

Gender Pay Gap Report 2017

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Our Commitment

At Marex Spectron we are committed to improving gender diversity and building an inclusive culture



Ian Lowitt

CEO Marex Spectron

As we look to build a world class organisation, we recognise the need to make sure Marex Spectron is the place where the most talented people - no matter their 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 for the contribution they make to our firm.

In 2017 we launched our Corporate Values that focused on:

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

In 2018 "Culture and Developing our People" is a key strategic priority, which includes our plans to increase gender diversity. We recognise the need and business benefits that true diversity and inclusion brings and will look for opportunities to accelerate our success here at Marex Spectron. The business we are in creates specific challenges - these we acknowledge - which we are working hard to overcome.

Overview

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

We also set out our action plans on how we are addressing, over the medium term, the implications of our gender pay gap.

We are required to report on Marex Financial Limited "MFL", the company that employs the majority of our staff in the UK.

The gender pay gap in aggregate can be thought of as comprising two elements:

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

The combination of these two effects is what the UK Government reporting requires firms to disclose.

Unsurprisingly, for a firm that has "developing our people" as a cultural value, and is committed to treating employees fairly, of the 148 out of 295 MFL employees for whom we

can match roles, the mean and median gap is -1% and 0% respectively.

As we pay the same for matched roles, all of our gender pay gap is a function of the distribution of roles (essentially more men in higher paying jobs), rather than paying men and women different amounts for performing the same roles. Our total gender pay gap has a mean and median of 29% and 31% respectively and although lower than the average for financial services (mean 35% and median 36%), this is higher than we would like, and is in the process of being addressed.

Action Plan

The firm is proactively working to add more women to more highly remunerated roles, over the medium term, and of course will continue to ensure we pay matched roles at the same levels for comparable performance. Our action plan includes:

- 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.



Matched Roles

Whilst 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 0% respectively.

In matching roles the following definitions were applied:

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

Gender Pay Gap

Within MFL our employee base totals 295. For analysis we are able to match a total of 148 employees (105 males and 43 females) in to 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 #	295	148
Male	223	105
Female	72	43

Matched Roles Gender Pay Gap	
	Matched Roles
Total Population #	148
Mean*	-1
Median*	0

**The mean and median gender pay gap is calculated on the total average hourly rate at 5 April 2017*

Male/ Female Distribution

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

Our main focus, over the mid to long term, must be to increase female employee numbers across the board and specifically within senior roles.

Male/ Female Employee Distribution				
	Total Employee Distribution	Matched Employee Distribution	Support & Control Matched Roles	Front Office Matched Roles
Total Population #	295	148	104	44
Male	223	105	69	36
Female	72	43	35	8

The statutory reporting statistics of male/female distribution by pay quartile underpins that fact that our lower numbers of female staff, primarily in the "Upper and Upper Middle" categories, does impact our gender pay reporting.

Proportion Of Employees In Each Pay Quartile Band*		
	Male	Female
Upper	87%	13%
Upper Middle	87%	13%
Lower Middle	65%	35%
Lower	62%	38%

**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 53% and mean at 73%.

Our front office bonuses are formulaic in nature (reflect actual performance) and are set to be competitive in the market place. Operationally, this has resulted in a sizeable bonus gap in the front office.

Our support and control bonus gap is impacted by our gender distribution, with more men in high remunerative roles, a trend we see across the financial services sector.

We believe our action plan on gender pay will also impact 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.

Statutory Reported Gender Pay Gap Statistics						
	Marex Spectron	Example A*	Example B	Example C	Example D	Example E
	%	%	%	%	%	%
Mean pay	29	26	48	33	33	21
Median Pay	31	14	44	33	38	24
Mean Bonus	73	60	79	65	45	24
Median Bonus	53	47	73	53	41	26

**These are real examples of large financial service organisations*

Gender Pay Gap		
National Average - Financial Services		
	Mean	Median
Financial Services	35.1%	35.6%

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.

