

GENDER PAY GAP REPORT 2018

WHO ARE CHANCELLORS?

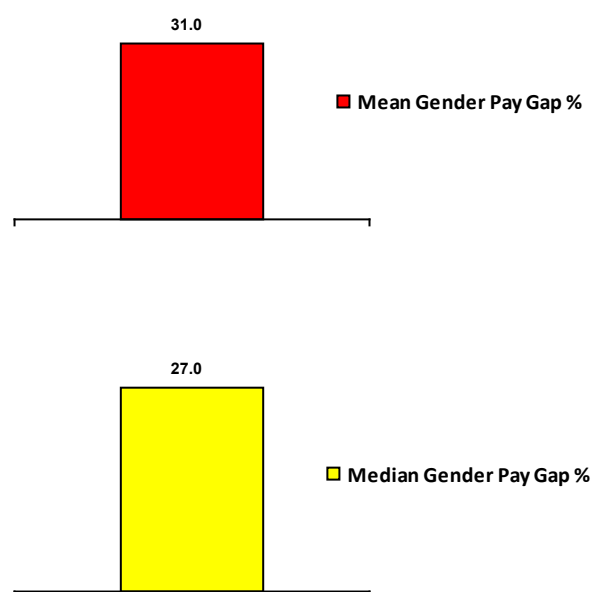
Chancellors (The Chancellors Group of Estate Agents Limited) are a private, independent limited Estate Agency specialising in sales, lettings and property management. It consists of 53 branches over London, Buckinghamshire, Berkshire, Surrey, Oxfordshire, Herefordshire and Mid Wales. Its Head Office is based in Bracknell and this houses its administrative and central support functions.

OUR GENDER PAY GAP

What are the mean and median gender pay gap figures based on?

The gender pay gap is based on the hourly pay for employees that were employed on 5 April 2018 and who received full pay for that pay period. It includes basic pay, commissions and performance or role bonuses.

It is important to note when considering the results of any gender pay gap report that the report does not measure the pay difference between a male and a female doing the same job, in the same area, with the same working pattern. It also does not include any other pertinent information that may impact a person's salary or pay structure such as longevity of service.



Analysis and Comment

We are confident that we offer fair and equal pay deals to employees who perform the same role, at the same level, in the same area.

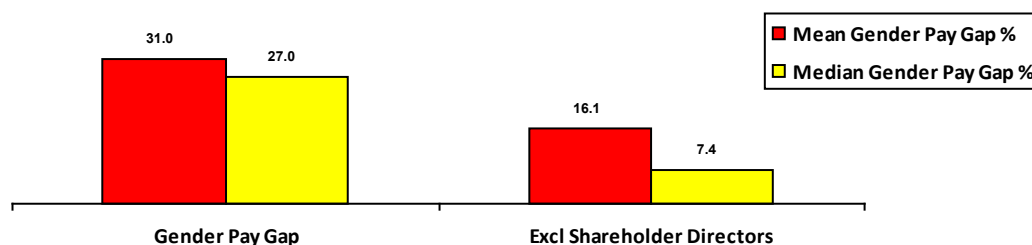
Like the majority of the estate agency industry, our pay structure is heavily commissionable in order to appropriately and fairly reward those employees who achieve results. The gender pay gap calculations include commission earnings and are therefore heavily impacted by individual's personal performances.

Commission structures are standardised across each department albeit accounting for geographical area, seniority, length of service (some employees may be on historic pay deals). At Chancellors, commissions are uncapped meaning that earnings are a result of individual performance. Basic pay is offered based on a candidate's job role, experience and location but is on a standard scale. In recent years we launched a progression plan for all Head Office based staff which details the minimum and maximum basic salary available at each job level to ensure basic pay is fair and transparent within each team. We aim to also launch a similar scheme out to our branch-based staff.

We reviewed our gender pay gap if one were to exclude commission payments to more fairly review the gender pay gap which is controlled solely by the Company. Like most companies, we still expected to see a gender pay gap as the majority of the senior management team and all 3 of the Shareholder Directors who

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manage the business on a day to day basis are male. We appreciate this highlights a different issue which we come on to later in the report.

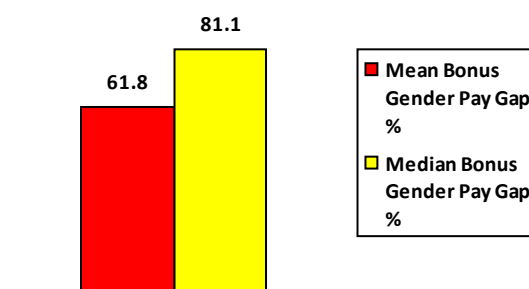


As the above graph demonstrates, our gender pay gap significantly drops when you remove Shareholder Directors. We do still have a gender pay gap of 16.1% (Mean) and 7.4% (Median) however given the proportion of males in the Upper quartile (see graph below), this is to be expected.

