

2018 Gender Pay Report

The Markel Style

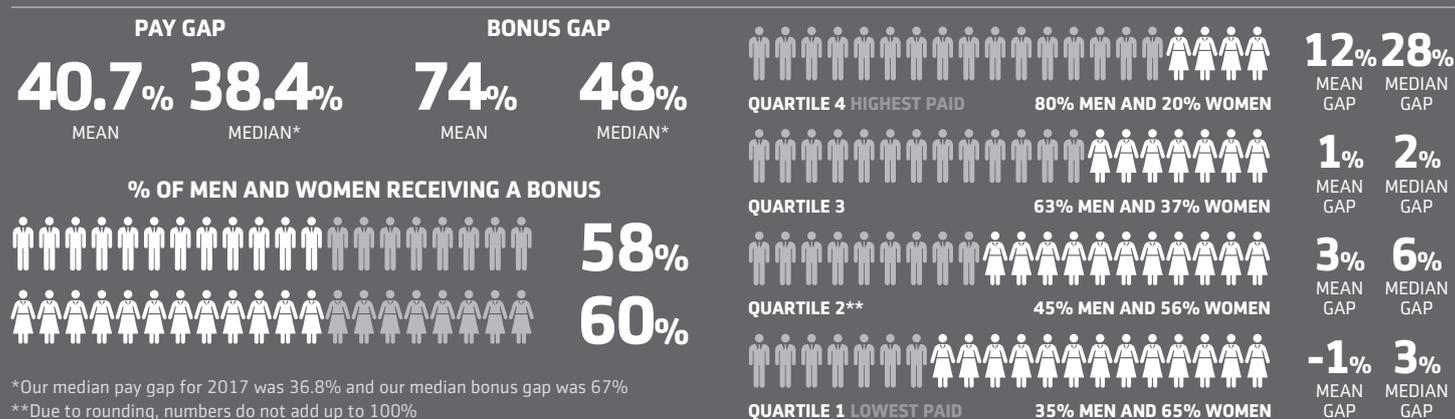
Our aspiration is to build one of the world's great companies. A significant part of how we do this is through our people and we remain committed to finding talented individuals and allowing them to thrive.

Our gender pay and bonus gap

This is the second year of reporting the gender pay gap and, as a reminder, the gender pay and bonus gaps are the difference between average earnings and bonuses, for men and women.

That's different to equal pay, which relates to men and women being paid the same for the same work or work of equal value. As reported previously, we don't have an equal pay issue, and have tested this carefully across our core functions, showing we pay fairly and consistently.

On gender pay for Markel International in the UK, the mean (mathematical average) and median (central number) are as follows:



The driver for the pay gap is not that men and women are paid differently but the fact that more men hold senior roles in the company and work in higher paying functions such as underwriting. In addition, 80% of our part time employees are women and this affects the calculation of the bonus pay gap. Our bonus pay gap reduced for 2018, largely because of the vesting schedule of our Restricted Stock Unit plan.

Making things better

In creating something that is sustainable for the future, we have concentrated our efforts on establishing solid structure and governance. We have created a Diversity and Inclusion steering group, developed a three-year business plan, reviewed our strategy for networks and engagement and are currently reviewing our data so that we can set meaningful metrics and targets for 2019. We work on the principle that what gets measured gets done.

We also recognise the importance of tone from the top and were delighted that the training workshop we ran for the Board generated a fantastic ongoing debate and a number of commitments for the future.

Our Recruiting Right programme ensures that our managers learn to make hiring decisions that are free from bias and draw from as broad a pool of talent as possible. We anticipate that all hiring managers across the UK will have completed the programme by the end of this year. In 2019, we are launching manager training on dealing with change and will take a broader look at personal bias, which goes to the heart of all interactions, inside and outside work.

Our talent cycle, now in its fifth year, ensures dynamic goal setting through the year, fair pay for performance decisions at the end of the year and robust succession planning.

We continue to identify ways to support a culture of inclusion and fairness. Following the success of a pilot in 2018, a mentoring scheme was rolled out across the company. Our Employee Networks continue

to identify opportunities for external partnerships, host events throughout the year and create networking opportunities to empower employees in their own career development.

Our main achievement for 2018 was the creation of a global career framework, bringing with it the foundations for career paths and consistency on compensation and bonus plans for underwriters, for our senior roles and for our support and entry level professional roles. This gives us a platform for ensuring transparency, greater movement between teams and a fair process for promotions and career advancement.

Recognising that we can often lose valued employees in the early years of raising a family, we introduced a family leave coaching and support toolkit and we are about to relaunch our family leave policies and pay. This allows for any parent to benefit from the same levels of pay, irrespective of the type of leave taken.

We will continue to take a long term view and make fact-based decisions that improve our overall diversity balance, allow for fresh thinking and, in the words of the Markel Style, ensure that 'above all, we enjoy what we are doing'.

Nick Line
Diversity and Inclusion Sponsor

Joanna Browning
HR Director