At Solus, we care about equality and diversity and have transformed our culture to innovate and succeed in line with these principles and the values of our parent company, Aviva plc. Ensuring that all of our employees have access to the same opportunities and the same treatment demonstrates our commitment to being a fair and responsible employer.

Our gender pay gap reflects the fact that the motor industry is a predominantly male environment and it has been difficult to attract female recruits, particularly into technical roles. We support the need for change to address gender imbalance and are committed to improving our gender pay gap.

Equal Pay

Equal pay means that men and women in the same employment are paid equally for doing equal work, as set out in the Equality Act 2010. Equal pay is a legal requirement in the UK and we are committed to supporting this important matter.

In addition to our equal pay responsibilities, we are a proud Living Wage employer. This further evidences our continued commitment to pay our employees fairly and adequately.

The Gender Pay Gap

The gender pay gap looks at all roles across the organisation, calculating average earnings of men and women. By law we are required to report the specific information set out in the graphics below for our employing entity, Solus (London) Limited.

<table>
<thead>
<tr>
<th>Gender Pay &amp; Bonus Gap April 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay Gap</td>
</tr>
<tr>
<td>Mean 14.4%</td>
</tr>
<tr>
<td>Median 20.4%</td>
</tr>
<tr>
<td>Bonus Pay Gap</td>
</tr>
<tr>
<td>Mean 43.3%</td>
</tr>
<tr>
<td>Median 24.9%</td>
</tr>
</tbody>
</table>

The above table illustrates the Solus overall mean and median gender pay gap. This is based on the hourly pay rates as at 5 April 2017.

Also shown is the mean and median differential between bonuses paid to men and women in the year up to 5 April 2017 (including bonus paid in relation to company performance in 2016).
Mean and median gender pay gap

The mean gender pay gap is the difference in average hourly rates of pay that our male and female employees receive.

The median gender pay gap considers the difference in the midpoints of the ranges of hourly rates of pay for our male and female employees (by ordering rates of pay from lowest to highest and comparing the middle value).

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

The median bonus gap is the difference in the midpoints of the ranges of bonus payments paid out to our male and female employees.
At Solus, our bonus pay gap is significantly higher than our gender pay gap. This is a consequence of our most senior roles, which are occupied predominantly by males, having the highest bonus opportunity.

Another consideration in our bonus pay gap is that the majority of part time positions are occupied by female employees. Bonus entitlement for colleagues in part time roles would be pro-rated, in accordance with their reduced working hours. This is not recognised in the bonus gap calculations as determined by the gender pay gap reporting regulations.
The above illustrates the gender distribution at Solus Accident Repair Centres across our pay quartiles (which divide our organisation into four equal parts based on hourly rates of pay). These quartiles each contain approximately 135 employees.

It is essential to note that the Company started to introduce a revised pay structure in 2016, part of which included incorporating a proportion of bonus pay into basic pay for individuals in technical roles.

This played a significant part in enhancing hourly rates of pay. Of those who undertake technical roles, approximately 98% are male. The result is that more males were lifted into the upper and upper middle quartiles.

This is not likely to change in the near future, until such time that we have more females in technical roles.
We believe that it makes good business sense to be diverse and we believe in pay equality and fair treatment. This is central to our core values.

Whilst we know attracting females into our industry is challenging, (particularly for technical roles), we are dedicated to reducing our gender pay gap.

We have heavily invested in our training academy and offer a number of skilled apprenticeships. This has resulted in us winning “Apprentice of the Year Awards” for the last 2 years running, one of which was awarded to our first technical female apprentice.

We will continue to review our recruitment strategy, working to encourage females into our industry and business. This will include attracting diverse talent and fresh ideas by challenging traditional perceptions and gender stereotypes of the motor repair industry.

As well as these initiatives, we pledge to do the following in our continued efforts to improve our gender pay gap;

- Continue to promote flexible working across our organisation by encouraging return to work and part time working patterns to suit our employees’ work life balance.
- We commit to developing our employees with internal and external training and have succession plans for a number of our key senior employees with a view to increasing female representation across the business.

We will further evidence our commitment to reducing our gender pay gap in future years.

I confirm that all gender pay gap data detailed in this report is accurate.

Alex Caldwell

Managing Director – 28th March 2018