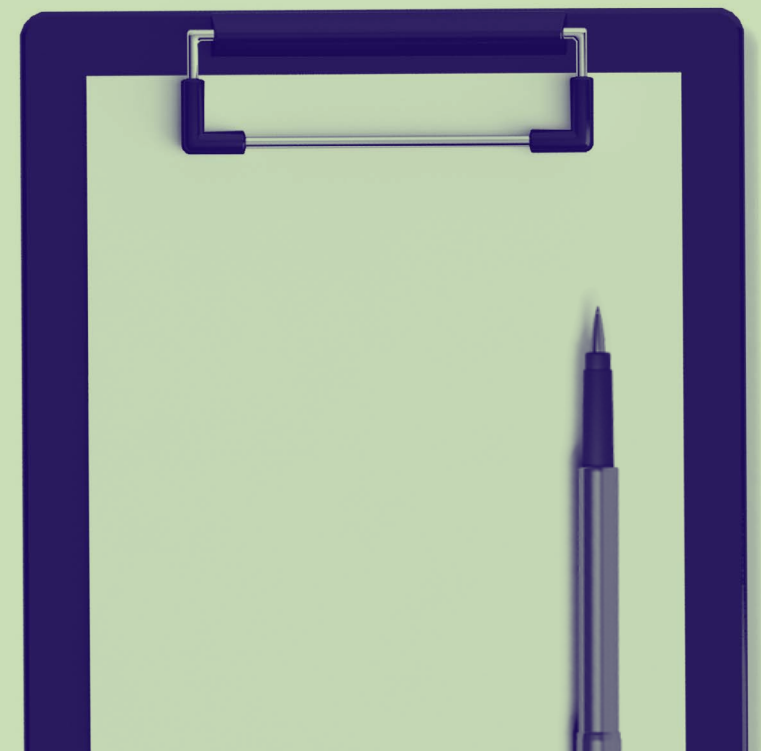


Gender Pay Gap Report



Introduction

We want this to be a place where everybody is equally able to succeed and be rewarded for the success they create. We already have clear pay structures in place, so our approach to closing our gender pay gap is to achieve a more equal male to female ratio in all levels and all role types throughout our organisation.

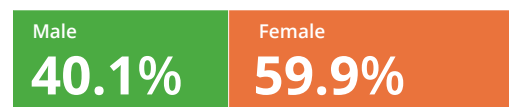
We have retained good female representation at Senior Leadership (60%) and also the broader Senior Management level (46%) and with no gender pay gap issue at these levels.

All our teams have clear pay structures in place, which helps us ensure people doing the same or equivalent work are paid equally. Since 2012 all of our employees have been paid at least the rates published by the Living Wage Foundation.

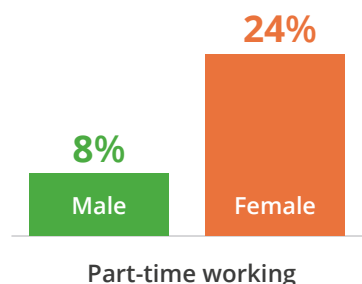
About Kaplan Financial

Figures relate to employees as at 5 April 2018 (reporting period)

625 Full Pay Relevant Employees*



Gender split of Kaplan Financial employees



Part-time working

WHAT IS THE GENDER PAY GAP?

- The gender pay gap is a measure of the average earning of men and women across an organisation. The gender pay gap is not the same as equal pay. Equal pay relates to men and women being paid equally for equal work. This is a legal requirement in the UK and a matter of principle that Kaplan Financial is committed to and abides by.

Legislative requirements:

- All UK companies with 250 or more employees on 5 April 2018 are required to publish specific gender pay information:
- Mean and median gender pay gap
- Mean and median gender bonus gap
- Proportion of males and females receiving a bonus
- Proportion of males and females by quartile pay band
- Figures for each legal entity with at least 250 employees on the snapshot date must be calculated and reported separately
- The mean and median gender pay gap is based on the hourly rates of pay as at 5 April 2018
- The mean and median gender bonus gap considers bonus pay received in the 12 months leading up to April 2018
- Pay quartiles look at the proportion of men and women in four pay bands when we divide our workforce into four equal parts

* Full Pay Relevant Employee is defined as any employee who is not being paid either at a reduced rate or nil as a result of being on leave. This meant we were required to exclude data for 56 staff who were not receiving full pay on the snapshot date of 5 April 2018 due to maternity leave (19 of the 56), sabbaticals, sickness or new joiners/leavers during the month.

What is our *gender pay gap* at Kaplan Financial ?

The information presented below shows our overall median and mean gender pay and bonus gap based on hourly rates of pay as at the snapshot date of 5 April 2018, and bonuses paid in the year to April 2018.

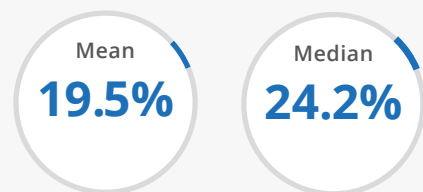
Key Data

Mean and median gender pay gap

The mean gender pay gap is the difference between the average hourly rate of pay for male employees and the average hourly rate of pay for female employees.

The median gender pay gap is the difference between the midpoint of the ranges of hourly pay for men and women by ordering individual rates of pay from lowest to highest and comparing the middle value.

Our 2018 mean and median show an improvement against 2017 of more than 3% and 2% respectively.

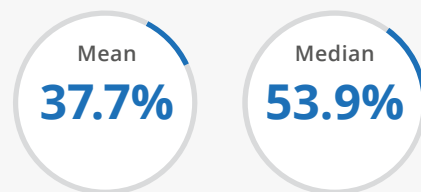


Mean and median gender bonus gap

The mean gender bonus gap is the difference in average bonus pay that male and female employees receive.

