



# MARKEL CORPORATION ALTERRA FINANCE LLC

## Offers to Purchase for Cash

Any and All of the Outstanding

**6.25% Senior Notes due 2020**

*Issued by Alterra Finance LLC*

**5.35% Senior Notes due 2021**

*Issued by Markel Corporation*

Upon the terms and subject to the conditions set forth in this Offer to Purchase (as it may be amended or supplemented from time to time, this “Offer to Purchase”), in the related letter of transmittal (as it may be amended or supplemented from time to time, the “Letter of Transmittal”) and in the related notice of guaranteed delivery (as it may be amended or supplemented from time to time, the “Notice of Guaranteed Delivery”) and, together with this Offer to Purchase and the Letter of Transmittal, the “Offer Documents”), Markel Corporation, a Virginia corporation (“Markel,” or the “Company,”), hereby offers to purchase for cash, any and all of its outstanding 5.35% Senior Notes due 2021 (such offer, the “2021 Offer,” and such notes, the “2021 Notes”), and Alterra Finance LLC, a Delaware limited liability company and wholly-owned subsidiary of the Company (“Alterra” and, together with Markel, the “Offerors”), hereby offers to purchase for cash any and all of its outstanding 6.25% Senior Notes due 2020 (such offer, the “2020 Offer,” and such notes, the “2020 Notes”), in each case, from each registered holder thereof (each a “Holder”). The 2020 Notes and 2021 Notes each are referred to herein as a “Series” of Notes and, together, as the “Notes.” The 2020 Offer and the 2021 Offer are referred to herein each as an “Offer” and, together, as the “Tender Offer.” This Offer to Purchase relates to separate Offers for the two Series of Notes (as such terms are defined herein). The Tender Offer (as defined herein) is subject to the satisfaction or waiver of certain conditions, including the Financing Condition (as defined herein), described under the heading “Principal Terms of the Tender Offer—Conditions of the Tender Offer.” Neither Offer is conditioned upon any minimum amount of Notes being tendered or the consummation of the other Offer, and either Offer may be amended, extended or terminated separately.

The following table sets forth certain information concerning the Notes and the Tender Offer.

<u>Title of Notes</u>	<u>CUSIP Number/ISIN</u>	<u>Issuer/Obligor</u>	<u>Principal Amount Outstanding</u>	<u>Reference Treasury Security</u>	<u>Bloomberg Reference Page<sup>(2)</sup></u>	<u>Fixed Spread (basis points)</u>
6.25% Senior Notes due 2020 <sup>(1)</sup>	02153LAA2/ US02153LAA26	Alterra	\$350,000,000	2.75% UST due 9/30/2020	FIT4	+50
5.35% Senior Notes due 2021	570535AJ3/ US570535AJ39	Markel	\$250,000,000	2.125% UST due 5/31/2021	FIT4	+35

(1) The 2020 Notes are fully and unconditionally guaranteed by the Company as described herein.

(2) The applicable page on Bloomberg from which the Dealer Managers (as defined below) will quote the bid side prices of the applicable Reference Treasury Security (as defined below).

**The Tender Offer will expire at 5:00 p.m., New York City Time, on September 18, 2019 unless extended (such time and date, as the same may be extended with respect to either Series, the “Expiration Time”) or earlier terminated with respect to either or both Offers. Holders of Notes must validly tender and not validly withdraw their Notes at or prior to the Expiration Time to be eligible to receive the applicable Consideration (as defined below). Notes tendered pursuant to the Tender Offer may be withdrawn on or before, but not after (except as otherwise provided herein), 5:00 p.m., New York City Time, on September 18, 2019, as such date and time may be extended with respect to either Series.**

The consideration for each \$1,000 principal amount of Notes of each Series validly tendered and accepted for purchase pursuant to the Tender Offer (the “Consideration”) will be determined in the manner described in this Offer to Purchase by reference to the applicable fixed spread (the “Fixed Spread”) over the yield to maturity (the “Reference Yield”), based on the bid side price, of the applicable U.S. Treasury Security (the “Reference Treasury Security”), all as specified above for each Series of Notes, as calculated by Wells Fargo Securities, LLC and Citigroup Global Markets Inc. (the “Dealer Managers”) at 2:00 p.m., New York City time, on September 18, 2019 (subject to certain exceptions set forth herein, such time and date, as the same may be extended, the “Price Determination Time”). Holders whose Notes are purchased pursuant to the Tender Offer will also receive accrued and unpaid interest thereon from the applicable last interest payment date to, but not including, the date of payment of the applicable Consideration for such Notes, which is expected to be the third business day following the Expiration Time, or September 23, 2019, assuming that the Tender Offer is not extended or earlier terminated with respect to either or both Offers (the “Settlement Date”).

Assuming that the Proposed Debt Financing (as defined under “Source of Funds”) is completed, Markel and Alterra currently intend, but are not obligated, to redeem their Notes that are not purchased in the Tender Offer and will remain outstanding following the Settlement Date. Markel and Alterra currently intend, but are not obligated, to issue notices of such redemption on the settlement date for the Proposed Debt Financing. This Offer to Purchase shall not constitute a notice of redemption.

*The Dealer Managers for the Tender Offer are:*

**Wells Fargo Securities**

**Citigroup**

**September 12, 2019**

Holders of Notes should take note of the following dates in connection with the Tender Offer:

<b>Date</b>	<b>Calendar Date and Time</b>	<b>Event</b>
Launch Date	September 12, 2019	The commencement date of the Tender Offer.
Price Determination Time	2:00 p.m., New York City time, on September 18, 2019, unless extended.	The Dealer Managers will calculate the Consideration for each Series of Notes subject to the Tender Offer in the manner described in this Offer to Purchase.
Expiration Time	5:00 p.m., New York City time, on September 18, 2019, unless extended or earlier terminated with respect to either or both Offers.	The last day and time for Holders to tender Notes pursuant to the Tender Offer and be eligible to receive the applicable Consideration, plus accrued and unpaid interest from the applicable last interest payment date to, but not including, the Settlement Date, and, except as otherwise described herein, the last day and time for Holders to validly withdraw tenders of Notes subject to the Tender Offer (as further described in “Principal Terms of the Tender Offer—Withdrawal of Tenders”).
Guaranteed Delivery Time	5:00 p.m., New York City time, on the second business day after the Expiration Time, expected to be September 20, 2019, assuming that the Tender Offer is not extended or earlier terminated with respect to either or both Offers.	The last day and time for Holders to tender Notes pursuant to the guaranteed delivery procedures described under “Principal Terms of the Tender Offer—Procedures for Tendering Notes—Guaranteed Delivery.”
Settlement Date	Promptly after the Expiration Time, expected to be the third business day following the Expiration Time, or September 23, 2019, assuming that the Tender Offer is not extended or earlier terminated with respect to either or both Offers.	The Offerors will deposit with DTC (as defined below) for distribution to the Holders entitled thereto the amount of cash necessary to pay each Holder in respect of their Notes that are accepted for purchase the applicable Consideration, plus accrued and unpaid interest from the applicable last interest payment date to, but not including, the Settlement Date.

In this Offer to Purchase, except with respect to the section entitled “Cautionary Note Regarding Forward-Looking Statements” and unless the context requires otherwise, the terms “*we*,” “*us*” and “*our*” refer to the Offerors in relation to the 2020 Offer or the 2021 Offer, as applicable.

Upon the terms and conditions of the Tender Offer as set forth in this Offer to Purchase and the Letter of Transmittal, we will notify Global Bondholder Services Corporation, the Information Agent and Tender Agent for the Tender Offer (the “*Information Agent*” or the “*Tender Agent*,” as the case may be), promptly after the Expiration Time which Notes tendered at or prior to the Expiration Time are accepted for purchase and payment pursuant to each Offer.

**Notwithstanding any other provision of the Tender Offer, the obligation of the Offerors to accept for purchase, and to pay for, Notes validly tendered and not validly withdrawn pursuant to the Tender Offer is conditioned upon satisfaction or waiver, at or prior to the Expiration Time, of (a) the Financing Condition (as defined below) and (b) the other conditions to the Tender Offer. We reserve the right, in our sole discretion, to waive any and all conditions of the Tender Offer, including the Financing Condition. See “Principal Terms of the Tender Offer—Conditions of the Tender Offer.”**

We reserve the right, subject to applicable law, with respect to the applicable Series of Notes to:

- waive any and all conditions to the relevant Offer, including the Financing Condition;
- extend, terminate or withdraw the relevant Offer; or
- otherwise amend the relevant Offer in any respect.

We expressly reserve the right, subject to applicable law, to terminate or withdraw either Offer, as applicable. If either Offer is terminated or withdrawn, Notes tendered pursuant to such Offer promptly will be returned to the tendering Holders.

**This Offer to Purchase has not been filed with or reviewed by the U.S. Securities and Exchange Commission (the “SEC”) or any state securities commission or authority of any jurisdiction. Neither the SEC nor any such commission or authority has passed upon the merits or fairness of the Tender Offer or passed upon the accuracy or adequacy of the disclosure in this Offer to Purchase. Any representation to the contrary is unlawful and may be a criminal offense.**

**None of the Company or its board of directors, Alterra or its board of managers, the Dealer Managers, the Information Agent or the Tender Agent is making any recommendation as to whether Holders should tender Notes in response to the Tender Offer.**

**Each Holder must make his, her or its own decision as to whether to tender Notes and, if so, as to the principal amount of Notes to tender. You should consult your own tax, accounting, financial and legal advisers as you deem appropriate regarding the suitability of the tax, accounting, financial and legal consequences of participating or declining to participate in the Tender Offer.**

See “Certain U.S. Federal Income Tax Considerations” for a discussion of certain factors that should be considered in evaluating the Tender Offer.

## IMPORTANT INFORMATION

All of the Notes are held in book-entry form through the facilities of The Depository Trust Company (“DTC”). If you desire to tender Notes, such Notes must be transferred through DTC’s Automated Tender Offer Program (“ATOP”), for which the transaction will be eligible at or prior to the Expiration Time, or you must comply with the guaranteed delivery procedures set forth herein. If you hold Notes through a broker, dealer, commercial bank, trust company or other nominee, you should contact such custodian or nominee if you wish to tender your Notes. See “Principal Terms of the Tender Offer—Procedures for Tendering Notes.”

Holder must tender their Notes in accordance with the procedures set forth under “Principal Terms of the Tender Offer—Procedures for Tendering Notes.” A Holder who desires to tender Notes but who cannot comply with the procedures set forth herein for a tender on a timely basis may tender such Notes by following procedures for guaranteed delivery set forth below under “Principal Terms of the Tender Offer—Procedures for Tendering Notes—Guaranteed Delivery,” including physical delivery of the Notice of Guaranteed Delivery to the Tender Agent.

