

Gender Pay Gap Report 2017



Temenos is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. We have a clear policy of paying employees equally for the same or equivalent work.



David Arnott
Chief Executive Officer



Guylaine Gaudreau
Group Human
Resources Director



Through our workforce, client base, geographical presence and global initiatives, diversity truly is in our DNA at Temenos. We realized the power of diversity and seeing things differently very early on. We've always believed that an open mind set keeps us abreast of our landscape; our success is built on constant innovation and evolution through the search for excellence.

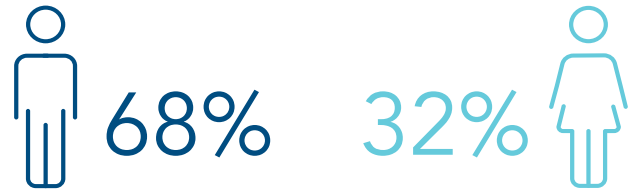


How do we enable this open culture?

We welcome everyone to take part in our journey to continuous progress, irrespective of their gender, race, ethnicity or sexual preferences. We like to keep an "open door" policy throughout the company and encourage collaboration at all levels – we always strive to make Temenos a place where we value everyone's ideas and where people are treated equally. Everyone comes from a different background and brings something unique to the table; whether it comes from gender diversity, difference in generations or difference in cultures, people will likely look at things differently.

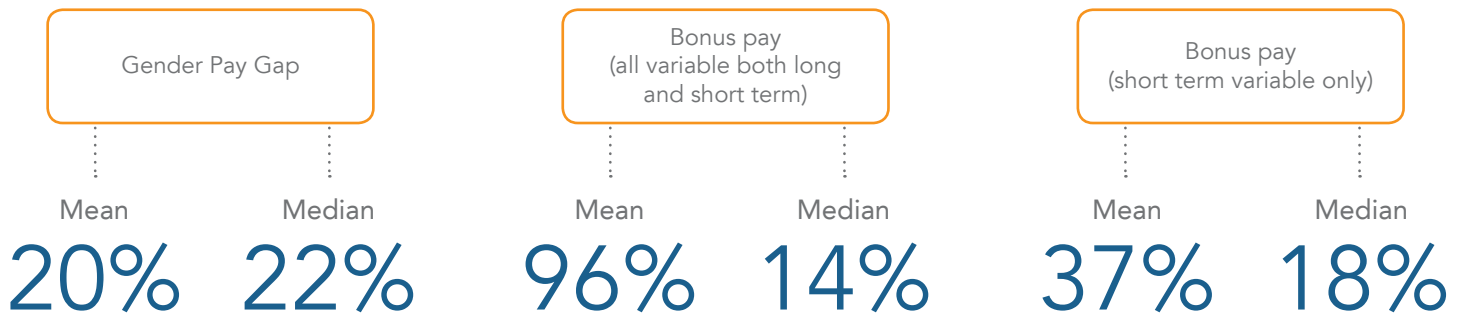
Diversity in Temenos – facts and figures

Like with many other companies in the software industry, attracting more women can prove challenging at times. Temenos has 68% men versus 32% women in the group overall, and this gap widens as the roles become more senior. In the UK particularly this is more accentuated – we have 74% men versus 26% women employees.



This explains the disclosable gap of 20%. When we compare pay for equal or similar levels, the gap is minimal.

The table below shows our mean and median hourly gender pay gap as at the snapshot date (ie 5 April 2017) and bonus gap for the 12 months reference period to 5 April 2017. This is calculated as the difference between the salary of men versus women divided by the salary of men.

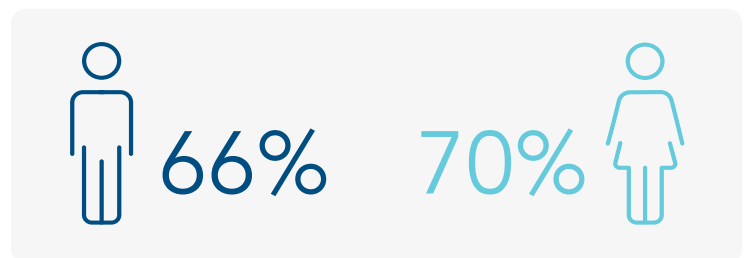


Merit-based bonus – promoting equal opportunities

With regard to the bonus gap, the long-term variable plan was very successful in 2017, as a result of the significant increase in the share price over the last few years. The long-term incentive programme is available to senior staff, which as mentioned is predominantly men and therefore gives rise to a more marked gap. When looking at the short-term bonus (annual bonus plan and commission plans) only, we see the gap reduced.

