

Abaco Systems Ltd Gender Pay Gap Report - 2017

At Abaco Systems Ltd., we value our people and the contribution they make. We aim to pay them fairly for the work they do and to create a working environment where there are equal opportunities for all our people, so they can fulfil their potential and contribute to our business success, irrespective of their gender.

The government has introduced regulations for gender pay gap reporting for companies in the UK. Every year, companies with more than 250 employees must report the following:

- Mean and median gender pay gap in hourly pay¹
- Mean and median bonus gender pay gap¹
- Proportion of men and women who receive a bonus
- Distribution of men and women across pay quartiles

¹The gender pay gap shows the difference between the mean (average) and median (mid-point) hourly earnings and bonus of male and female employees, expressed as a percentage of male employees' earnings.

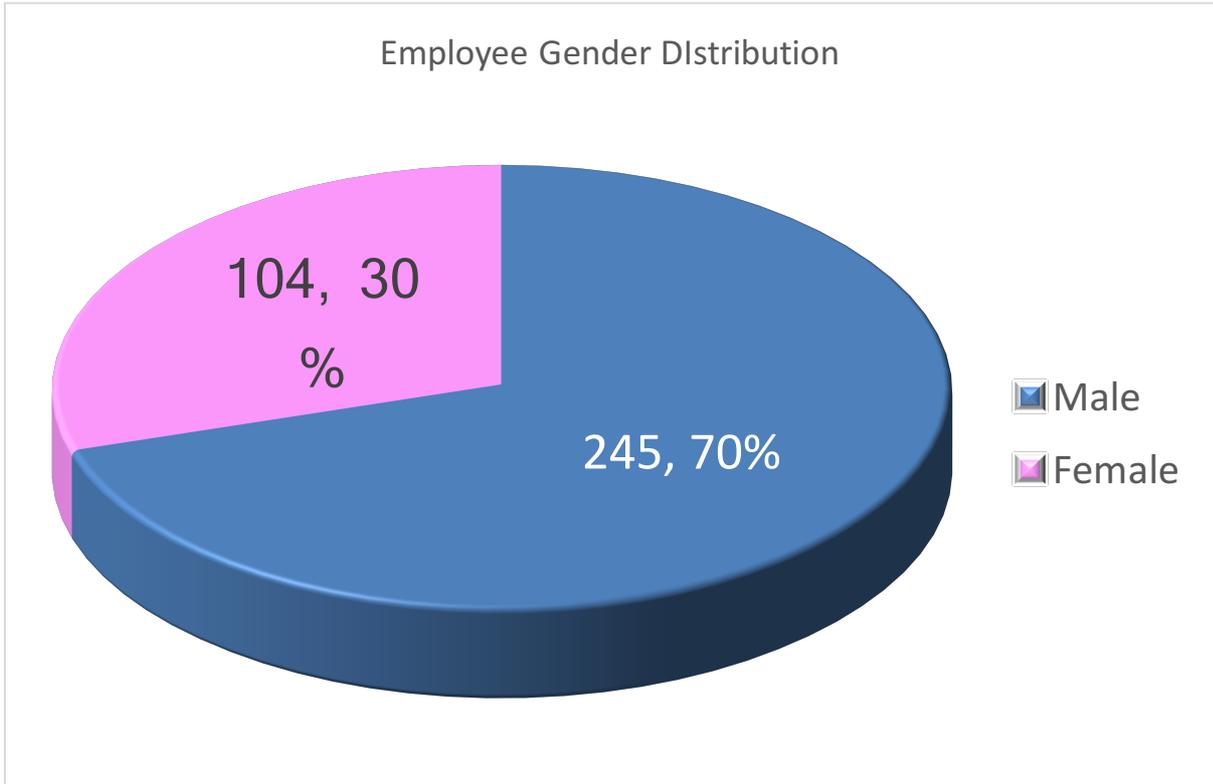
The gender pay gap is **not** the same as equal pay. The gender pay gap shows the difference between the average hourly earnings of men and women across the workforce and is about addressing the representation of women in the workforce. Equal pay is about whether a woman and a man performing the same work, at the same level, in the same organisation receive the same pay.