Questions and requests for assistance relating to the procedures for tendering Notes or for additional copies of the Offer Documents may be directed to the Information Agent at the address and telephone numbers set forth on the back cover of this Offer to Purchase. Requests for assistance relating to the terms and conditions of the Tender Offer may be directed to the Dealer Managers at the address and telephone number set forth on the back cover of this Offer to Purchase. Requests for assistance also may be directed to your brokers, dealers, commercial banks or trust companies. **The Offer Documents contain important information that should be read before any decision is made with respect to the Tender Offer.**

**The Offer Documents do not constitute an offer to purchase, or the solicitation of an offer to sell, Notes in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities or blue sky laws. The Offer Documents do not constitute an offer to sell any securities or the solicitation of an offer to buy any securities. Any offer of securities will be made only by a separate document.**

**The delivery of the Offer Documents shall not under any circumstances create any implication that the information contained therein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth therein or in the affairs of the Company, Alterra or any of the Company’s other subsidiaries since the date hereof.**

**No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Offer to Purchase, and, if given or made, such information or representation may not be relied upon as having been authorized by the Offerors, the Dealer Managers, the Tender Agent or the Information Agent.**

**Assuming that the Proposed Debt Financing (as defined under “Source of Funds”) is completed, Markel and Alterra currently intend to, but are not obligated to, redeem their respective Notes that are not purchased in the Tender Offer and will remain outstanding following the Settlement Date, as a result of which any and all Notes that are not purchased in the Tender Offer would be redeemed. Markel and Alterra currently intend, but are not obligated, to issue notices of such redemption on the settlement date for the Proposed Debt Financing. This Offer to Purchase shall not constitute a notice of redemption with respect to either series of Notes under the applicable indenture (as supplemented). Any such notice, if made, will be made only in accordance with the provisions of the applicable indenture (as supplemented). There can be no assurance as to whether Markel and Alterra actually will implement any such redemption.**

**In accordance with the applicable indenture (as supplemented) governing the Notes of each Series, such Notes may be redeemed prior to maturity at the applicable “make-whole” redemption price, determined in accordance with the terms of such Notes. See “Principal Terms of the Tender Offer—General.”**

**If Markel and Alterra do not issue notices of redemption and redeem the Notes of both Series that remain outstanding after the Settlement Date, we may, from time to time, purchase additional Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise. Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of Notes than the terms of the applicable Offer. Any future purchases by us will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we may choose to pursue in the future.**

## TABLE OF CONTENTS

	<u>Page</u>
SUMMARY .....	1
INCORPORATION BY REFERENCE .....	5
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS.....	6
ABOUT MARKEL .....	10
ABOUT ALTERRA.....	10
PRINCIPAL TERMS OF THE TENDER OFFER .....	11
General .....	11
Consideration .....	12
Purpose of the Tender Offer.....	13
Conditions of the Tender Offer .....	13
Procedures for Tendering Notes.....	15
Withdrawal of Tenders.....	20
CERTAIN CONSIDERATIONS .....	22
No Recommendation.....	22
Limited Trading Market for the Notes .....	22
Responsibility for Complying with the Procedures of the Tender Offer.....	22
Tax Matters .....	22
Holders Should Consult their Own Tax, Accounting, Financial and Legal Advisers before Participating in the Tender Offer .....	22
Conditions to the Consummation of the Tender Offer .....	23
Treatment of Notes Not Tendered in the Tender Offer .....	23
SOURCE OF FUNDS .....	24
CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS .....	25
THE DEALER MANAGERS, THE TENDER AGENT AND THE INFORMATION AGENT .....	30
MISCELLANEOUS.....	31
SCHEDULE A – FORMULA FOR DETERMINING CONSIDERATION AND ACCRUED INTEREST .....	A-1

## SUMMARY

*The following summary highlights selected information from this Offer to Purchase and is qualified in its entirety by reference to, and should be read in conjunction with, the information appearing elsewhere or incorporated by reference in this Offer to Purchase or any amendments or supplements hereto before making a decision regarding the Tender Offer. Each undefined capitalized term used in this Summary has the meaning set forth elsewhere in this Offer to Purchase. Cross-references contained in this summary section will direct you to a more complete discussion of a particular topic elsewhere in this Offer to Purchase. Holders are urged to read this Offer to Purchase in its entirety.*

**The Offerors** ..... Markel and its wholly-owned subsidiary, Alterra.

**The Tender Offer** ..... Upon the terms and subject to the conditions set forth in the Offer Documents, Alterra is offering to purchase for cash any and all of the outstanding 2020 Notes, and Markel is offering to purchase for cash any and all of the outstanding 2021 Notes, in each case, at the applicable price per Note to be determined pursuant to the Tender Offer.

**Notes Subject to the Tender Offer** ..... The following table sets forth, for each Series of Notes, the title of the Series, the CUSIP number and ISIN and the aggregate principal amount outstanding:

Title of Security	CUSIP Number/ ISIN	Principal Amount Outstanding
6.25% Senior Notes due 2020	02153LAA2/ US02153LAA26	\$350,000,000
5.35% Senior Notes due 2021	570535AJ3/ US570535AJ39	\$250,000,000

The 2020 Notes are direct obligations of Alterra. Alterra is a wholly-owned subsidiary of the Company and the Company has guaranteed payment of the 2020 Notes and performance of Alterra's obligations thereunder. The 2021 Notes are direct obligations of the Company.

**Price Determination Time** ..... The Consideration for each \$1,000 principal amount of each Series of Notes validly tendered and accepted for purchase pursuant to the Tender Offer will be determined at 2:00 p.m., New York City time, on September 18, 2019 (subject to certain exceptions set forth herein, as such time and date may be extended).

**Expiration Time** ..... The Tender Offer will expire at 5:00 p.m., New York City time, on September 18, 2019, unless extended or earlier terminated with respect to either or both Offers.

**Guaranteed Delivery Time** ..... The Guaranteed Delivery Time will be no later than 5:00 p.m., New York City time, on the second business day after the Expiration Time, which is expected to be September 20, 2019, assuming the Tender Offer is not extended.

**Settlement Date** ..... The Settlement Date will be promptly after the Expiration Time. Assuming the Tender Offer is not extended, the Settlement Date is expected to be September 23, 2019.

**Consideration** ..... The Consideration for each \$1,000 principal amount of each Series of Notes validly tendered and accepted for purchase pursuant to the Tender Offer will be determined in the manner described in this Offer to Purchase by reference to the applicable Fixed Spread over the Reference Yield based on the bid side price of the applicable Reference Treasury Security, all as specified for such Series on the front cover of this Offer to Purchase for that Series, as calculated by the Dealer Managers at 2:00 p.m., New York City time, on September 18, 2019 (subject to certain exceptions set forth herein).

The formula for determining the applicable Consideration for each Series of Notes subject to the Tender Offer is set forth on Schedule A.

**Accrued Interest**..... Subject to the terms and conditions of the Tender Offer as set forth in this Offer to Purchase and the Letter of Transmittal, in addition to the applicable Consideration, Holders who validly tender their Notes and whose Notes are accepted for purchase pursuant to the Tender Offer also will be paid on the Settlement Date accrued and unpaid interest thereon from the applicable last interest payment date to, but not including, the Settlement Date (the “*Accrued Interest*”). Under no circumstances will any interest be payable because of any delay in the transmission of funds to Holders by the Tender Agent or DTC or by reason of any delay related to Notes being tendered pursuant to the guaranteed delivery procedures described herein. For the avoidance of doubt, Accrued Interest will cease to accrue on Notes accepted by us in the Tender Offer, including those tendered pursuant to the guaranteed delivery procedures, on the Settlement Date.

**Acceptance of Tendered Notes and Payment** ..... Upon the terms of the Tender Offer and subject to satisfaction or waiver of the conditions to the Tender Offer specified under “Principal Terms of the Tender Offer—Conditions of the Tender Offer,” we will (a) accept for purchase all of the Notes subject to the Tender Offer validly tendered (or defectively tendered, if the applicable Offeror has waived such defect) and not validly withdrawn at or prior to the Expiration Time, and (b) promptly pay the applicable Consideration (plus the applicable Accrued Interest) on the Settlement Date.

**Withdrawal Rights**..... Notes subject to the Tender Offer may be validly withdrawn at any time before the earlier of (a) the Expiration Time, or (b) if an Offer is extended, the 10th business day after commencement of the applicable Offer. Notes subject to the Tender Offer also may be validly withdrawn in the event the Tender Offer has not been consummated within 60 business days after commencement. See “Principal Terms of the Tender Offer—Withdrawal of Tenders.”

**Conditions of the Tender Offer**..... Each Offeror’s obligation to accept for purchase, and pay for, Notes that have been validly tendered and not validly withdrawn is subject to, and conditioned upon the satisfaction or, where applicable, waiver of, the conditions to the Tender Offer, including the Financing Condition, at or prior to the Expiration Time.

See “Principal Terms of the Tender Offer—Conditions of the Tender Offer.” The Tender Offer is not conditioned on any minimum amount

of Notes of either Series being tendered. The Offerors reserve the right, in their sole discretion, to waive any and all conditions to the Tender Offer or terminate either Offer at any time, subject to applicable law.

**Financing Condition**..... The Company’s receipt of net proceeds sufficient to fund the aggregate Consideration for all Notes validly tendered and not validly withdrawn, from one or more debt capital markets issuances, on terms reasonably satisfactory to the Company, is a condition to acceptance of validly tendered Notes pursuant to the Tender Offer.

**Purpose of the Tender Offer** ..... The Offerors are making the Tender Offer as a part of refinancing certain of the Company and its consolidated subsidiaries’ existing debt. Notes purchased in the Tender Offer will be retired and cancelled.

**Procedures for Tendering Notes** ..... See “Principal Terms of the Tender Offer—Procedures for Tendering Notes.”

A Holder who desires to tender Notes but who cannot comply with the procedures set forth herein for a tender on a timely basis may tender such Notes by following the procedures for guaranteed delivery set forth below under “Principal Terms of the Tender Offer—Procedures for Tendering Notes—Guaranteed Delivery,” including physical delivery of the Notice of Guaranteed Delivery to the Tender Agent.

**Consequences of Failure to Tender** ..... Your rights and our obligations under the Notes that remain outstanding after the consummation of the Tender Offer will not change as a result of the Tender Offer. Assuming that the Proposed Debt Financing is completed, Markel and Alterra currently intend to, but are not obligated to, redeem any Notes that are not purchased in the Tender Offer in accordance with the terms of the respective indenture governing such Notes. If an Offer is consummated, the purchase of any Notes in that Offer will result in a smaller trading market for the remaining outstanding principal amount of the relevant Series of Notes, which may cause the market for Notes of that Series to be less liquid and more sporadic, and market prices for such Notes may fluctuate significantly depending on the volume of trading in that Series of Notes. See “Certain Considerations—Limited Trading Market for the Notes” and “Certain Considerations—Treatment of Notes Not Tendered in the Tender Offer.”