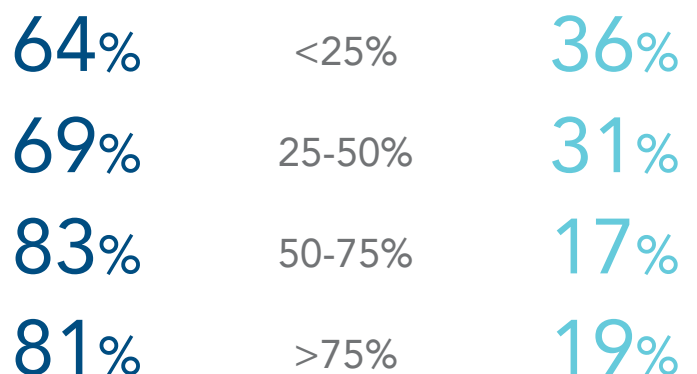
The Temenos bonus plan in 2017 was linked to performance. Both men and women have an equal opportunity to participate and earn a bonus as illustrated to the right. In 2017, slightly more women earned a bonus than did men as a percentage of their respective gender as a whole.

Proportion of employees receiving a bonus (in 2017)



Understanding the numbers

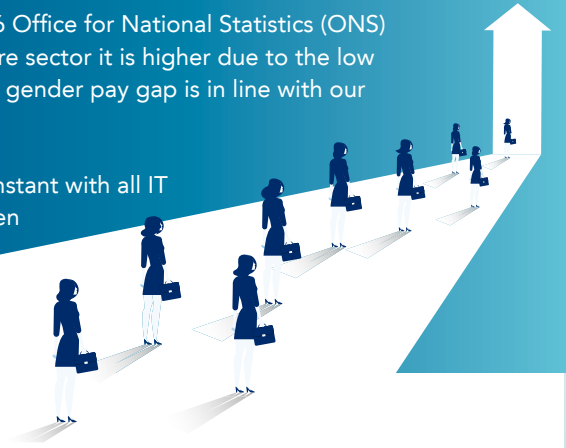
The figures set out to the right show the number of males and females in the 4 bands of the population, that is the 25% lowest paid of the population, the 25% next lowly paid, the 25% next highly paid and the 25% highest paid of the population. The percentages reflect the fact that only 26% of employees are women, and as the seniority increases, this percentage reduces.



We are therefore confident that the Temenos gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather this gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract.

The mean gender pay gap for the UK economy (according to the November 2016 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 17.5%, and for the software sector it is higher due to the low number of female employees, especially at senior levels. At 20%, Temenos' mean gender pay gap is in line with our expectations.

We still have a long journey ahead, as the challenge to attract more women is constant with all IT companies. Nevertheless, Temenos has managed to attract more and more women over the years and we want our company to play an even more active role in helping women enter and remain in the technology field.



We **proactively review the pay gap** on a regular basis at a global level and continue to take action to **address any differences** that are identified at equal or similar levels of a role.

We are reviewing our policies to ensure we can attract and retain women at all levels, such as our **maternity policies** and our **return to work offerings**.

We are putting in place mentoring programmes focusing in particular on our female colleagues to **encourage and help promote females into higher positions**.

Bridging the gap

We take **diversity into account at all levels**, including our **graduate careers** initiatives – last September we welcomed 21 fresh graduates into our Sales Academy training programme based in Luxembourg, bringing together young talent from all over the world with various backgrounds: **16 nationalities, 18 languages and 33% of women**.

Our leadership team is an equally diverse mix. We are proud to say that **Temenos has four women in the management board** and an impressive **32% female presence at all levels** throughout the company, **7% more than the industry average**.

Moreover, we **promote all our jobs internationally**, encourage **internal progression**, as well as **internal transfers to different countries** – we had **112 international relocations in 2017**.

Our **4600+ employees are based around the world in 42 different countries** where they work alongside people of different gender, culture, race, and sexual orientation. All together, we represent **93 different nationalities** and we all share Temenos' Values: Customer Core, Inspire Better, See Different, People Power and Operate Responsibly.



What our employees think



From the very first moment you step into Temenos, you feel an amazing energy: the people, the technology, the different cultures, the customers - everything just comes together in a unique way.

Marina Polymenakou, Business Solutions Manager



The knowledge, experience and skills I gained across my roles have helped me develop & take on new challenges. The learning curve is huge in Temenos, offering the "full package" in terms of career progression.

Abhishek Roy, Senior Consultant, Business Solutions



At Temenos you are empowered to take initiative; autonomy and responsibility go hand in hand here, and this is why the company is continuously evolving and innovating.

Kanika Hope, Strategic Business Development Director



Nowhere before Temenos did I get the chance to learn so much, so fast - I find this energizing and truly motivating.

Sue Laws, Business Solutions Manager

Declaration

We confirm that our data has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Helen Cianci

Head of Compensation and Benefits

8th March 2018

Angeli Chakraborti

UK HR Director

Temenos Group AG (SIX: TEMN), headquartered in Geneva, is a market leading software provider, partnering with banks and other financial institutions to transform their businesses and stay ahead of a changing marketplace. Over 3,000 firms across the globe, including 41 of the top 50 banks, rely on Temenos to process the daily transactions of more than 500 million banking customers. Temenos customers are proven to be more profitable than their peers: in the period 2008-2014, they enjoyed on average a 31% higher return on assets, a 36% higher return on equity and an 8.6 percentage point lower cost/income ratio than banks running legacy applications.

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