

Gender Pay for BGC Services (Holdings) LLP ('BGC') GFI Securities Limited ('GFI') and Tower Bridge International Services Limited ('TBIS') (together the 'BGC Group')

The BGC Group's commitment to gender diversity

The lack of female presence and progress is a disappointing historical legacy of the financial services sector. The BGC Group recognised several years ago that if it was to prosper within the sector it had to maximise the pool from which it recruited and promoted talent. This included, amongst other diversity initiatives:

- i. attracting more women to the IDB industry; and
- ii. creating an environment that enables more female staff to have the opportunity to progress into senior positions.

To help achieve these objectives, the BGC Group launched a global initiative in 2014 called the Network of Women ("NOW"). Some notable milestones that NOW has helped to pass are:

- i. to enhance the BGC Group's maternity and family friendly policies making the BGC Group the industry leader; and
- ii. to develop a pipeline of female talent by increasing the number of female graduates on BGC and GFI's graduate programme.

The BGC Group and NOW recognise that much ground remains to be covered to achieve an optimal gender balance within the organisation, and in senior positions in particular.

Does the BGC Group have a gender pay gap and if so, why?

The BGC Group is confident that men and women are paid equally for doing the same job.

However, according to the various prescribed formula, the BGC Group's gender pay reporting results do indicate that there is a gap.

In some cases, the complexity of the group structure has had distorting effects on the numbers. For example, there are highly paid female employees who work for, but are not employed by, GFI (i.e. they are employed by another non-reportable entity within the group), whose salaries and bonuses are therefore not included but would make a significant difference to the percentages if they were.

Where there do appear to be pay gaps to the detriment of women, we have reviewed the numbers carefully to establish why. We believe the explanation is simple and one alluded to above.

BGC and GFI are entities in which our fee-earning brokers, rather than support and



voice + electronic brokerage



Tower Bridge International Services L.P.

control staff, are employed. This population is predominantly male. For salary headcount purposes, just over 8.3% of BGC staff are female and for bonus headcount purposes, the number is around 9%. For GFI the percentage numbers are 12.1% and 12.6% respectively.

These statistics will increase the likelihood of a greater number of the male population being amongst the higher earners, which affects all the numbers as they are based on mean or median calculations and will affect the prescribed quartile calculations in particular.

That said, the gap for the median hourly rate and bonus for TBIS staff (the entity employing the BGC Group's support and control staff) remain relatively low at 14.21% and 7.94% respectively.

In addition, although not the case for every entity and category, the overall trend is one of a slight narrowing of the gender pay gap. For two out of the three entities in scope the gaps in medium hourly rate and bonus payments have narrowed¹.

How will BGC's commitment to gender diversity narrow any gender pay gap?

2018 has seen us begin our journey to fulfil one of the NOW aims of attracting more women to become BGC and GFI brokers notwithstanding that our fee-earning female population remains disappointingly low.

As a profession, broking is meritocratic. Brokers are rewarded for revenue they generate. Broking should be gender agnostic.

However, if an environment has historically been dominated by men and therefore geared towards male employees, it is that environment rather than the role itself that may need to become more attractive to and inclusive of potential female talent. That damage will not happen immediately.

We have begun to meet this challenge but there is more work to be done. The BGC Group will continue to explore and promote ways in which flexibility and diversity helps us attract, retain and promote the best talent.

As we stated last year this is the key for the BGC Group. Gender diversification is not about justifying data or ticking inclusion boxes. It is about maximising the talent pool. It is self-evident that we can only do this if half the population are fully represented in that pool.

1 THE PUBLISHED 2017 NUMBERS INCLUDED ZERO BONUSES. 2018 GUIDANCE AND ADVICE HAS CONFIRMED THAT THEY SHOULD NOT HAVE BEEN INCLUDED. HAD THEY NOT BEEN INCLUDED THE 2017 FIGURES IN MOST CASES WOULD HAVE BEEN HIGHER AND THE ABOVE ANALYSIS CORRECT.