**Potential Redemption of Notes Not Tendered** ..... Assuming that the Proposed Debt Financing is completed, Markel and Alterra currently intend, but are not obligated, to redeem their respective Notes that are not purchased in the Tender Offer and will remain outstanding following the Settlement Date, as a result of which any and all Notes that are not purchased in the Tender Offer would be redeemed on the redemption date specified in such notices. Markel and Alterra currently intend, but are not obligated, to issue notices of such redemption on the settlement date for the Proposed Debt Financing. This Offer to Purchase shall not constitute a notice of redemption under the applicable indenture (as supplemented). Any such notice, if issued, will be issued only in accordance with the

provisions of the applicable indenture (as supplemented). Under each such indenture, such notice must be given at least 30 days prior to the redemption date for the Notes, and Markel and Alterra expect that such notice will be given approximately 30 days (but in no event less than 30 days) prior to the applicable redemption date. There can be no assurance as to whether Markel and Alterra actually will implement any such redemption. See “Principal Terms of the Tender Offer—General.”

**Other Purchases of Notes .....**

If Markel and/or Alterra do not issue a notice of redemption and redeem the Notes that remain outstanding after the settlement of the Tender Offer, the Offerors may, from time to time, purchase additional Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise. Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of Notes than the terms of the Tender Offer. Any future purchases by the Offerors will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we may choose to pursue in the future.

**Certain U.S. Federal Income Tax Considerations .....**

For a discussion of certain U.S. federal income tax considerations of the Tender Offer applicable to Holders of Notes, see “Certain U.S. Federal Income Tax Considerations.”

**Dealer Managers .....**

Wells Fargo Securities, LLC and Citigroup Global Markets Inc. The Dealer Managers’ contact information is listed on the back cover page of this Offer to Purchase.

**Information and Tender Agent.....**

Global Bondholder Services Corporation is serving as Information Agent and Tender Agent in connection with the Tender Offer. Requests for additional copies of this Offer to Purchase should be directed to the Tender Agent. The Tender Agent’s contact information appears on the back cover page of this Offer to Purchase.

**Brokerage Commissions .....**

No brokerage commissions are payable by Holders to the Offerors, the Dealer Managers, the Tender Agent or the Information Agent. Holders whose Notes are held by a nominee should contact such nominee to determine whether a fee will be charged for tendering Notes pursuant to the Tender Offer.

## INCORPORATION BY REFERENCE

The Offerors are incorporating by reference in this Offer to Purchase Markel's filings with the SEC listed below:

- Annual Report on Form 10-K for the year ended December 31, 2018;
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2019 and June 30, 2019; and
- Current Reports on Form 8-K filed on January 18, 2019, February 8, 2019, February 22, 2019, April 12, 2019, April 15, 2019, May 17, 2019, May 20, 2019, May 30, 2019 and August 22, 2019.

The Offerors also incorporate by reference each of the documents that Markel files with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*") on or after the date of this Offer to Purchase and at or prior to the Expiration Time. The Offerors will not, however, incorporate by reference in this Offer to Purchase any documents or portions thereof that are not deemed "filed" with the SEC, including any information furnished pursuant to Item 2.02 or Item 7.01 of Markel's Current Reports on Form 8-K after the date of this Offer to Purchase unless, and except to the extent, specified in such Current Reports.

Any statement made in this Offer to Purchase or in a document incorporated by reference in this Offer to Purchase will be deemed to be modified or superseded for purposes of this Offer to Purchase to the extent that a statement contained in any other subsequently filed document that is also incorporated by reference in this Offer to Purchase modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Offer to Purchase.

The Tender Agent will provide you, upon request, a copy of any of these documents (other than an exhibit to these documents, unless the exhibit is specifically incorporated by reference into the document requested), at no cost. Requests for such documents should be directed to the Tender Agent at its address set forth on the back cover page of this Offer to Purchase.

The Offerors will also provide you with a copy of any of these documents (other than an exhibit to these documents, unless the exhibit is specifically incorporated by reference into the document requested) at no cost, if you submit a request to the Offerors by writing or telephoning it at the following address or telephone number:

Markel Corporation  
4521 Highwoods Parkway  
Glen Allen, Virginia 23060  
Attention: Investor Relations  
Telephone: (804) 747-0136

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offer to Purchase contains or incorporates by reference statements concerning or incorporating the Offerors' expectations, assumptions, plans, objectives, future financial or operating performance and other statements that are not historical facts. These statements are "forward-looking statements" within the meaning of the federal securities laws. Such statements may use words such as "anticipate," "believe," "estimate," "expect," "intend," "predict," "project" and similar expressions as they relate to the Offerors or their management. In this section "Cautionary Note Regarding Forward-Looking Statements" of the Offer to Purchase only, the terms "we," "us" and "our" refer to Markel and its consolidated subsidiaries.

There are risks and uncertainties that may cause actual results to differ materially from predicted results in forward-looking statements. Factors that may cause actual results to differ are often presented with the forward-looking statements themselves. Additional factors that could cause actual results to differ from those predicted are set forth under the headings "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business Overview" in our Annual Report on Form 10-K for the year ended December 31, 2018, under "Safe Harbor and Cautionary Statement" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 (2019 Second Quarter Quarterly Report on Form 10-Q), or in the documents incorporated herein by reference, or are included in the items listed below:

- our expectations about future results of our underwriting, investing, Markel Ventures, Inc. (Markel Ventures) and other operations are based on current knowledge and assume no significant man-made or natural catastrophes, no significant changes in products or personnel and no adverse changes in market conditions;
- the effect of cyclical trends on our underwriting, investing, Markel Ventures and other operations, including demand and pricing in the insurance, reinsurance and other markets in which we operate;
- actions by competitors, including the application of new or "disruptive" technologies or business models and consolidation, and the effect of competition on market trends and pricing;
- the frequency and severity of man-made and natural catastrophes (including earthquakes, fires and weather-related catastrophes) may exceed expectations, are unpredictable and, in the case of fires and weather-related catastrophes, may be exacerbated if, as many forecast, conditions in the oceans and atmosphere result in increased hurricane, flood, drought or other adverse weather-related activity;
- we offer insurance and reinsurance coverage against terrorist acts in connection with some of our programs, and in other instances we are legally required to offer terrorism insurance; in both circumstances, we actively manage our exposure, but if there is a covered terrorist attack, we could sustain material losses;
- emerging claim and coverage issues, changing legal and social trends, and inherent uncertainties in the loss estimation process can adversely impact the adequacy of our loss reserves and our allowance for reinsurance recoverables;
- reinsurance reserves are subject to greater uncertainty than insurance reserves, primarily because of reliance upon the original underwriting decisions made by ceding companies and the longer lapse of time from the occurrence of loss events to their reporting to the reinsurer for ultimate resolution;
- changes in the assumptions and estimates used in establishing reserves for our life and annuity reinsurance book (which is in runoff), for example, changes in assumptions and estimates of mortality, longevity, morbidity and interest rates, could result in material increases in our estimated loss reserves for such business;
- adverse developments in insurance coverage litigation or other legal or administrative proceedings could result in material increases in our estimates of loss reserves;

- changes in the availability, costs and quality of reinsurance coverage, which may impact our ability to write or continue to write certain lines of business;
- the ability or willingness of reinsurers to pay balances due may be adversely affected by industry and economic conditions, deterioration in reinsurer credit quality and coverage disputes, and collateral we hold, if any, may not be sufficient to cover a reinsurer's obligation to us;
- after the commutation of ceded reinsurance contracts, any subsequent adverse development in the re-assumed loss reserves will result in a charge to earnings;
- regulatory actions can impede our ability to charge adequate rates and efficiently allocate capital;
- general economic and market conditions and industry specific conditions, including extended economic recessions or expansions; prolonged periods of slow economic growth; inflation or deflation; fluctuations in foreign currency exchange rates, commodity and energy prices and interest rates; volatility in the credit and capital markets; and other factors;
- economic conditions, actual or potential defaults in municipal bonds or sovereign debt obligations, volatility in interest and foreign currency exchange rates and changes in market value of concentrated investments can have a significant impact on the fair value of our fixed maturity and equity securities, as well as the carrying value of our other assets and liabilities, and this impact may be heightened by market volatility;
- economic conditions may adversely affect our access to capital and credit markets;
- the effects of government intervention, including material changes in the monetary policies of central banks, to address financial downturns and economic and currency concerns;
- the impacts that political and civil unrest and regional conflicts may have on our businesses and the markets they serve or that any disruptions in regional or worldwide economic conditions generally arising from these situations may have on our businesses, industries or investments;
- the impacts that health epidemics and pandemics may have on our business operations and claims activity;
- the impact on our businesses in the event of a repeal, in part or in whole, or modification of U.S. health care reform legislation and regulations;
- changes in U.S. tax laws, regulations or interpretations, including those relating to the Tax Cuts and Jobs Act, or in the tax laws, regulations or interpretations of other jurisdictions in which we operate and adjustments we may make in our operations or tax strategies in response to those changes;
- a failure of our enterprise information technology systems and those maintained by third parties upon which we may rely, or a failure to comply with data protection or privacy regulations;
- our acquisitions may increase our operational and control risks for a period of time;
- we may not realize the contemplated benefits, including cost savings and synergies, of our acquisitions;
- any determination requiring the write-off of a significant portion of our goodwill and intangible assets;
- the failure or inadequacy of any loss limitation methods we employ;
- the loss of services of any executive officer or other key personnel could adversely impact one or more of our operations;

- our substantial international operations and investments expose us to increased political, operational and economic risks, including foreign currency exchange rate and credit risk;
- the political, legal, regulatory, financial, tax and general economic impacts, and other impacts we cannot anticipate, related to the vote by the United Kingdom to leave the European Union (Brexit), which could have adverse consequences for our businesses, particularly our London-based international insurance operations;
- our ability to obtain additional capital for our operations on terms favorable to us;
- our compliance, or failure to comply, with covenants and other requirements under our revolving credit facility, senior debt and other indebtedness;
- our ability to maintain or raise third party capital for existing or new investment vehicles and risks related to our management of third party capital;
- the effectiveness of our procedures for compliance with existing and future guidelines, policies and legal and regulatory standards, rules, laws and regulations;
- the impact of economic and trade sanctions and embargo programs on our businesses, including instances in which the requirements and limitations applicable to the global operations of U.S. companies and their affiliates are more restrictive than, or conflict with, those applicable to non-U.S. companies and their affiliates;
- regulatory changes, or challenges by regulators, regarding the use of certain issuing carrier or fronting arrangements;
- our dependence on a limited number of brokers for a large portion of our revenues and third-party capital;
- adverse changes in our assigned financial strength or debt ratings could adversely impact us, including our ability to attract and retain business, the amount of capital our insurance subsidiaries must hold and the availability and cost of capital;
- changes in the amount of statutory capital our insurance subsidiaries are required to hold, which can vary significantly and is based on many factors outside our control;
- losses from litigation and regulatory investigations and actions;
- greater than expected losses from Hurricane Dorian or Typhoon Faxai;
- the possibility that the Tender Offer is not consummated;
- the possibility that Markel and Alterra do not issue notices of redemption and do not redeem the existing notes; and
- a number of additional factors may adversely affect our Markel Ventures operations, and the markets they serve, and negatively impact their revenues and profitability, including, among others: adverse weather conditions, plant disease and other contaminants; changes in government support for education, healthcare and infrastructure projects; changes in capital spending levels; changes in the housing market; liability for environmental matters; volatility in the market prices for their products; and volatility in commodity prices and interest and foreign currency exchange rates.