Gender Pay Gap Details

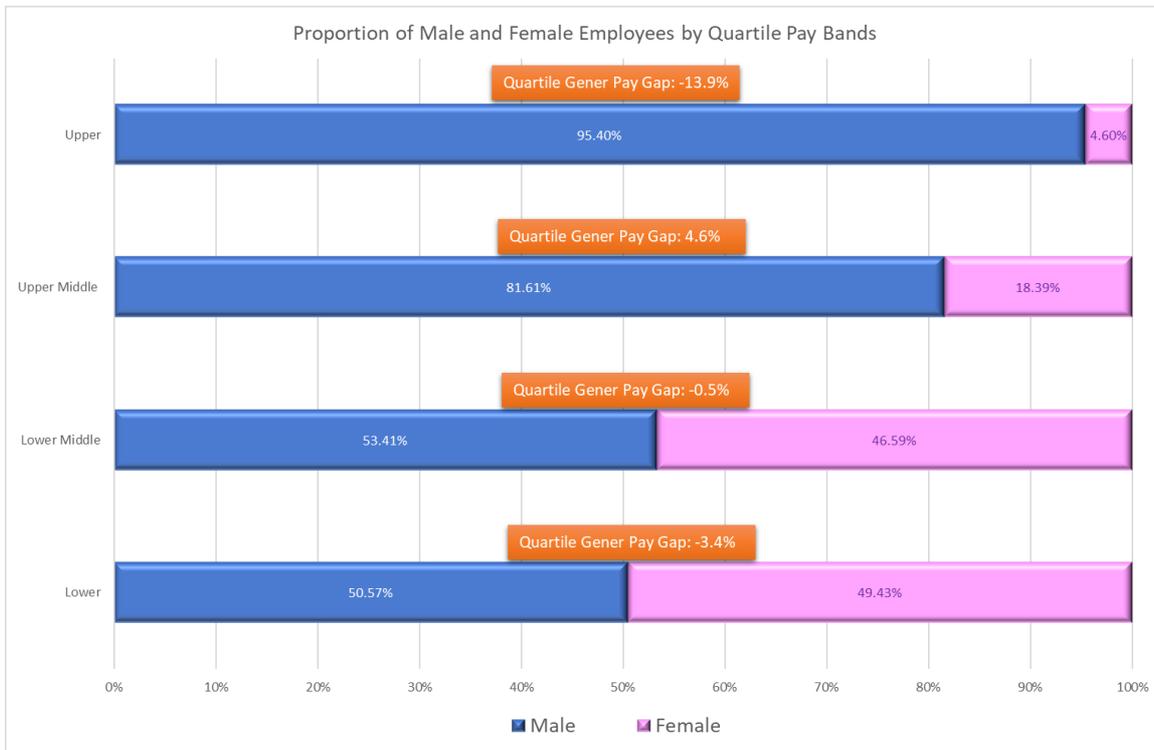
The table below shows our gender pay gap and bonus pay difference between male and female employees.

Gender Pay Gap	Mean	Median
Hourly Rate of Pay	33.5%	35.4%
Bonus Pay	15.9%	-61.8%

We have a gender pay gap because of the nature of our organisation. Abaco Systems designs and manufactures rugged embedded computing products for the military, aerospace and industrial markets. Our employee population is split roughly evenly between employees engaged in design engineering activities or in manufacturing and supply chain. However, in common with industry in general, the majority of employees in the generally higher paid engineering roles are male, with far more of our female employees working in the manufacturing/supply chain areas. Our overall gender split is shown below:



While we have an overall gender pay gap for the reasons explained above, when looking at the population based on quartile pay bands, the picture is very different, as shown in the chart below:

