

2017 Gender Pay Report

The Markel Style

For over 30 years, all Markel's businesses have been guided by the Markel Style, a touchstone of what we want to achieve in our businesses and the way that we go about doing that.

We want to be successful, of course.

And we want to do that in a way that is fair and equitable to everyone who works for us and which gives them the opportunity to live up to their ambitions. As the Style says: "At Markel we hold the

individual's right to self-determination in the highest light, providing an atmosphere in which people can reach their personal potential." And "Our creed is honesty and fairness in all our dealings."

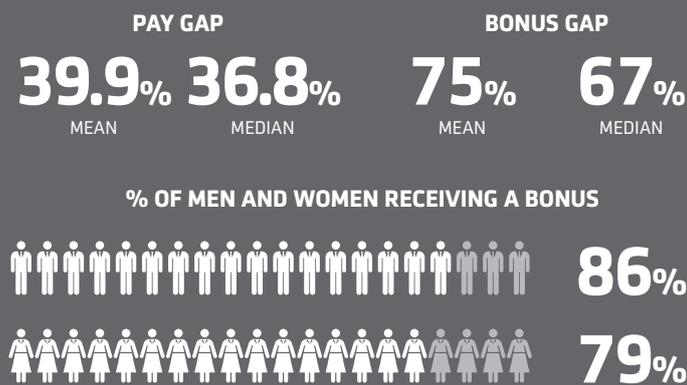
So, for many years, Markel International, our London based international business, has been committed to growing our business through hiring and retaining the best talent available. That means a conscious decision to hire and promote the best, whatever their gender.

Our gender pay and bonus gap

The gender pay and bonus gaps are the difference between average earnings and bonuses for men and women.

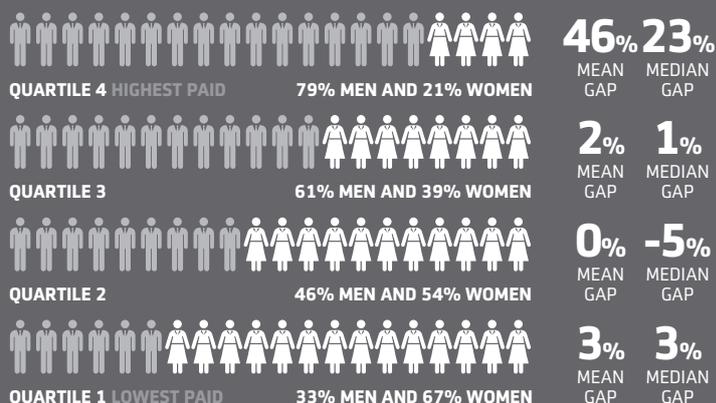
That's different to equal pay, which relates to men and women being paid the same for the same work or work of equal value. We don't have an equal pay issue, and have tested this carefully across our core functions, showing we pay fairly and consistently.

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, finance and actuarial.

Similar reasons account for the bonus gap particularly as underwriting profitability was generally strong in the 2016 performance year, driving healthy underwriter bonuses. In addition, 80% of our part time employees are women and this affects the calculation of the bonus pay gap. Finally our restricted stock plan, offered to members of the senior leadership team, makes the gap appear larger.



Making things better

The Style also says: "We are encouraged to look for better ways of doing things." and we are already focusing on the need to recruit more women in underwriting, finance, IT and actuarial. To help with that, our managers go through a recruitment course to learn how to make hiring decisions that are free from bias and draw from as broad a pool as possible.

And for those already in the business, we have a talent cycle, now in its fourth year, that encourages regular honest conversations between managers and employees through the year as well as a manager training programme designed to build confidence and skill in managing their teams to the highest standards.

To further support a culture of inclusion and fairness, we have in place a mentoring scheme, a global women's network and the next generation network, to empower employees in their own career development.

This year, at a Markel Corporation level, we are completing our work on a global compensation and career framework, ensuring clear paths for progression and underlining the link between performance and pay.

In Markel International we are also looking at leadership development and succession planning, and reviewing our policies and practices that support flexibility, family leave and caring responsibilities.

We remain close to the ideas in the Markel Style, which help us to recognise the continuing need to take action and improve the gender and broader diversity balance across the company, for the benefit of all.

William Stovin
President

Joanna Browning
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