Our premium volume, underwriting and investment results and results from our other operations have been and will continue to be potentially materially affected by these factors. In addition, with respect to previously reported

developments at Markel CATCo Investment Management Ltd. (MCIM), a consolidated subsidiary, and the recently announced decision to place both the insurance-linked securities funds managed by MCIM (the Markel CATCo Funds) and Markel CATCo Re Ltd., an unconsolidated subsidiary of MCIM (Markel CATCO Re), into run-off:

- the inquiries by the U.S. Department of Justice, U.S. Securities and Exchange Commission and Bermuda Monetary Authority into loss reserves recorded in late 2017 and early 2018 at Markel CATCo Re (the Markel CATCo Inquiries) may result in adverse findings, reputational damage, the imposition of sanctions, increased costs, litigation and other negative consequences; and
- management time and resources may be diverted to address the Markel CATCo Inquiries, as well as related litigation.

By making forward-looking statements, the Offerors do not intend to become obligated to publicly update or revise any such statements whether as a result of new information, future events or other changes. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as at their dates.

## **ABOUT MARKEL**

Markel is a diverse financial holding company serving a variety of niche markets. Markel's principal business markets and underwrites specialty insurance products. In each of Markel's businesses, it seeks to provide quality products and excellent customer service so that it can be a market leader. Markel's financial goals are to earn consistent underwriting and operating profits and superior investment returns to build shareholder value. Markel is a Virginia corporation headquartered at 4521 Highwoods Parkway, Glen Allen, Virginia 23060-6148, telephone number (804) 747-0136.

## **ABOUT ALTERRA**

In 2013, Markel completed the acquisition of Alterra Capital Holdings Limited ("*Alterra Capital*"), the parent company of Alterra. As a result of the acquisition, Alterra became a wholly owned subsidiary of Markel. Alterra has no business activities.

## PRINCIPAL TERMS OF THE TENDER OFFER

### General

Upon the terms and subject to the conditions set forth in the Offer Documents, Markel is offering to purchase for cash, any and all of the outstanding 2021 Notes and Alterra is offering to purchase for cash any and all of its outstanding 2020 Notes. Alterra is an indirect, wholly-owned subsidiary of the Company. As of the date of this Offer to Purchase, there were \$350,000,000 aggregate principal amount of the 2020 Notes outstanding and \$250,000,000 aggregate principal amount of the 2021 Notes outstanding.

The applicable purchase price offered for each \$1,000 principal amount of Notes subject to the Tender Offer validly tendered and not validly withdrawn at or prior to the Expiration Time and accepted for purchase will be the applicable Consideration, which will be payable on the Settlement Date. In no event will the Consideration be paid prior to the Expiration Time.

A Holder who desires to tender Notes but who cannot comply with the procedures set forth herein for a tender on a timely basis may tender such Notes by following the procedures for guaranteed delivery set forth below under “—Procedures for Tendering Notes—Guaranteed Delivery,” including physical delivery of the Notice of Guaranteed Delivery to the Tender Agent.

Upon the terms and subject to the conditions of the Tender Offer, in addition to the Consideration, Holders who validly tender and do not validly withdraw their Notes and whose Notes are accepted for purchase pursuant to the Tender Offer also will be paid the applicable Accrued Interest thereon on the Settlement Date. For the avoidance of doubt, Accrued Interest will cease to accrue on Notes accepted by the Offerors in the Tender Offer, including those tendered pursuant to the guaranteed delivery procedures, on the Settlement Date. Under no circumstances will any interest be payable because of any delay in the transmission of funds to Holders by the Tender Agent or DTC.

Our obligation to pay the Consideration plus Accrued Interest is conditioned, among other things, on the satisfaction or waiver of certain conditions, as set forth in the section titled “—Conditions of the Tender Offer.” We reserve the right, in our sole discretion, to waive any one or more of the conditions to the Tender Offer in whole or in part at any time before the Expiration Time. No Offer is conditioned on any minimum amount of Notes being tendered or on the consummation of the other Offer.

Any Notes tendered but not purchased will be returned to the tendering Holder at the Offerors’ expense promptly following the earlier of the Expiration Time or the date on which the Tender Offer is terminated or withdrawn, and will remain outstanding.

Assuming that the Proposed Debt Financing is completed, Markel and Alterra currently intend to, but are not obligated to redeem their respective Notes that are not purchased in the Tender Offer and will remain outstanding following the Settlement Date, as a result of which any and all Notes that are not purchased in the Tender Offer would be redeemed. Markel and Alterra currently intend, but are not obligated, to issue notices of such redemption on the settlement date for the Proposed Debt Financing. This Offer to Purchase shall not constitute a notice of redemption with respect to either series of Notes under the applicable governing indenture. Any such notice, if made, will be made only in accordance with the provisions of the applicable indenture, in each case as supplemented. Under each such indenture, such notice must be given at least 30 days prior to the redemption date for the Notes, and Markel and Alterra expect that such notice will be given approximately 30 days (but in no event less than 30 days) prior to the applicable redemption date.

In accordance with the applicable indenture (as supplemented) governing the Notes of each Series, such Notes may be redeemed prior to maturity at the applicable “make-whole” redemption price, determined in accordance with the terms of such Notes and, in each case, equal to the greater of the following amounts (plus accrued and unpaid interest to the applicable redemption date): (a) 100% of the principal amount of the Notes to be redeemed and (b) the sum of the present values of the remaining scheduled payments of principal and interest (exclusive of accrued and unpaid interest to the applicable redemption date) on the Notes to be redeemed, discounted to the applicable redemption date using the applicable Treasury rate plus 50 basis points in the case of the 2020 Notes and 35 basis points in the case of the 2021

Notes. Holders of Notes should refer to the applicable terms of their Notes for important definitions and details regarding how the applicable “make-whole” redemption price will be calculated.

There can be no assurance as to whether Markel and Alterra actually will implement any such redemption. If Markel and Alterra do not issue notices of redemption and redeem the Notes of both Series that remain outstanding after the applicable Settlement Date, either Offeror may, from time to time, purchase additional Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise. Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of Notes than the terms of the Tender Offer. Any future purchases by either Offeror will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) an Offeror may choose to pursue in the future.

The Notes of each Series are governed by the respective indenture under which the Notes of that Series were issued. There are no appraisal or other similar statutory rights available to Holders in connection with the Tender Offer.

### **Consideration**

The Consideration for each Series of Notes will be calculated, as described in Schedule A, so as to result in a price as of the Settlement Date that is reflective of a yield to the maturity date for the applicable Series of Notes equal to the sum of:

- the yield to maturity, calculated by the Dealer Managers in accordance with standard market practice, corresponding to the bid side price of the applicable Reference Treasury Security set forth for the Series of Notes on the front cover of this Offer to Purchase, *plus*
- the Fixed Spread set forth for the Series of Notes on the front cover of this Offer to Purchase.

This sum with respect to a Series is referred to in this Offer to Purchase as the “*Yield*” for such Series. Specifically, the Consideration per each \$1,000 principal amount of Notes of a Series validly tendered and accepted for purchase pursuant to the Tender Offer will equal:

- the value per \$1,000 principal amount of all remaining payments of principal and interest on such Series of Notes to be made to (and including) the maturity date, discounted to the Settlement Date in accordance with the formula set forth in Schedule A hereto, at a discount rate equal to the applicable Yield, *minus*
- Accrued Interest on the Series of Notes per \$1,000 principal amount of Notes.

In addition to the applicable Consideration paid to Holders of Notes, Holders will be paid the applicable Accrued Interest per \$1,000 principal amount of Notes accepted for purchase in the Tender Offer rounded to the nearest cent. The Dealer Managers will calculate the applicable Yield, Consideration and Accrued Interest, and their calculation will be final and binding, absent manifest error.

The term “bid side price” of the relevant Reference Treasury Security on any day means the bid side price of the applicable Reference Treasury Security as displayed on the applicable Bloomberg Reference Pages specified in the table on the cover of this Offer to Purchase as of 2:00 p.m., New York City time, on that day (or, if the Dealer Managers determine that the relevant page on Bloomberg is not operational or is displaying inaccurate information at that time, the bid side price of the applicable Reference Treasury Security determined at 2:00 p.m., New York City time, on that day by such other means as the Dealer Managers may consider to be appropriate under the circumstances).

Prior to the Price Determination Time, Holders may obtain hypothetical quotes of the yield of the applicable Reference Treasury Securities (calculated as of a then recent time) and the resulting hypothetical Consideration for each Series of Notes subject to the Tender Offer by contacting the Dealer Managers at the telephone numbers set forth on the back cover of this Offer to Purchase. After the Price Determination Time, Holders may ascertain the Reference Yield as of the Price Determination Time and the resulting applicable Consideration for each Series of Notes subject to the Tender Offer by contacting the Dealer Managers at the telephone numbers set forth on the back cover of this Offer to

Purchase. We will publicly announce by press release the actual Consideration for each Series of Notes subject to the Tender Offer promptly after it is determined.

Because the applicable Consideration for each Series is based on a fixed-spread pricing formula linked to the applicable Reference Yield (which is a yield of the applicable Reference Treasury Security), the actual amount of cash that may be received by a tendering Holder pursuant to the Tender Offer will be affected by changes in such Reference Yield during the term of the Tender Offer before the Price Determination Time. After the Price Determination Time, when the final Consideration for each Series of Notes has been determined, the actual amount of cash that may be received by a tendering Holder pursuant to the Tender Offer will be known and Holders will be able to ascertain the Consideration in the manner described above.

