

BMC Software Limited U.K. Gender Pay Gap Report 2017

WHAT'S IN THIS REPORT

1. The difference between the mean hourly rate of pay of our male and female employees in April 2017 (including base pay, allowances and bonus);
2. The difference between the median hourly rate of pay of our male and female employees for the same period;
3. The difference in the mean bonus pay to male employees and mean bonus pay to female employees in the 12 months up to April 2017. This includes all bonuses, long-term incentives, and sales bonus payments.
4. The difference in the median bonus pay to all male employees and median bonus pay to female employees in the same period;
5. The proportion of male and female employees who received bonus pay in that 12 month period; and
6. The proportion of male and female employees across our workforce according to salary quartile bands.

I can confirm that these are accurate.



Arno ter Avest
BMC Software Ltd.

In accordance with the U.K. legislation, these calculations are based on individuals employed by BMC Software Limited as of 5 April 2017.
For the purposes of the figures at (1), (2) and (6) only, and in accordance with the legislation, this is limited to employees receiving full pay on that date.

MEAN AND MEDIAN COMPARED

Mean

The mean is calculated by adding up the total pay of employees and dividing by the number of employees. This calculation is completed separately for male and female and the totals are compared. While useful, this ‘true average’ is easily skewed by a small number of high or low earners. Reporting both mean and median figures provides a more rounded appreciation of the data.

Median

The median is the number which is in the middle of a ranking of pay from lowest to highest. This is broadly understood to be the best representation of ‘typical’ pay as extremes of low and high pay do not affect the median.

U.K. GENDER PAY GAP

BMC Software Limited Overall Results

	Mean	Median
Pay gap	34.6%	37.4%
Bonus gap	57.1%	67.1%

	Male	Female
Bonus participation rate	90%	88%

The salary figures used in the calculations are before any deductions have been made in respect of salary sacrifice.

