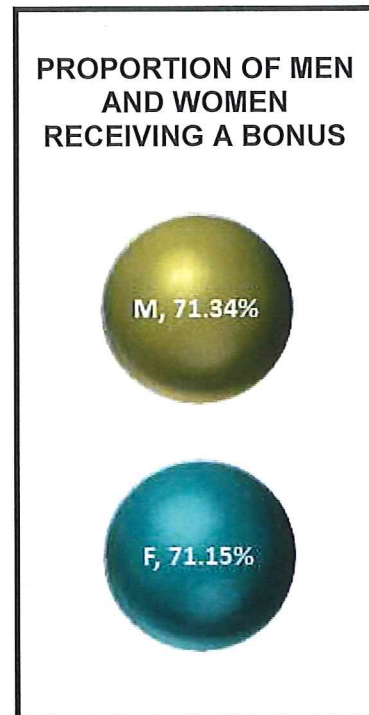
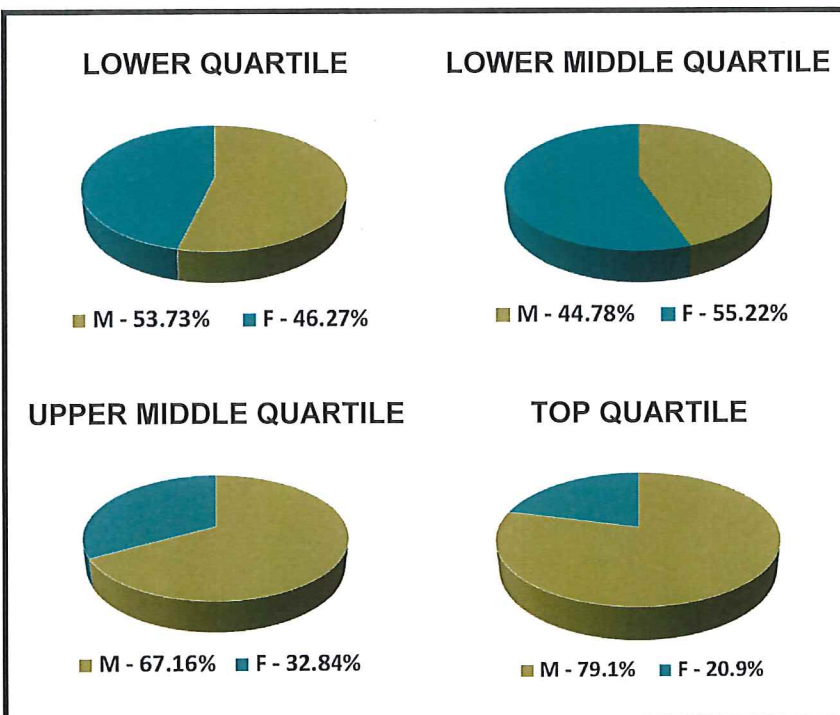
Historically, the insurance industry has been considered a male-orientated industry, which means that many insurance firms have inherited male-dominated boards and executive teams. The result is that the more senior, highly paid members of these firms are male and this, in turn, is one of the reasons why there is a gender pay gap. R&Q is no different. However, R&Q is committed to inclusion and diversity in all respects, looking not only at ways to improve its gender balance, but also its racial and ethnic diversity and issues of social mobility, for example. As we have explained below, the leadership team at R&Q fully support initiatives to support women and encourage them to develop and progress through to senior roles alongside their male peers.

R&Q Central Services Limited has calculated its gender pay and bonus gap data as at the 'snapshot date' of 5 April 2017 in accordance with the requirements of the relevant legislation.

Our gender pay and bonus gaps

GENDER PAY GAP	
Mean	37.37%
Median	31.86%

GENDER BONUS GAP	
Mean	39.63%
Median	50.00%



Our analysis shows that R&Q's gender pay and bonus gaps are driven by an imbalance of men and women in senior management and in underwriting roles, both of which are generally the highest remunerated roles in the business. Our analysis also shows that disproportionately more women than men seek part-time roles at R&Q which, in part, further drives our gender bonus gap, because bonuses for part-time employees are pro-rated.

Gender diversity at R&Q

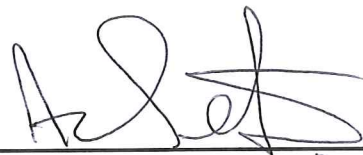
Whilst having a disproportionate number of male underwriters and men in senior management roles is to a degree an issue which arises because of historic ways of working in the insurance industry, R&Q is committed to challenging this and to taking pro-active steps to improve its gender balance throughout the business. Over the next 12 months and into the longer term future, R&Q will be focussing on ensuring that high performing women are identified alongside their male peers at an early stage, and supported and encouraged in developing their careers and moving into more senior roles. In particular, R&Q is looking at its succession planning and is committed to making sure that both men and women have equal opportunities to succeed and grow in their roles. Over the last 12 months, R&Q has already seen an improvement in its gender balance at a senior level, and intends to continue its drive for gender and more general inclusion and diversity at all levels of the business.

We confirm the data reported is accurate.



Kenneth Randall

**Group Chairman and
Chief Executive Officer**



Alan Quilter

**Group Chief Financial Officer and
Deputy Group Chairman**