### **Purpose of the Tender Offer**

We are making the Tender Offer as a part of refinancing certain of Markel's existing debt. Notes purchased in the Tender Offer will be retired and canceled.

Assuming that the Proposed Debt Financing is completed, Markel and Alterra currently intend to, but are not obligated to redeem their respective Series of Notes that are not purchased in the Tender Offer and will remain outstanding following the Settlement Date, as a result of which any and all Notes that are not purchased in the Tender Offer would be redeemed. Markel and Alterra currently intend, but are not obligated, to issue notices of such redemption on the settlement date for the Proposed Debt Financing. For more information regarding the potential redemption of Notes that are not purchased in the Tender Offer, see "—General."

### **Conditions of the Tender Offer**

Notwithstanding any other provision of the Tender Offer, the Offerors will not be obligated to accept for purchase or pay for validly tendered Notes of either Series pursuant to the Tender Offer if the conditions to the Tender Offer have not been satisfied, or waived, with respect to such Series of Notes. The Tender Offer is not conditioned on any minimum amount of Notes of either Series being tendered. The purchase of one Series of Notes is not conditioned upon the purchase of the other Series of Notes.

The Tender Offer is contingent, among other conditions, on the receipt of net proceeds sufficient to fund the aggregate Consideration for all Notes validly tendered and not validly withdrawn, from one or more debt capital markets issuances, on terms reasonably satisfactory to the Company (the "*Financing Condition*"). Some or all of the net proceeds of such issuances will be used to pay the Consideration and Accrued Interest for Notes validly tendered and accepted for purchase pursuant to the Tender Offer.

All of the conditions to the Tender Offer, excluding the Financing Condition, shall be deemed to have been satisfied at the Expiration Time unless any of the following conditions shall have occurred on or after the date of this Offer to Purchase and before the applicable Expiration Time with respect to either Series of Notes:

- (i) any general suspension of, shortening of hours for or limitation on prices for trading in securities or the Notes in the United States securities or financial markets (whether or not mandatory), (ii) any significant adverse change in the price of the Notes in the United States or other major securities or financial markets, (iii) a material impairment in the trading markets for any of the Notes or other securities of the Company, (iv) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States (whether or not mandatory), (v) any limitation (whether or not mandatory) by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, or other event that, in our reasonable judgment, has or would be reasonably likely to affect the extension of credit by banks or other lending institutions, (vi) any attack on, outbreak or escalation of hostilities or acts of terrorism directly or indirectly involving the United States that, in our reasonable judgment, has had or would be reasonably likely to have a material, disproportionate effect on our (or our subsidiaries') business, operations, condition or prospects relative to other companies in the same industry, (vii) any significant adverse change in the United States securities or financial markets generally or in the case of any of the foregoing existing on the date hereof, a material acceleration or worsening thereof, or (viii) any other change or development, including a prospective change or development, in general economic,

financial, monetary or market conditions that, in our reasonable judgment, has had or would be reasonably likely to have a material adverse effect on the market price or trading of any of the Notes or upon the value of any of the Notes to us and our subsidiaries (taken as a whole);

- the existence of any order, statute, rule, regulation, executive order, stay, decree, judgment or injunction that shall have been enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in our reasonable judgment, (i) would or would be reasonably likely to prohibit, prevent or materially restrict or delay consummation of either Offer or (ii) is, or would be reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of us and our subsidiaries (taken as a whole);
- any instituted, pending or threatened action or proceeding before or by any court or governmental, regulatory or administrative agency or instrumentality, or by any other person, that challenges the making of either Offer or, in our reasonable judgment, would be reasonably likely to directly or indirectly prohibit, prevent, restrict or delay the consummation of either Offer or otherwise adversely affect either Offer in any material manner;
- the occurrence or existence, in our reasonable judgment, of any other actual or threatened legal impediment (including a default under an agreement, indenture or other instrument or obligation to which we, or any of our other affiliates is a party or by which we or any of our other affiliates is bound) to either Offer or any other circumstances that, in our reasonable judgment, would be reasonably likely to materially adversely affect the transactions contemplated by either Offer, or the contemplated benefits of either Offer to us;
- the occurrence of any event or events or the likely occurrence of an event or events that, in our reasonable judgment, would be reasonably likely to prohibit, restrict or delay the consummation of either Offer or materially impair the contemplated benefits of either Offer to us;
- any change or development, including any prospective change or development, that, in our reasonable judgment, has had or would be reasonably likely to have a material adverse effect on us, the market price of the Notes or the value of the Notes to the Company or Alterra; or
- the Tender Agent or any trustee for the Notes objects in any respect to, or takes any action that, in our reasonable judgment, would be reasonably likely to adversely affect the consummation of, either Offer, or takes any action that challenges the validity or effectiveness of the procedures used by us in the making of either Offer or in the acceptance of, or payment for, the Notes.

The conditions described above are solely for the benefit of the Offerors and may be asserted only by them in their sole discretion regardless of the circumstances giving rise to any such condition, including any action or inaction by us, and may be waived by us, in whole or in part, at any time and from time to time before the applicable Expiration Time, in our sole discretion. If any of the foregoing conditions have not been met, we may (but will not be obligated to), at any time before the applicable Expiration Time, as the case may be, subject to applicable law, (i) terminate either or both of the Offers, (ii) extend either or both of the Offers, on the same or amended terms, and thereby delay acceptance for purchase of any validly tendered and not validly withdrawn Notes, or (iii) waive the unsatisfied condition or conditions and accept for purchase all validly tendered Notes, in each case with respect to one or both Series of Notes. Our failure at any time to exercise any of our rights will not be deemed a waiver of any other right, and each right will be deemed an ongoing right which may be asserted at any time and from time to time. All conditions to the Tender Offer must be satisfied or waived at or prior to the Expiration Time.

Subject to applicable law, we reserve the right, in our sole discretion, to terminate either or both of the Offers at any time with respect to one or both Series of Notes. If we terminate an Offer with respect to a Series of Notes, we will notify the Tender Agent, and all of the Notes of such Series theretofore tendered pursuant to such Offer and not accepted for purchase will be returned promptly to the tendering Holders thereof. See “—Withdrawal of Tenders” below.

## Procedures for Tendering Notes

### *Extensions; Amendments; Termination*

The Tender Offer will expire at 5:00 p.m., New York City time, on September 18, 2019, unless extended, in which case the Expiration Time will be such date to which the Expiration Time is extended for the applicable Offer. We, in our sole discretion, may extend the Expiration Time with respect to either Series of Notes, for any purpose, including to permit the satisfaction or waiver of all conditions to the applicable Offer. To extend the Expiration Time, we will notify the Tender Agent and will make a public announcement thereof before 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Time. Such announcement will state that we are extending the Offer for the applicable Series of Notes for a specified period or on a daily basis and will disclose the approximate amount of Notes tendered to date. Without limiting the manner in which we may choose to make a public announcement of any extension, amendment or termination of the applicable Offer, we will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release through a widely disseminated news or wire service.

We expressly reserve the right, subject to applicable law, to:

- delay accepting any Notes, extend the Offer periods or, in the event any condition is not satisfied or waived by the Expiration Time, terminate or withdraw the Offer and not accept Notes, as to either or both Series of Notes; and
- amend, modify or waive at any time, or from time to time, the terms of either Offer in any respect as to either or both Series of Notes, including waiver of any conditions to consummation of such Offer.

If we exercise any such right, we will give written notice thereof to the Tender Agent and will make a public announcement (as described above) thereof as promptly as practicable. The minimum period during which either Offer will remain open following material changes in the terms of such Offer or in the information concerning such Offer will depend upon the facts and circumstances of such change, including the relative materiality of the changes. With respect to any change in the consideration, we will extend the relevant Expiration Time so that the Tender Offer will remain open at least five business days from the date notice of such change is first given. If any of the terms of an Offer is amended in a manner determined by us to constitute a material change adversely affecting any Holder, we will disclose any such amendment in a press release (as described above) at or prior to 10:00 a.m., New York City time, on the day of such amendment, and we will extend such Offer so that the Tender Offer will remain open for at least three business days from the date notice of such change is first given.

### *How to Tender Notes*

All Notes are held in book-entry form and registered in the name of Cede & Co., as the nominee of DTC. Only Holders are authorized to tender their Notes. If you desire to tender Notes, such Notes must be transferred through DTC's Automated Tender Offer Program ("*ATOP*"), for which the transaction will be eligible, or you must comply with the guaranteed delivery procedures set forth herein. Any beneficial owner whose Notes are held in book-entry form through a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender Notes should contact such broker, bank, dealer or other nominee promptly and instruct such nominee to submit instructions on such beneficial owner's behalf. In some cases, the bank, broker, dealer or other nominee may request submission of such instructions on a Beneficial Owner's Instruction Form. Please check with your nominee to determine the procedures for such firm.

The Tender Agent will establish an account with respect to each Series of Notes at DTC for purposes of the Tender Offer, and any financial institution that is a participant in DTC may make book-entry delivery of Notes by causing DTC to transfer such Notes into the Tender Agent's account in accordance with DTC's procedures for such transfers. However, although delivery of Notes may be effected through book-entry transfer into the Tender Agent's account at DTC, an Agent's Message (as defined below), and any other required documents, must, in any case, be transmitted to and received by the Tender Agent at or prior to the Expiration Time or the guaranteed delivery procedures described under "*—Guaranteed Delivery*" must be complied with. The confirmation of a book-entry

transfer of Notes into the Tender Agent's account at DTC as described above is referred to herein as a "Book-Entry Confirmation." Delivery of documents to DTC does not constitute delivery to the Tender Agent.

Tenders of Notes are effected through ATOP by delivery of an "Agent's Message" by DTC to the Tender Agent. The term "*Agent's Message*" means a message transmitted by DTC to, and received by, the Tender Agent and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC described in such Agent's Message, stating (i) the aggregate principal amount of Notes that have been tendered by such participant pursuant to the Tender Offer, (ii) that such participant has received the Offer Documents and agrees to be bound by the terms of the Tender Offer as described in this Offer to Purchase and the Letter of Transmittal and (iii) that we may enforce such agreement against such participant.

