

We fundamentally believe in the significant benefits that can be gained from creating a more inclusive and diverse organisation. Our gender pay gap, which we are required by legislation to report, is outlined below. We have highlighted some of the steps we are taking to achieve a more inclusive and diverse workplace within Meggitt.

Gender pay gap data for all UK employees as at 5 April 2017

Gender pay gap legislation requires us to report data for two of our four UK employers. This data has been reported in the prescribed format and is included at the end of this statement, under 'Statutory disclosures'.

The combined data for all UK employees is provided below. As well as providing a more complete UK picture, this data is used as our UK benchmark, against which we can monitor and demonstrate the impact and effectiveness of our Group policies and practices.

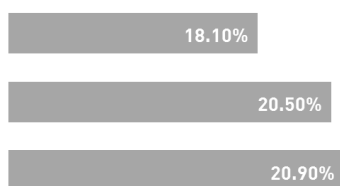
Pay difference between men and women: all UK employees*

as at 5 April 2017

UK's National gender pay gap

Meggitt mean difference in pay between men and women

Meggitt median difference in pay between men and women



The gender pay gap data above shows the difference between the hourly rate of pay levels of male and female employees in the UK. The mean and median hourly rate of pay of our female employees is 20.50% and 20.90% lower (respectively) than that of our male employees. This is slightly above the national average of 18.10%. It should be noted that gender pay gap data is different from 'equal pay', which is about ensuring men and women are paid the same for carrying out the same or equal value work.

Bonus difference between men and women in 12 months preceding 5 April 2017*

Median difference in bonus pay	56.5%
Mean difference in bonus pay	55.8%

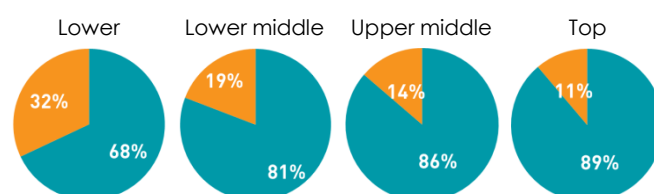
Proportion of all UK employees receiving a bonus in 12 months preceding 5 April 2017*



Our data shows that whilst more women receive bonuses than men, the median difference in bonus pay between men and women is 56.5%. There are more men in senior positions where proportionally larger bonuses are paid. Meggitt will monitor this area whilst carrying out our assessment of diversity across the group.

Pay quartiles across all UK employees*

As at 5 April 2017



These charts show gender distribution across our employees in the UK, divided into four equally sized quartiles. As at 5 April 2017, there were about 2,400 employees in the UK, therefore each quartile represents appropriately 600 employees. In the lower quartile, 32% of employees are women and 68% are men. In contrast, in the top quartile, 11% of employees are women and 89% are men. Meggitt is committed to ensuring that male and female employees are appointed to and can progress to senior positions and our action plan below to improve diversity and inclusion sets out the ways in which we will improve performance in this area.

* Ordinary pay under the regulations does not include remuneration referable to overtime, redundancy or termination of employment, in lieu of leave or remuneration provided otherwise than in money

Steps that we are taking to create a more inclusive and diverse workplace:

The Board is committed to working with managers at all levels to build a diverse and inclusive organisation and a number of actions are being taken to deliver this:

- (i) We are building a High Performance Culture (HPC) across the Group. We recognise that developing the right culture at Meggitt is important and will ultimately help us to deliver sustained high performance. Contained within HPC is a set of concepts bound together by a common language. These concepts help managers and employees to share the same strategic vision. Managers and employees are also given tools to support an inclusive culture that promotes diversity. Participation in HPC workshops to date has been encouraging with strong engagement across the organisation.
- (ii) As an international company we recognise that there are various challenges to building a truly inclusive business across different geographies. We are working with each of our divisions and functions to develop inclusion and diversity strategies that recognise their specific requirements and challenges. These will be integrated into our overall Talent Management Framework and reviewed regularly by the Executive Committee to ensure continual progress.
- (iii) To further understand employees' perceptions, we recently undertook an employee engagement survey which captured responses on a range of issues, including inclusiveness. We will use this data both to formulate local action plans and also to identify common themes which we need to address. We will continue to collect feedback from employees to help us monitor employee perceptions on issues such as diversity which will underpin our continued focus in this area.
- (iv) We are aware that all of our employees have requirements that can change because of circumstances. Meggitt has an important role, as a responsible employer, in creating a culture that supports employees in the various stages of their working lives. As part of this process we are reviewing our policies in areas such as recruitment, flexible working and maternity/ paternity leave. We will ensure that they align with our aspirations to create a truly diverse and inclusive organisation across all of the countries within which we operate.

Statutory disclosures

Under the regulations we are required to report our gender pay gap data for employers that have at least 250 employees. The relevant reporting employers for the Meggitt Group are Meggitt (UK) Limited and Meggitt Aerospace Limited. Their data is set out below.

Meggitt (UK) Limited¹

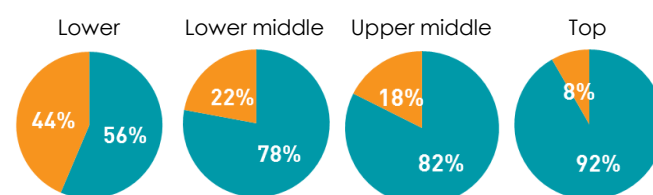
Pay and bonus difference between men and women

	Median	Mean
Hourly pay gap	23.5%	27.8%
Bonus gap	90.5%	39.6%

Proportion of employees receiving a bonus



Proportion of females and males in each quartile band



Meggitt Aerospace Limited²

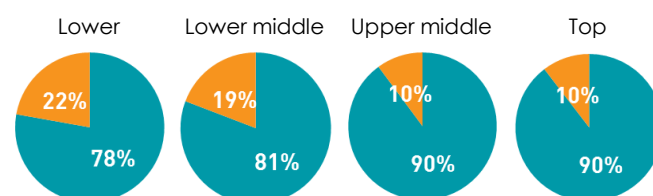
Pay and bonus difference between men and women

	Median	Mean
Hourly pay gap	21.4%	15.6%
Bonus gap	6.2%	55.1%

Proportion of employees receiving a bonus



Proportion of females and males in each quartile band



¹ At the snapshot date Meggitt (UK) Limited had 816 employees over 6 manufacturing sites.

² At the snapshot date Meggitt Aerospace Limited had 1,462 employees over 6 manufacturing sites.

We confirm that the data reported under the Regulations is accurate and meets the requirements of the Regulations.