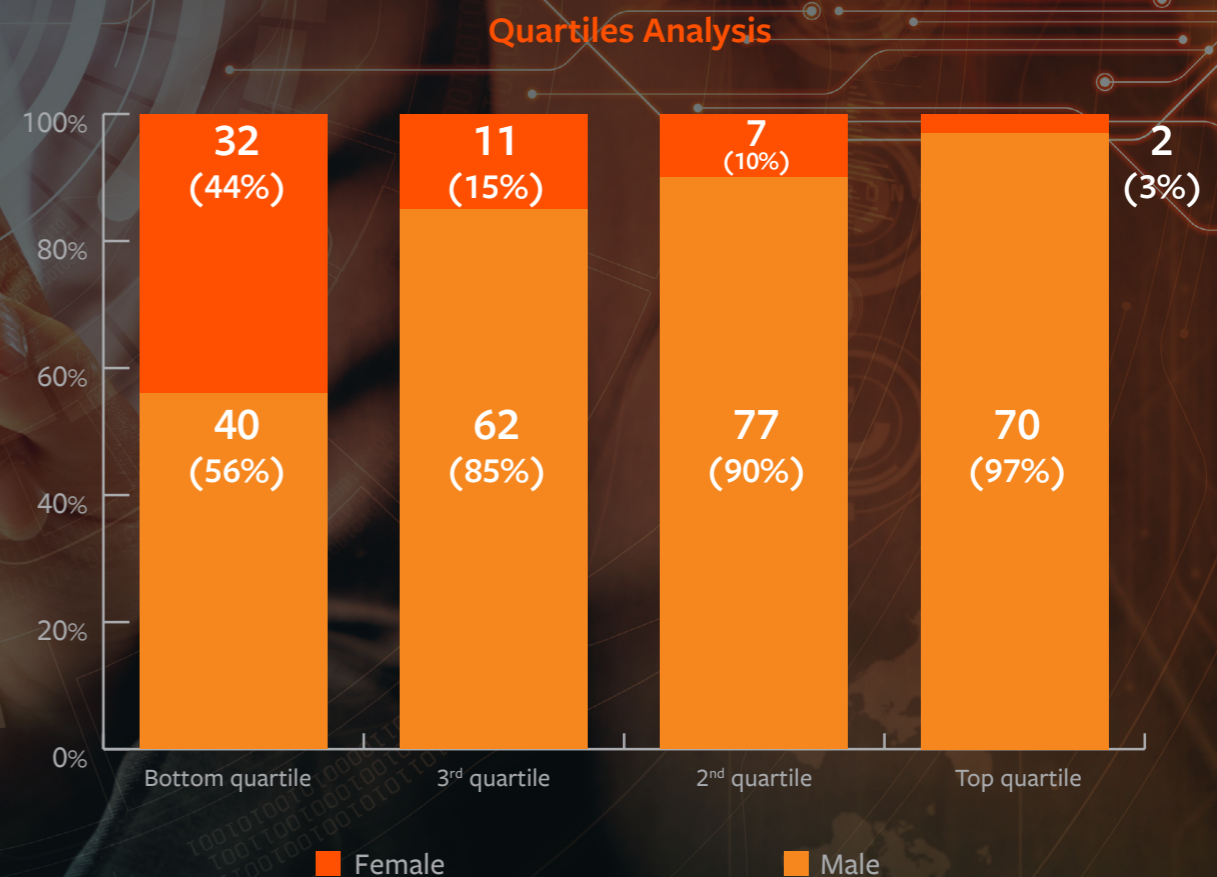
GENDER PAY GAP CONTRIBUTING FACTORS

The gender pay gap as defined in the U.K.'s Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 is the measure of the difference between all male and all female employees' hourly pay and bonus earnings. **The gender pay gap should not be confused with 'equal pay' (or 'pay equity')**. Equal pay is the legal requirement to pay men and women performing the same or similar work at the same rate. This has been a requirement in the U.K. for over 40 years, and it is an area on which we have focused heavily in the past and continue to do so.

The gender pay gap reflects the fact that there are fewer women in senior positions, fewer women within the technology sector generally, and fewer women in specialist positions that carry a premium in the market. More senior positions attract higher levels of bonus and share-based pay which is why the bonus gap reported is larger than the pay gap.

It also reflects the make-up of BMC Software Limited's (BMC) workforce, which is heavily dominated by sales and highly specialized technical roles. The company's corporate headquarters is in the U.S., where the majority of corporate and executive roles are based. We believe the nature of the work undertaken within

our U.K. office contributes to our pay gap, in particular the bonus gap, given the commission schemes used to incentivise these employees. Our increased focus on gender balance across the workforce will help to reduce this gap.



MOVING FORWARD


At BMC we recognise that hiring people from diverse backgrounds helps to broaden our organisation's skillset and is critical for improving the innovation and performance of our business. Our employees are already required to undertake diversity training, and we intend to increase the level of diversity training given to our staff, with a particular focus on reducing unconscious bias both at recruitment stage and throughout employment.

“We are focused on attracting, retaining and developing talented women in our U.K. business.”

Increasing the number of women across our business and in particular in our more senior positions will significantly help us to close the gender pay gap. This is an industry-wide issue and we recognise it will take time and significant effort across the organisation to achieve this aim.

On a local U.K. level, we are involved in the 'Learning to Work' scheme which involves us working with local schools to introduce pupils to BMC and the technology industry, and one of our key goals in this initiative has been to attract more females into the technology sector from an early age.

Some key members of BMC's team have become STEM Ambassadors, helping to promote science, technology, engineering and mathematics among students. Within these programmes, some initiatives have been specifically targeted at attracting females to the technology sector.



BMC's Women in Technology and Business employee group gives women employees opportunities for leadership development and networking. We are also diversity sponsor for the Women in I.T. Awards and are committed to supporting and encouraging women in what has, to date, been a male-dominant sector. Our position as diversity sponsor allows us to see how others in our industry are addressing the gender pay challenge, helping us to generate ideas and keeping us informed of current trends and thought leadership.

We are committed to addressing the gender imbalance within our business and we believe that will have a positive impact upon reducing our existing pay gap.

Whilst we recognise that a more balanced gender workforce may not happen immediately, we are committed to fostering employment opportunities that assist in furthering equal opportunities for all individuals, irrespective of gender, race, colour, age, or any other protected characteristic, and to creating a culture and environment that enables all employees to realise their full potential and maximize their contribution.

This includes supporting maternity-returners back to work and offering flexible working. Over two-thirds of our employees work flexibly, and we provide a digital workplace powered by technology and tools that facilitate flexible working. In 2016, BMC was recognized by Forbes as a top-100 company for remote jobs.



BMC is a global leader in innovative software solutions that enable businesses to transform into digital enterprises for the ultimate competitive advantage. Our Digital Enterprise Management solutions are designed to fast track digital business from mainframe to mobile to cloud and beyond.



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