**The delivery and surrender of Notes is not effective, and the risk of loss of tendered Notes does not pass to the Tender Agent, until receipt by the Tender Agent of a book-entry confirmation with respect to the Notes, together with a properly completed and duly executed Letter of Transmittal or, in the case of Notes tendered through DTC's ATOP, of a properly transmitted Agent's Message, together with all accompanying evidences of authority and any other required documents in form satisfactory to the Offerors. Except as otherwise provided herein, delivery of Notes will be deemed made only when the Agent's Message is actually received by the Tender Agent. Delivery of documents to DTC does not constitute delivery to the Tender Agent. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Notes will be determined by the Offerors, in their sole discretion, which determination shall be final and binding.**

Notes may be tendered, and Notices of Guaranteed Delivery may be submitted, only in principal amounts equal to minimum denominations of (a) in the case of the 2020 Notes, \$2,000 and integral multiples of \$1,000 in excess thereof and (b) in the case of the 2021 Notes, \$1,000 and integral multiples of \$1,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all of their 2020 Notes must continue to hold Notes in the minimum authorized denomination of \$2,000 or an integral multiple of \$1,000 in excess thereof. Holders who tender less than all of their 2021 Notes must continue to hold Notes in the minimum authorized denomination of \$1,000 or an integral multiple of \$1,000 in excess thereof.

The tender by a Holder pursuant to the procedures set forth herein and the acceptance of such a tender by the Company or Alterra, as the case may be, will constitute a binding agreement between such Holder and the Company or Alterra, as applicable, in accordance with the terms and subject to the conditions set forth herein. No documents should be sent to us or the Dealer Managers.

All acceptances of tendered Notes to the Offerors shall be deemed to be made on the terms and subject to the conditions set out in this Offer to Purchase and the related Letter of Transmittal (and shall be deemed to be given in writing).

#### *Guaranteed Delivery*

If a Holder desires to tender Notes pursuant to the Tender Offer and (1) time will not permit such Holder's Letter of Transmittal or other required documents to reach the Tender Agent at or prior to the Expiration Time or (2) such Holder cannot complete the procedures for book-entry transfer at or prior to the Expiration Time, such Holder may effect a tender of Notes if all of the following are complied with:

- such tender is made by or through an Eligible Institution (defined below);
- at or prior to the Expiration Time, the Tender Agent has received from such Eligible Institution, at the address of the Tender Agent set forth on the back cover of this Offer to Purchase, a physical copy of a properly completed and duly executed Notice of Guaranteed Delivery (by manually signed facsimile transmission, mail or hand delivery) in substantially the form provided by the Offerors setting forth the name and address of the DTC participant tendering Notes of behalf of the Holder(s) and the principal amount of Notes being tendered, and representing that the Holder(s) own such Notes, and the tender is being made thereby and guaranteeing that, no later than the close of business on the second business day after the Expiration Time, a properly completed and duly executed Letter of Transmittal (or a manually

signed facsimile thereof) or a properly transmitted Agent's Message, together with confirmation of book-entry transfer thereof pursuant to the procedures set forth under—"How to Tender Notes," and any other documents required by the Letter of Transmittal, will be deposited by such Eligible Institution with the Tender Agent; and

- a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof) or a properly transmitted Agent's Message, together with confirmation of book-entry transfer thereof pursuant to the procedures set forth under—"How to Tender Notes," and all other required documents are received by the Tender Agent no later than the close of business on the second business day after the Expiration Time.

If DTC's ATOP procedures are used, the DTC participant need not complete and physically deliver the Notice of Guaranteed Delivery Form to the Depository. However, you will be bound by the terms of the Tender Offer. Guaranteed Deliveries may be submitted only in authorized denominations. Interest will cease to accrue on the Settlement Date for all Notes accepted in the Tender Offer, including those tendered through the guaranteed delivery procedures.

"*Eligible Institution*" means a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, a commercial bank or trust company having an office or correspondent in the United States or an "*Eligible Guarantor Institution*" within the meaning of Rule 17Ad-15(a)(2) under the Exchange Act. In the Offer Documents, the term "business day" means any day, other than Saturday, Sunday or a federal holiday.

The Eligible Institution that completes the Notice of Guaranteed Delivery must deliver a physical copy of the Notice of Guaranteed Delivery to the Tender Agent at or prior to the Expiration Time and must deliver the Letter of Transmittal or Agent's Message, together with confirmation of book-entry transfer thereof and all other required documents, to the Tender Agent no later than the Guaranteed Delivery Time, which is 5:00 p.m., New York City time, on the second business day after the Expiration Time, which is expected to be September 20, 2019, assuming the Tender Offer is not extended. Failure to do so will result in an invalid tender of the related Notes and could result in a financial loss to such Eligible Institution.

#### *Representations, Warranties and Undertakings*

A tender of Notes under the procedures described above will constitute your acceptance of the terms and conditions of the Tender Offer as set forth in this Offer to Purchase and the Letter of Transmittal. In addition, by tendering your Notes in the Tender Offer, you are deemed to represent, warrant and undertake to the applicable Offeror, the Tender Agent and the Dealer Managers that:

- you have received the Offer Documents and agree to be bound by all the terms and conditions of the Tender Offer as set forth in this Offer to Purchase and the Letter of Transmittal;
- you have full power and authority to tender, sell, assign and transfer your Notes;
- your Notes are, at the time of acceptance, and will continue to be, until the payment on the applicable Settlement Date, or the termination or withdrawal of the applicable Offer, or, in the case of Notes in respect of which the Tender Offer has been withdrawn, the date on which such Tender Offer is validly withdrawn, held by you;
- your Notes are being tendered, and will, when accepted by the Tender Agent, be free and clear of all charges, liens, restrictions, claims, equitable interests and encumbrances, other than the claims of a Holder under the express terms of the Tender Offer, and the Offerors will acquire good, marketable and unencumbered title thereto, not subject to any adverse claim or right, and together with all rights attached thereto;
- all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings and each of your obligations as a tendering Holder shall be binding upon your successors,

assigns, heirs, executors, administrators, trustee in bankruptcy and legal representatives and shall not be affected by, and shall survive, your death or incapacity;

- you will, upon our request or the request of the Tender Agent, as applicable, execute and deliver any additional documents necessary or desirable for the completion of the tender of your Notes.

By tendering Notes as set forth herein, and subject to and effective upon acceptance for purchase of, and payment for, the Notes so tendered, you (i) irrevocably sell, assign and transfer to, the Company or Alterra, as applicable, all right, title and interest in and to all the Notes tendered by you and accepted for purchase pursuant to the terms hereof, (ii) waive any and all other rights with respect to the Notes and, in the case of the 2020 Notes, Markel's guarantee in respect of the 2020 Notes (including, without limitation, your waiver of any existing or past defaults and any consequences thereof in respect of the Notes and, in the case of the 2020 Notes, Markel's guarantee in respect of the 2020 Notes, and the applicable indenture), (iii) release, forever discharge and agree not to sue the Company, Alterra, the trustee with respect to your Notes and their respective former, current or future directors, officers, employees, agents, subsidiaries, affiliates, stockholders, predecessors, successors, assigns or other representatives from any and all claims, demands, causes of action and liabilities of any kind and under any theory whatsoever you may have now, or may have in the future, arising out of, or related to, such Notes or, in the case of the 2020 Notes, Markel's guarantee in respect of the 2020 Notes, including, without limitation, any claims that you are entitled to receive additional principal or interest payments with respect to such Notes or to participate in any repurchase, redemption or defeasance of the Notes (but excluding any liability arising under United States federal securities laws in connection with the Tender Offer), and (iv) irrevocably constitute and appoint the Tender Agent as your true and lawful agent and attorney-in-fact (with full knowledge that the Tender Agent also acts as the agent of the Offerors) with respect to any such tendered Notes, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) deliver certificates representing such Notes, or transfer ownership of such Notes on the account books maintained by DTC, together, in any such case, with all accompanying evidences of transfer and authenticity, to the Offerors, (b) present such Notes for transfer on the relevant security register, and (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Notes (except that the Tender Agent will have no rights to, or control over, funds from the Offerors, except as agent for the tendering Holders, for the Consideration, plus any Accrued Interest, of Notes tendered pursuant to the Tender Offer, as determined pursuant to the terms of this Offer to Purchase, for any tendered Notes that are purchased by the Offerors).

Your custodian or other nominee, by delivering, or causing to be delivered, the Notes and the completed Agent's Message, Letter of Transmittal or Notice of Guaranteed Delivery to the Tender Agent, is representing and warranting that you, as owner of the Notes, have represented, warranted and agreed to each of the above.

Our acceptance for purchase of Notes tendered under the Tender Offer will constitute a binding agreement between you and us upon the terms and conditions of the Tender Offer as set forth in this Offer to Purchase and the Letter of Transmittal. The contract constituted by the Offerors' acceptance for purchase in accordance with the terms of this Offer to Purchase of all Notes validly tendered (or defectively tendered, if such defect has been waived by the applicable Offeror) shall be governed by, and construed in accordance with the law of the State of New York.

**By tendering Notes pursuant to the Offer, you will be deemed to have agreed that the delivery and surrender of your Notes is not effective, and the risk of loss of your Notes does not pass to the Tender Agent, until receipt by the Tender Agent of a book-entry confirmation with respect to the Notes, together with a properly completed and duly executed Letter of Transmittal or, in the case of Notes tendered through DTC's ATOP, of a properly transmitted Agent's Message, together with all accompanying evidences of authority and any other required documents in form satisfactory to the Offerors. Delivery of documents to DTC does not constitute delivery to the Tender Agent. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Notes will be determined by the Offerors, in their sole discretion, which determination shall be final and binding.**

*Acceptance of Notes for Purchase; Payment of Notes*

Upon the terms and subject to the conditions of the Tender Offer, we will accept for purchase, and pay for, Notes validly tendered and, in each case, not validly withdrawn upon the satisfaction or waiver of the conditions to the

Tender Offer specified under “Principal Terms of the Tender Offer—Conditions of the Tender Offer.” We will promptly pay for Notes accepted for purchase.

We expressly reserve the right, in our sole discretion, but subject to applicable law, to (1) delay acceptance for purchase of Notes tendered under the Tender Offer or the payment for Notes accepted for purchase (subject to Rule 14e-1 under the Exchange Act, which requires that we pay the consideration offered or return Notes deposited by or on behalf of the Holders promptly after the termination or withdrawal of the Tender Offer), or (2) terminate or withdraw the Tender Offer at any time if any condition to the Offer has not been satisfied or waived by the Expiration Time. In all cases, payment of the Consideration and Accrued Interest for Notes purchased pursuant to the Tender Offer will be made only after timely receipt by the Tender Agent of (i) a timely book-entry transfer of such Notes into the Tender Agent’s account at DTC pursuant to the procedures set forth under “—Procedures for Tendering Notes,” (ii) a properly transmitted Agent’s Message or a properly completed and duly executed Letter of Transmittal and (iii) any other documents required by the Letter of Transmittal.