The gender of the CEO post holder (currently male) has a significant impact on our mean gender bonus gap as the compensation package for this role has a significant variable element.

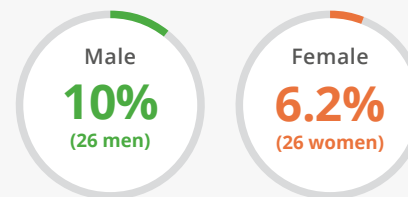
Excluding the CEO role, our mean gender bonus gap across all other roles is 12.75%. The median gender bonus gap shows the difference in the midpoints of the ranges of bonus pay received by men and women.



Our 2018 median gender bonus gap is largely due to most of our senior (and highly bonused/commissioned) sales roles being held by males, and most of our junior sales roles (earning small amounts of commission) being held by females.

Proportion of males and females receiving a bonus

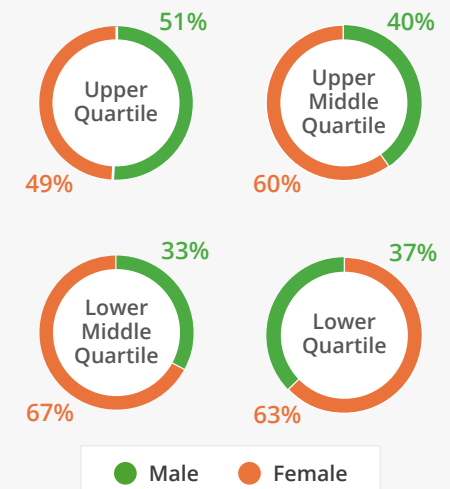
This is the percentage of men and women who received bonus pay in the 12 months leading up to the snapshot date of 5 April 2018. We have an equal number of men and women participating in incentive schemes and receiving bonus/commission pay.



The participation percentage is lower for women because they significantly outnumber men in our administration, service and apprenticeship delivery roles.

Proportion of males and females by pay quartile

This the percentage of men and women employees in four quartile pay bands (dividing our workforce into four equal parts).



Why do we have a *gender pay gap* at Kaplan Financial?

Our male and female employees are paid equally when in the same roles or when doing work of equal value. Our gender pay gap is due to the significant imbalance of men/women employed in a number of our job categories.

There are two highly compensated job categories in which we have very few women:

■ **Financial Markets Tutors:** this is a senior specialist role delivering tuition for qualifications including the Chartered Financial Analyst® (CFA) Program, currently held by 8 men and no women. This is challenging to overcome due to the gender mix in the industry and also because this team has very low employee turnover (0% in the last two years). However, we have recently created a new progression path for our Accountancy Tutors (64% of whom are women) to become Financial Markets Tutors.

If we employed an even number of men and women in these roles, our gender pay gap would reduce to 13.64%

■ **Senior Sales:** The senior roles in our sales functions are mostly held by male employees, with most of the junior sales roles held by women. If we employed an even number of men and women in these roles, our gender pay gap would reduce to 17.36%.

60% of our organisation's employees are women. We have a balanced gender ratio at our Senior Leadership and broader Senior Management levels.

We also have a balanced gender ratio in our upper pay quartile. Our gender pay gap is largely due to the fact that we employ significantly more women than men in the roles in our lower pay quartiles.

■ **Administration and Service Roles:** there were significantly more women (136) than men (77) in these roles. These roles are within our lower pay quartile, and therefore the gender imbalance affects our gender pay gap considerably. If we employed an even number of men and women in these roles, our gender pay gap would reduce to 13.86%.

■ **Apprenticeship Delivery:** there were significantly more women (57) than men (16) in these roles. These roles are within our lower middle pay quartile, and therefore this gender imbalance also affects our gender pay gap. If we employed an even number of men and women in these roles, our gender pay gap would reduce to 15.99%.

If we were to achieve an even mix of men and women in the four role categories above our gender pay gap would reduce to 2.35%.

DIFFERENCE BETWEEN EQUAL PAY AND THE GENDER PAY GAP

A company can have a gender pay gap without breaching equal pay provisions. Our gender pay gap at Kaplan Financial is not as a result of equal pay issues. We have a gender-neutral approach to determining pay for our roles at all levels and regularly monitor this to ensure we continue to meet legal and moral obligations.

EQUAL PAY

Equal pay is the legal obligation for employers to give men and women equal pay for equal work.

GENDER PAY GAP

The gender pay gap is a broader measure of the difference between the average earnings of men and women (irrespective of roles, location and seniority) – it looks across all jobs at all levels within an organisation.

Our commitment to *closing* the gender pay gap

We have taken great care to understand what our data is telling us and we are confident that we pay men and women equally for the same roles or work of equal value.

We will:

- 1.** Continue to apply all team pay structures consistently, calibrate between teams, and monitor the departmental gender pay gaps as part of our annual salary review process.
- 2.** Seek to attract a more even mix of genders for relevant role types, particularly those contributing most significantly to our gender pay gap.
- 3.** Proactively seek to attract existing employees (in particular female employees) to undertake and complete the Chartered Financial Analyst® (CFA) Programme qualification at the Company's expense through our existing employee "Kaplan Gift of Knowledge" programme in preparation for any future vacancy within the Financial Markets Tutor team.
- 4.** Seek to reduce any effect of bias in the hiring, development, or promotion of employees based on gender at Kaplan Financial.

We confirm that the information in this report is accurate and prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Peter Houillon
CEO Kaplan UK
& Ireland



Andrew Sokac
Human Resources
Director