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 And Median Pay And Bonus Gap		
	Mean	Median
Gender Pay Gap	29%	31%
Gender Bonus Gap	73%	53%

Proportion Of Employees In Each Pay Quartile Band*		
	Male	Female
Upper	87%	13%
Upper Middle	87%	13%
Lower Middle	65%	35%
Lower Middle	62%	38%

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

Proportion Of Employees Receiving A Bonus

Male 90%



Female 90%



Redressing The Imbalance

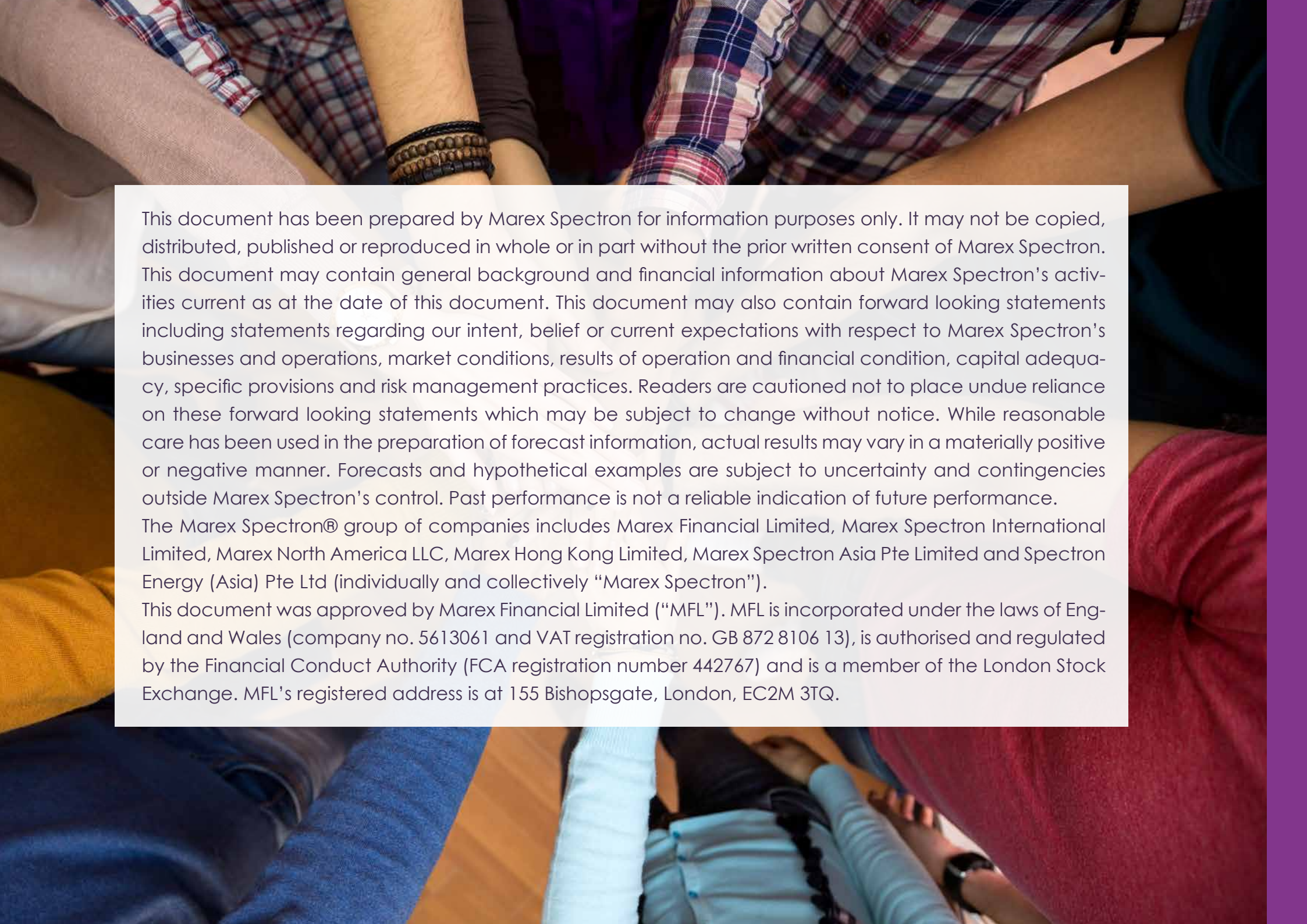
From our analysis we know that we have equal pay in like for like roles, what is clear is that we need to do more to attract more women in to our company and invest and enable career progression for the female talent we already have.

Whilst we are committed to ensuring we bring the best talent in to our organisation we will assess opportunities to increase hires for senior women. We already have success

stories with recent senior female hires including our Head of Group Human Resources, our CEO in Singapore and a Senior Employment Lawyer. We will continue to work with our hiring managers to better assess our candidates, remove potential unconscious bias and ensure our talent pipeline is robust.

Immediate 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.



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