OUR BONUS GENDER PAY GAP

What are the mean and median bonus gender pay gap figures based on?

The bonus gender pay gap is based on the total bonus pay received by employees that were employed on 5 April 2018 in the 12 months directly preceding this date. Bonus pay includes things such as commissions, performance bonuses, competition win vouchers and long service awards with a cash value (e.g. vouchers).



Analysis and Comment

We were disappointed by the bonus gender pay gap especially given that bonuses are awarded for meeting specific performance criteria over a set period of time and are completely unaffected by anything other than an individual's personal performance. Commissions are paid at standard rates (albeit can be varied based on factors such as geographical location, seniority and department) and these are uncapped therefore the figure is determined by the performance of the employee in question.

There is some distortion where Administration and support roles based in Head Office (which are mostly filled by female members of staff) do not necessarily have role specific commission schemes and their pay package is just basic salary. However they have earned very small amounts of commission where they have happened to upsell or refer a customer they are speaking to. Because this is rare, this then amounts to a small amount over the year but because they have earned some payment, they are included in the calculations which then brings down the average.

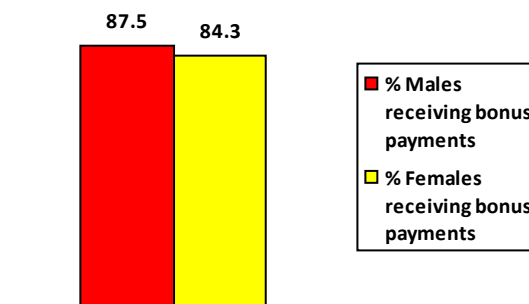
Overall, given the significantly higher proportion of males in the senior positions within the Company, a bonus gender pay gap would be expected however this figure is disappointingly high.

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PROPORTION OF MALES AND FEMALES RECEIVING BONUS PAYMENTS

What are these figures based on?

This calculation works out how many male and female staff we have in total and what percent of these earned a bonus (including any commission payments, competition win vouchers etc) in the 12 months preceding the snapshot date.



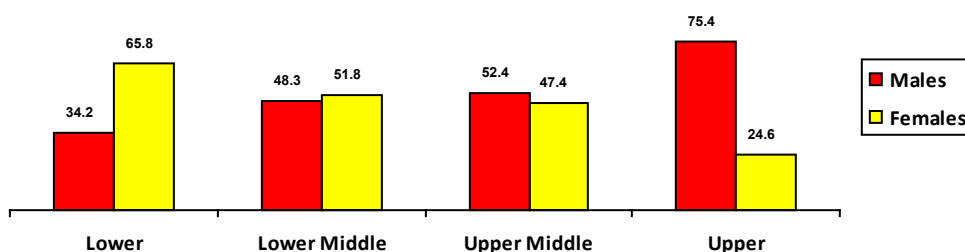
Analysis and Comment

Technically, all employees are eligible to receive bonus/commissions as we have standard schemes in place for Employee Referrals and so on however there are a number of support and administrative jobs which do not have a specific commission scheme associated with the role and therefore you would not expect these staff to earn commission as standard. Given there is a higher level of females in Head Office administrative positions, this difference is not unexpected.

PROPORTION OF MALES AND FEMALES IN EACH QUARTILE PAY BAND

What are these figures based on?

This calculation organises the employees by hourly rate of pay and then splits the employees into quartiles. It then looks at how many males and females are in each quartile.



Analysis and Comment

The senior team within Chancellors (Directors, Area Managers and Department Heads and Department Managers) are predominantly male and this is reflected in these results. This also confirms the earlier gender pay gap calculations where it is demonstrated that the average male hourly rate is above that of the female which would be expected where you have more males in senior positions.

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These results therefore reflect that we do have an uneven distribution of males and females throughout the company and into senior roles. This has improved since 2017 results and we are seeing this improve further into 2019. This is reflective in that we have been successful in sourcing or promoting female employees in the following senior roles; Training Manager, Head of New Homes, Central Admin Sales Manager, Support Services Manager.

SUMMARY AND CONCLUSION

The Gender Pay Gap Report 2018 highlights that Chancellors has a gender pay gap which we believe is distorted by less females in the senior tiers of the company and by a higher proportion of females applying for support and administrative positions which are paid less.

We are confident that employees working the same job in the same area are paid fairly and equally. This means all of our employees have the ability to earn the same, dependent on their personal performance.

We have identified that we do have a disproportionately low level of females in more senior positions in the Company and are encouraged to see that our current work has began to have an impact and we look forward to seeing this further improve in 2019.