For purposes of the Tender Offer, we will be deemed to have accepted for purchase validly tendered Notes (or defectively tendered Notes with respect to which we have waived such defect) if, as, and when we give oral (promptly confirmed in writing) or written notice thereof to the Tender Agent. With respect to tendered Notes that are to be returned to Holders, such Notes will be returned without expense to the tendering Holder promptly (or, in the case of Notes tendered by book-entry transfer, such Notes will be credited to the account maintained at DTC from which such Notes were delivered) after the expiration or termination or withdrawal of the Tender Offer.

We will pay for Notes accepted for purchase in the Tender Offer by depositing such payment in cash with the Tender Agent or, upon its instructions, DTC, which will act as agent for the tendering Holders for the purpose of receiving tenders of Notes, the Consideration and Accrued Interest and transmitting the Consideration and Accrued Interest to such Holders. Upon the terms and subject to the conditions of the Tender Offer, delivery by us to the Tender Agent or DTC, as the case may be, of the Consideration and Accrued Interest for Notes tendered in connection with the Tender Offer will be made on the Settlement Date.

By tendering their notes, Holders will be deemed to waive any right to receive any notice of the acceptance of their Notes for purchase.

If, for any reason, acceptance for purchase of, or payment for, validly tendered Notes pursuant to the Tender Offer is delayed, or we are unable to accept for purchase or to pay for validly tendered Notes pursuant to the Tender Offer, then the Tender Agent may, nevertheless, on our behalf, retain the tendered Notes, without prejudice to our rights described above under “—Procedures For Tendering Notes—Expiration Time; Extensions; Amendments” and under “—Conditions of the Tender Offer” above and “—Withdrawal of Tenders” below, but subject to Rule 14e-1 under the Exchange Act, which requires us to pay the consideration offered or return the Notes tendered promptly after the termination or withdrawal of the Tender Offer, and our requirement to permit withdrawal if the Tender Offer has not been consummated within 60 business days after commencement.

If any tendered Notes are not accepted for purchase for any reason pursuant to the terms and conditions of the Tender Offer as set forth in this Offer to Purchase and the Letter of Transmittal, such Notes will be credited to an account maintained at DTC, designated by the participant therein who delivered such Notes, promptly following the Expiration Time or the termination or withdrawal of the Tender Offer.

We may transfer or assign, in whole or from time to time in part, to one or more of our affiliates or any third party the right to purchase all or any of the Notes tendered pursuant to the Tender Offer, but any such transfer or assignment will not relieve us of our obligations under the Tender Offer and will in no way prejudice the rights of tendering Holders to receive payment for Notes validly tendered and not validly withdrawn and accepted for purchase pursuant to the Tender Offer.

Holders of Notes tendered and accepted for purchase pursuant to the Tender Offer will be entitled to Accrued Interest payable on the Settlement Date. Under no circumstances will any additional interest be payable because of any delay by the Tender Agent or DTC in the transmission of funds to the Holders of purchased Notes or otherwise.

Tendering Holders of Notes purchased in the Tender Offer will not be obligated to pay brokerage commissions or fees to us, the Dealer Managers, the Tender Agent or the Information Agent, or to pay transfer taxes with respect to the purchase of their Notes. If you hold your Notes through a broker, dealer, commercial bank, trust company or other nominee, you should ask your broker, dealer, commercial bank, trust company or other nominee if you will be charged a fee to tender your Notes through them. The Offerors will pay all other charges and expenses in connection with the Tender Offer. See “The Dealer Managers, the Tender Agent and the Information Agent.”

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tendered Notes pursuant to any of the procedures described above will be determined by us in our sole discretion (whose determination shall be final and binding). We expressly reserve the absolute right, in our sole discretion, subject to applicable law, to reject any or all tenders of the Notes determined by us not to be in proper form or if the acceptance for payment of, or payment for, such Notes may, in our opinion, be unlawful. We also reserve the absolute right, in our sole discretion, subject to applicable law, to waive or amend any of the conditions of this Offer to Purchase or to waive any defect or irregularity in any tender with respect to the Notes of any particular Holder, whether or not similar defects or irregularities are waived in the case of other Holders. Our interpretation of the terms and conditions of this Offer to Purchase (including the Letter of Transmittal and the Instructions thereto) will be final and binding. Any defect or irregularity in connection with tenders of Notes must be cured within such time as we determine, unless waived by us. Tenders of Notes shall not be deemed to have been made until all defects or irregularities have been waived by us or cured. Neither the Company, Alterra, the Dealer Managers, the Tender Agent, the Information Agent nor any other person will be under any duty to give notification of any defects or irregularities in tenders or will incur any liability for failure to give any such notification.

#### *Backup Withholding and Information Reporting*

For a summary of the backup withholding and information reporting requirements applicable to tendering Holders, see “Certain U.S. Federal Income Tax Considerations.”

#### **Withdrawal of Tenders**

Notes subject to the Tender Offer may be validly withdrawn at any time before the earlier of (i) the Expiration Time, or (ii) if the applicable Offer is extended, the 10th business day after commencement of such Offer. Notes subject to the Tender Offer also may be validly withdrawn in the event the Tender Offer has not been consummated within 60 business days after commencement. If the Tender Offer is terminated or withdrawn with respect to either Series, the Notes of such Series tendered pursuant to the Tender Offer will be promptly returned to the tendering Holders.

For a withdrawal of a tender of Notes to be effective, the Tender Agent must receive a written or facsimile transmission withdrawal notice before the applicable time described above by a properly transmitted “Request Message” through ATOP. Any such notice of withdrawal must (i) specify the name of the participant in the book-entry transfer facility whose name appears on the security position listing as the owner of such Notes, (ii) contain the description of the Notes to be withdrawn and the aggregate principal amount represented by such Notes, (iii) be signed by such participant in the same manner as the participant’s name is listed in the applicable Agent’s Message, and (iv) specify the name and number of the account at the book-entry transfer facility to be credited with withdrawn Notes. A withdrawal of Notes may only be accomplished in accordance with the foregoing procedures.

Holders may not rescind their withdrawal of tenders of Notes, and any Notes properly withdrawn will thereafter be deemed not validly tendered for purposes of the Tender Offer. Notes validly withdrawn may thereafter be retendered at any time at or prior to the Expiration Time by following the procedures described under “—Procedures for Tendering Notes.”

We will determine all questions as to the form and validity (including time of receipt) of any notice of withdrawal of a tender, in our sole discretion, which determination shall be final and binding. We expressly reserve the absolute right, in our sole discretion, subject to applicable law, to reject any or all attempted withdrawals of the Notes we determine not to be in proper form or if the withdrawal of such Notes may, in our opinion, be unlawful. We also reserve the absolute right, in our sole discretion, subject to applicable law, to waive any defect or irregularity in any withdrawal with respect to the Notes of any particular Holder, whether or not similar defects or irregularities are waived

in the case of other Holders. None of the Company, Alterra, the Dealer Managers, the Tender Agent, the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal of a tender or incur any liability for failure to give any such notification.

If we are delayed in our acceptance for purchase of, or payment for, any Notes or are unable to accept for purchase or pay for any Notes pursuant to the Tender Offer for any reason, then, without prejudice to our rights hereunder, but subject to applicable law, tendered Notes may be retained by the Tender Agent on our behalf and may not be validly withdrawn (subject to Rule 14e-1 under the Exchange Act, which requires that we pay the consideration offered or return the Notes deposited by or on behalf of the Holders promptly after the termination or withdrawal of the applicable Offer, and our requirement to permit withdrawal if the Tender Offer has not been consummated within 60 business days after commencement).

The Tender Agent will return to tendering Holders all Notes in respect of which it has received valid and timely withdrawal instructions, promptly after it receives such instructions.

Holders can withdraw the tender of their Notes only in accordance with the foregoing procedures.

## CERTAIN CONSIDERATIONS

In deciding whether to participate in the Tender Offer, each Holder should consider carefully, in addition to the other information contained in this Offer to Purchase, information publicly disclosed by us, including, without limitation, in Markel's filings with the SEC incorporated by reference herein and in press releases, and the following:

### **No Recommendation**

None of the Company or its board of directors, Alterra or its boards of managers, the Dealer Managers, the Tender Agent, the Information Agent or any trustee for the Notes makes any recommendation to any Holder whether to tender or refrain from tendering any or all of such Holder's Notes, and none of them has authorized any person to make any such recommendation. Holders are urged to evaluate carefully all information in the Offer Documents, consult their own investment and tax advisors and make their own decisions whether to tender Notes.

### **Limited Trading Market for the Notes**

Historically, the trading market for the Notes has been limited. To the extent that Notes are tendered and accepted in either Offer, the trading market for Notes of the relevant Series will likely become further limited. A bid for a debt security with a smaller outstanding principal amount available for trading (a smaller "float") may be lower than a bid for a comparable debt security with a greater float. Therefore, the market price for and liquidity of Notes not tendered or tendered but not purchased may be affected adversely to the extent that the principal amount of Notes purchased pursuant to the Tender Offer reduces the float. The reduced float also may tend to make the trading price more volatile.

Holders of Notes that are not tendered and accepted for purchase may attempt to obtain quotations for their Notes from their brokers; however, there can be no assurance that an active trading market will exist for the Notes following consummation of the Tender Offer. The extent of the public market for the Notes following consummation of the Tender Offer will depend upon a number of factors, including the size of the float, the number of Holders remaining at such time, and the interest in maintaining a market in the Notes on the part of securities firms.

None of the Company, Alterra, the Dealer Managers, the Tender Agent or the Information Agent has any duty to make a market in any remaining Notes.

### **Responsibility for Complying with the Procedures of the Tender Offer**

Holders are responsible for complying with all of the procedures for tendering Notes for purchase pursuant to the Tender Offer as set out in this Offer to Purchase. In particular, the deadlines set by any broker, dealer, commercial bank, trust company or other nominee for the submission and withdrawal of a tender of Notes may be earlier than the relevant deadlines specified in this Offer to Purchase. None of the Company, Alterra, the Dealer Managers, the Tender Agent, the Information Agent or any trustee for the Notes assumes any responsibility for informing any Holder of irregularities with respect to such Holder's participation in the Tender Offer.

### **Tax Matters**

See "Certain U.S. Federal Income Tax Considerations" for a discussion of certain U.S. federal income tax considerations relating to the Tender Offer.

### **Holders Should Consult their Own Tax, Accounting, Financial and Legal Advisers before Participating in the Tender Offer**

Holders should consult their own tax, accounting, financial and legal advisers as they may deem appropriate regarding the suitability to themselves of the tax, accounting, financial and legal consequences of participating or declining to participate in the Tender Offer. In particular, due to the number of different jurisdictions where tax laws may apply to a Holder, this Offer to Purchase does not discuss all tax consequences for Holders arising from the purchase by us of the Notes. Holders are urged to consult their own professional advisers regarding the possible tax consequences under the laws of the jurisdictions that apply to them. Holders are liable for their own taxes and have no

recourse to the Company, Alterra, the Dealer Managers, the Tender Agent, the Information Agent or any trustee for the Notes with respect to taxes arising in connection with the Tender Offer.

