

ULTRA ELECTRONICS

GENDER PAY GAP

REPORT 2017

Gender Pay Gap legislation, introduced in April 2017, requires all employers of 250 or more employees to publish their gender pay gap as at 5 April 2017.

The report for Ultra Electronics is as follows:

- The mean gender pay gap is **17.2%**
- The median gender pay gap is **26.6%**
- The mean gender bonus gap is **59.3%**
- The median gender bonus gap is **20%**
- The proportion of male employees receiving a bonus is **48.1%***
- The proportion of female employees receiving a bonus is **50.3%***

Ultra is below the UK's national mean gender pay gap of **18.1%** and UK Manufacturing at **22%**.

WHAT ARE THE UNDERLYING CAUSES OF ULTRA'S GENDER PAY GAP?

Under existing law, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

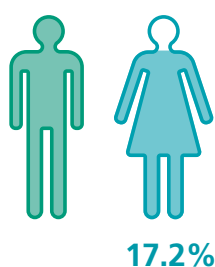
The Board is committed to the principle of equal opportunities and equal treatment for all employees, regardless of gender, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. Ultra has a clear policy of paying employees equally for the same or equivalent work, regardless of their gender (or

any other characteristic set out above). As such, Ultra:

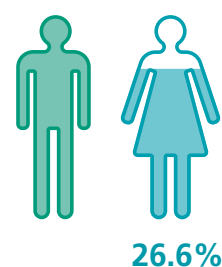
- carries out pay and benefits reviews at regular intervals;
- provides training for managers and other staff members who are involved in pay reviews; and
- evaluates job roles and pay grades as necessary to ensure a fair structure.

We are therefore confident that the gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather the gender pay gap is the result of the roles in which men and women undertake within the organisation and the salaries that these roles attract.

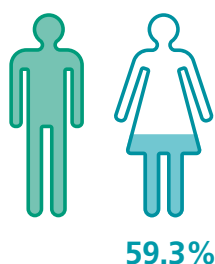
MEAN GENDER PAY GAP



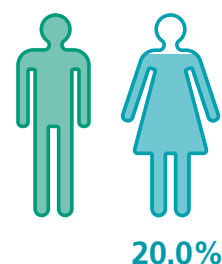
MEDIAN GENDER PAY GAP



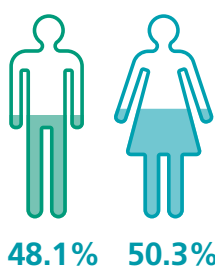
MEAN GENDER BONUS GAP



MEDIAN GENDER BONUS GAP



THE PROPORTION OF MALE & FEMALE EMPLOYEES RECEIVING A BONUS*



*The bonus at Ultra covers all employees regardless of level, linked to the performance of the business.

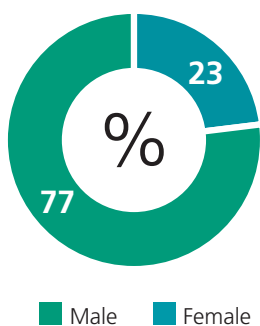
PAY QUANTILES AND GENDER SPLIT



The chart above shows the gender distribution across the UK in four equal quartiles, each comprising of 482 employees. In the Lower Quartile, for example, 62% are men and 38% are women.

GENDER SPLIT

Women currently represent 23% of our UK workforce. The pay quartiles show that women are less well represented in the higher pay quartiles due to proportionally more men than women working in senior roles.



WHAT ARE WE DOING?

The Board plans to take active steps to recruit and retain a higher proportion of women at all levels. To this end, it is pursuing the following initiatives.

CREATING AN EVIDENCE BASE

We will continue to build on actions and initiatives including identifying any barriers to gender equality. In order to inform our priorities for action, we have introduced gender monitoring which will incorporate:

- the proportions of men and women applying for and obtaining promotions;
- the proportions of men and women leaving the organisation and their reasons for leaving;
- the proportion of men and women named in succession plans for senior roles;
- the proportion of men and women who return to their original job after a period of maternity or other parental leave; and
- the proportion of men and women still in post a year on from a return to work after a period of maternity or other parental leave.

BUILDING A TALENT PIPELINE REGARDLESS OF GENDER

We have a range of activities in place including:

- Actively engaging with local schools, colleges and universities to encourage students to consider science, technology, engineering and maths (STEM) as a future career.
- Enabling employees to become STEM Ambassadors.
- Helping to run STEM days as well as help with after school clubs.
- Offering annual scholarships via the Arkwright Scholarships and STEM Days via the Smallpeice Trust.
- Offering flexible working patterns to support employees.
- Providing managers with training on appraisals, recruitment and pay reviews to ensure fair, non-discriminatory and consistent processes are followed.
- Providing coaching and mentoring programmes.

None of these initiatives will, of themselves, remove the gender pay gap and it may be several years before some have any impact at all. In the meantime, Ultra is committed to reporting on an annual basis on what it is doing to reduce the gender pay gap and the progress that is being made.

Douglas Caster
Executive Chairman



making a difference

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