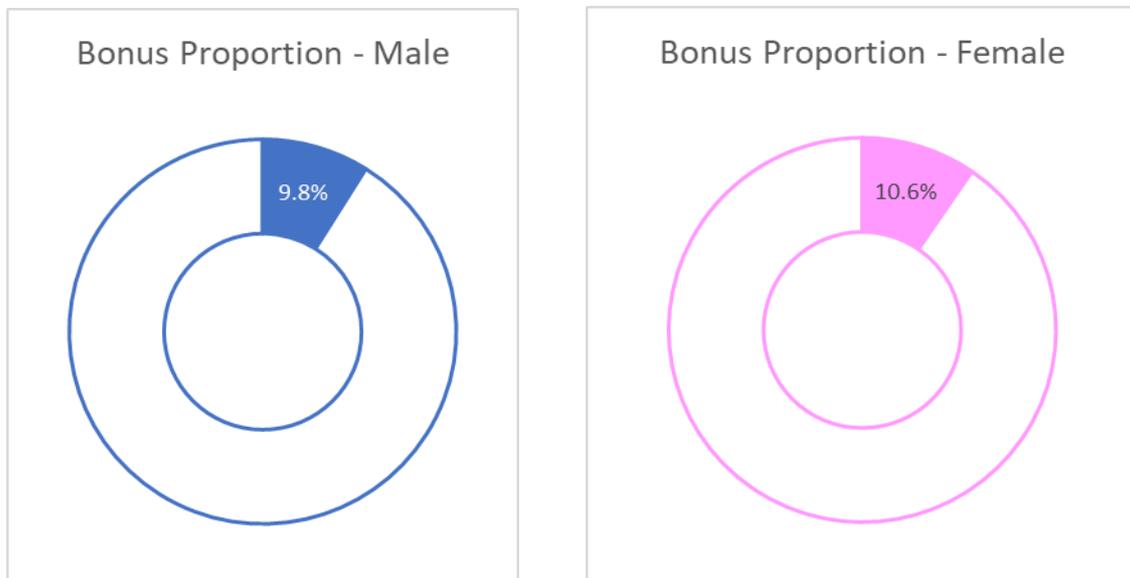


The gender split within the quartiles again represents the nature of our business. In the two lower quartiles, which are represented more by our manufacturing and supply chain employees, the gender mix is very even, while in the upper two quartiles, the mix moves much more strongly towards male employees in our engineering and senior leadership roles.

This data also shows in three of the four quartiles, the mean quartile gender pay gap is negative, indicating that the average hourly pay of female employees within the quartile is higher than for male employees in the same quartile. Only the upper middle quartile shows a positive mean quartile gender pay gap. The main conclusion to draw from this is that, while we have an overall gender pay gap as a result of the nature of our business, employees within any given quartile where they are likely to be undertaking similar roles are paid an equal amount, regardless of gender.

Bonus Pay Gap Details

A relatively small percentage of our staff overall received bonus payments in the reporting period as shown below:



Our bonus pay gap shows that the mean bonus payments for those male employees who receive a bonus are 15.9% higher than for female employees, but the median bonus pay gap of -61.8% shows that many of the larger bonus payments are made to female employees.

I confirm that our published figures are true and accurate to the best of our knowledge

Andy MacCaig
Managing Director
Abaco Systems Limited

Report is based on pay data for UK employees from the 'pay period' including 5th April 2017 (i.e. payments made in the month of April 2017), as specified by the UK regulations. The pay calculations are based on adjusted basic salary received in the month of April 2017 and including items such as allowances but excludes any overtime payments. Bonus pay includes items such as sales commissions, patent award payments, sign on or retention bonus and other bonus payments.

Further information on methods for calculating the gender pay gap figures as well as the results for all qualifying UK companies can be found here: <https://gender-pay-gap.service.gov.uk/viewing/search-results>