



Tullow Oil plc

GENDER PAY GAP REPORT

MARCH 2019

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INTRODUCTION



In 2017 the UK Government introduced the requirement for companies, with over 250 employees in Great Britain, to calculate and report their gender pay gap for salary and bonuses on an annual basis.

Similar to last year, in compliance with this regulation, Tullow has calculated, for all UK permanent employees, the percentage difference in hourly pay for males and females for the month of April 2018 and the bonus paid over a 12 month period to April 2018. This shows a mean and median pay gap of 39% (2017:44%) and 46% (2017:49%) respectively. Women's mean and median bonus pay was 48% lower than men. (2017 mean: 53% and 2017 median: 52%). This shows improvement; however we acknowledge there is more work to be done to further reduce the gap.

Tullow's permanent UK workforce is 28% female with only 16% of senior management positions filled by women. This gender imbalance is the principal reason for Tullow's gender pay gap.

It is important to note that, this is a different concept from equal pay, which is about men and women doing the same job for the same pay (please see slide 4).

In terms of how we address the low representation of women going forward, we are challenged with not only a smaller female talent pool within the organisation, but lower levels of female participation (~20%) in the oil and gas industry as a whole.

Nevertheless, we are committed to improving our performance and are working

harder at developing female talent within Tullow.

We continue to take action to support of our diversity goals. In 2018 an Executive sub-group was set-up to lead on Inclusion and Diversity and focused on:

- Raising awareness of Tullow's inclusion and diversity plans across the Company;
- Improving the percentage of African nationalities in senior leadership;
- Improving our gender diversity in senior leadership and to address the gender pay gap;
- Considering Tullow's inclusion and diversity plans alongside our Employee Standards, HR procedures, employment legislation and industry best practice;
- Reporting on inclusion and diversity performance; and
- Initiating training for managers and holding internal workshops

Tullow has been actively working to attract more diverse candidates when recruiting new employees. This included changing the way we advertise, checking that the language used is gender neutral and developing more robust interview processes (e.g. diverse panel interviews). In addition, we have worked to ensure our interview processes avoid any potential forms of bias.

Claire Hawkings

Executive Vice President
Organisation Strategy
& Company Performance

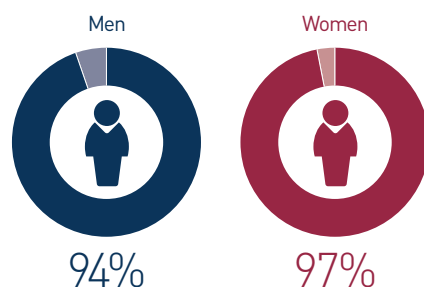
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TULLOW GENDER PAY GAP DATA

Tullow Oil - UK Payroll (April 2018)

PAY AND BONUS GAPS

	Women's hourly rate		Women's bonus pay	
	2017	2018	2017	2018
Lower (Mean)	44%	39%	53%	48%
Lower (Median)	49%	46%	52%	48%



PROPORTIONS RECEIVING A BONUS

PAY QUANTILES

	Men		Women	
	2017	2018	2017	2018
Top	90%	90%	10%	10%
Upper Middle	91%	88%	9%	12%
Lower Middle	65%	62%	35%	38%
Lower	51%	51%	49%	49%

Gender Pay Gap

The gender pay gap is a measure of the difference in the average pay and bonuses of men compared with women across an organisation. As per the regulations, this calculation is based on UK employees.

We are confident that we have equal pay for equal work. However, we recognise that, despite seeing a reduction in our gender pay gap when compared to 2017, we do still have a significant gender pay gap when we compare the overall average pay and bonuses for women and men.

This gap exists due to the unequal distribution of men and women and in particular because of the higher proportion of men in senior technical and managerial roles.

Tullow recognises a large gender imbalance exists and is taking action to address this and improve performance. We acknowledge that it will take time until a balance is found, but Tullow is committed to addressing the imbalance.

Our bonus pay figures are distorted by the bonus paid to the Executive and affected by the timing of when employees sell their vested shares. (Bonus shares are awarded and vest after 3 years. The shares are recognised as a bonus when exercised).

Reducing our gender pay gap continues to remain a KPI on Tullow's company scorecard, which determines remuneration for all employees, therefore showing Tullow is taking this issue seriously.

Key Expressions

Mean and Median:

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

Proportion of males and females receiving a bonus:

The proportion of male and female employees who were paid any amount of bonus pay.

Proportion of males and females in each pay quantile band:

The proportion of male and female employees in four quartile hourly rate pay bands ranked from lowest hourly rate to the highest hourly rate. Each quartile band has the same number of employees.

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EQUAL PAY

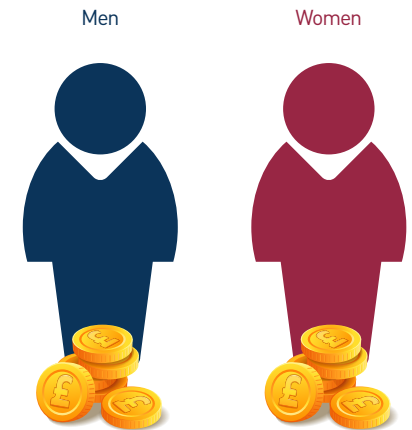


Equal Pay

Tulloy is committed to providing equal pay for equal work, not just because it is a legal requirement but because it is the right thing to do.

We continue to ensure fairness and transparency in pay. Annually Tulloy reviews all 14 employment levels in the organisation to ensure consistency of reward for roles at each level, comparing men and women's reward at each level.

We have significantly improved our employee data management and decision making tools which are used in formulating salary and bonus decisions. Such tools are important to ensure there is no unequal pay or unconscious bias and, when combined with job level frameworks and competency tools, provide a more robust approach to managing talent.



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INCLUSION & DIVERSITY



Tullow's Inclusion & Diversity Plan is currently focused on nationalities and gender with the intention to broaden the scope over time. We recognise the value that an inclusive and diverse workforce brings to our business and how it enhances our reputation and the employee value proposition.

'SMART working' has also been introduced in 2019, which offers employees the option to be more flexible with their working hours.

We aim to have a diverse employee population with a nationality mix that is representative of the countries where our assets are. In particular, we want to improve the numbers of Africans and women in senior management roles.

We are committed to improving our Inclusion and Diversity statistics and have therefore set targets.

Tullow Oil plc

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