### **Conditions to the Consummation of the Tender Offer**

The completion of the Tender Offer is subject to the satisfaction or waiver of certain conditions, including the Financing Condition. See “—Conditions of the Tender Offer.” There can be no assurance that the Tender Offer will be consummated or that any failure to consummate the Tender Offer will not have a negative effect on the market price and liquidity of the Notes.

### **Treatment of Notes Not Tendered in the Tender Offer**

Notes not tendered and purchased in the Tender Offer will remain outstanding. The terms and conditions governing the Notes of each Series, including the covenants and other protective provisions contained in the respective indenture governing the Notes of that Series, will remain unchanged. No amendments to these documents are being sought.

Although Markel and Alterra currently intend to redeem the Notes that are not tendered and accepted in the Tender Offer, they are not obligated to do so, and there can be no assurance that they will do so. Statements of intent in this Offer to Purchase shall not constitute a notice of redemption under the respective indenture governing the Notes of either Series. Any such notice, if made, will only be made in accordance with the provisions of the applicable indenture governing the Notes of the relevant Series.

If Markel or Alterra do not issue a notice of redemption and redeem the Notes that are not tendered and accepted in the Tender Offer, we may, from time to time, purchase additional Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise. Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of Notes than the terms of the Tender Offer. Any future purchases by us will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we will choose to pursue in the future.

## SOURCE OF FUNDS

If the Tender Offer is fully subscribed and all of the outstanding Notes are validly tendered and not validly withdrawn at or prior to the Expiration Time, we estimate that approximately \$630 million in cash will be required to consummate the Tender Offer (excluding Accrued Interest which will be paid in cash). If the Tender Offer is successfully completed, the Company expects to use a portion of the net proceeds from one or more proposed debt capital markets issuances to pay the Consideration for the 2021 Notes accepted for purchase and to advance funds from such net proceeds to Alterra. Alterra would use such funds to pay the Consideration for the 2020 Notes accepted for purchase. Satisfaction of the Financing Condition for the Tender Offer requires that the Company receive net proceeds sufficient to fund the aggregate Consideration for all Notes validly tendered and not validly withdrawn, from one or more debt capital markets issuances, on terms reasonably satisfactory to the Company, in order to complete the Tender Offer. No assurance can be given that any debt capital markets issuance will be completed, including the proposed offering of senior notes that the Company commenced marketing on the date of this Offer to Purchase (the “*Proposed Debt Financing*”).

The Offer Documents do not constitute an offer to sell any securities or the solicitation of an offer to buy any securities. Any offer of securities will only be made by an offering document.

## CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax considerations with respect to the Tender Offer, but it does not purport to be a complete analysis of all the potential U.S. federal income tax considerations relating to the Tender Offer. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), applicable U.S. Treasury regulations promulgated thereunder, administrative rulings and judicial decisions, all as of the date of this Offer to Purchase. These authorities may be changed or subject to differing interpretations, possibly with retroactive effect. The Company has not obtained, nor does it intend to obtain, a ruling from the Internal Revenue Service (the “IRS”) with respect to the statements made in this summary and there can be no assurance that the IRS will agree with such statements or that a court would not sustain a challenge by the IRS in the event of litigation.

This summary is limited to beneficial owners who hold the Notes as “capital assets” within the meaning of Section 1221 of the Code (generally, property held for investment). This summary does not address the tax considerations arising under the laws of any foreign, state, local or other jurisdiction or any income tax treaty. In addition, this summary does not address any U.S. federal tax considerations other than U.S. federal income tax considerations. This summary also does not address the U.S. federal income tax considerations that may be relevant to Holders that participate in the Proposed Debt Financing. Furthermore, this discussion does not address all tax considerations that may be relevant to a particular investor in light of the investor’s circumstances, or to certain categories of investors that may be subject to special rules, such as:

- brokers and dealers in Notes or commodities;
- traders in Notes that have elected the mark-to-market method of accounting for their Notes holdings;
- U.S. holders (as defined below) whose functional currency is not the U.S. dollar;
- persons holding Notes as part of a hedge, straddle, conversion or other “synthetic security” or integrated transaction;
- former U.S. citizens or long-term residents of the United States;
- banks and other financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- persons subject to the alternative minimum tax;
- entities that are tax-exempt for U.S. federal income tax purposes;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement; and
- partnerships, other pass-through entities and holders of interests therein.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Notes, the U.S. federal income tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. If you are a partnership holding Notes or a partner in such a partnership, you are urged to consult your own tax advisor about the U.S. federal income tax considerations with respect to the Tender Offer.

**HOLDERS CONSIDERING THE SALE OF NOTES PURSUANT TO THE TENDER OFFER ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S.**

FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF SUCH SALE UNDER OTHER U.S. FEDERAL TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR FOREIGN JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

### **U.S. Federal Income Tax Considerations for U.S. Holders**

The following discussion is a summary of the general U.S. federal income tax considerations that will apply to you if you are a “U.S. Holder.” For purposes of this summary, a “U.S. Holder” is a beneficial owner of Notes that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (including any entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (x) is subject to primary supervision by a court within the United States and with respect to which one or more “United States persons” (within the meaning of the Code) have the authority to control all substantial decisions or (y) has made a valid election under applicable Treasury regulations to be treated as a “United States person” (within the meaning of the Code).

#### ***U.S. Holders that Tender Notes Pursuant to the Tender Offer***

##### *Sale of Notes pursuant to the Tender Offer*

The sale of a Note pursuant to the Tender Offer by a U.S. Holder will be a taxable transaction for U.S. federal income tax purposes. A U.S. Holder that tenders Notes pursuant to the Tender Offer will generally recognize gain or loss equal to the difference between (i) the total consideration received in exchange for the tendered Notes (other than any portion of the consideration received that is attributable to accrued and unpaid interest, which will be taxable as ordinary income to the extent not previously reported as income) and (ii) the U.S. Holder’s adjusted tax basis in the Notes. In general, a U.S. Holder’s adjusted tax basis in a Note will equal the U.S. Holder’s initial cost of such Note, increased by any market discount previously included in income by the U.S. Holder with respect to the Note, and decreased (but not below zero) by the amount of any bond premium previously amortized by the U.S. Holder with respect to the Note. Except to the extent that gain is recharacterized as ordinary income pursuant to the market discount rules discussed below, such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder has held such Note for more than one year at the time of sale. Long-term capital gains recognized by non-corporate U.S. Holders are generally eligible for preferential rates of taxation. The deductibility of capital losses is subject to limitations.

An exception to the capital gain treatment described in the preceding paragraph applies to a U.S. Holder that holds a Note acquired with market discount. If a U.S. Holder purchased a Note for less than its principal amount, the Note may have “market discount.” Market discount generally is the excess, if any, of the principal amount of the Note over the U.S. Holder’s tax basis in the Note immediately after its acquisition (other than at original issue), unless that excess is less than a statutorily defined *de minimis* amount, in which case market discount is treated as zero. If such market discount is at least a statutorily defined *de minimis* amount, any gain recognized by a U.S. Holder on the sale of the Note pursuant to the Offer will be treated as ordinary income rather than capital gain to the extent of “accrued market discount” on the date of sale, unless the U.S. Holder has made an election to include market discount in income as it accrued. If a U.S. Holder has elected to include accrued market discount in income currently, no additional market discount needs to be taken into account with respect to the sale of a Note pursuant to the Tender Offer. Any gain in excess of accrued market discount will be subject to the capital gains rules described above. U.S. Holders are urged to consult their own tax advisors as to the portion of their gain, if any, that would be taxable as ordinary income under these provisions.

### *Information Reporting and Backup Withholding*

In general, payments received by a U.S. Holder pursuant to the Tender Offer will be subject to information reporting and reported to the IRS, unless the U.S. Holder is an exempt recipient. In addition, backup withholding (at a 24% rate) may apply to payments received pursuant to the Tender Offer, including payments of accrued interest, that are made to a U.S. Holder that tenders Notes in the Tender Offer if such U.S. Holder fails to provide an accurate taxpayer identification number, along with certain certifications under penalties of perjury, on IRS Form W-9, or otherwise fails to establish an exemption. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against the U.S. Holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS. U.S. Holders are urged to consult their own tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining such exemption.

### *Additional Tax on Net Investment Income*

Certain U.S. Holders that are individuals, trusts or estates are subject to a 3.8% tax (commonly referred to as the Medicare tax) on the lesser of (i) their net investment income and (ii) the excess of "modified adjusted gross income" of over a certain threshold (between \$125,000 and \$250,000, depending on the individual's circumstances), and on a portion or all of the "undistributed net investment income" of certain estates and trusts. For these purposes, net investment income generally includes interest on, and gain from the sale or other disposition of, debt instruments, unless such interest or gain is derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). You are urged to consult your own tax advisor with respect to the application of the Medicare tax to your situation and the Tender Offer.

### *Non-Tendering U.S. Holders*

U.S. Holders that do not tender their Notes in the Tender Offer or do not have their tender of Notes accepted for purchase pursuant to the Tender Offer will not recognize any gain or loss for U.S. federal income tax purposes. Such non-tendering U.S. Holders will continue to have the same tax basis, holding period, and other attributes with respect to the Notes as they had before the Tender Offer.

### **U.S. Federal Income Tax Considerations for Non-U.S. Holders**

The following discussion is a summary of the general U.S. federal income tax considerations that will apply to you if you are a "Non-U.S. Holder." For purposes of this summary, a "Non-U.S. Holder" is a beneficial owner of Notes that, for U.S. federal income tax purposes, is or is treated as an individual, corporation, trust or estate and is not a U.S. Holder.

### *Non-U.S. Holders that Tender Notes Pursuant to the Tender Offer*

#### *Gain Realized on sale of Notes*

Except as described under "—Accrued Interest" and "—Information Reporting and Backup Withholding" and "—Foreign Account Tax Compliance Act Withholding" below, a Non-U.S. Holder generally will not be subject to U.S. federal income tax or any withholding thereof on gain realized on the sale of a Note pursuant to the Tender Offer unless:

- the gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States (and, if an income tax treaty requires, is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States) or
- the Non-U.S. Holder is an individual who is present in the United States for periods aggregating 183 or more days in the taxable year of the sale and certain other conditions are met.

If the first exception applies, gain on the sale of Notes that is effectively connected with the conduct by a Non-U.S. Holder of a trade or business within the United States (and, if an income tax treaty requires, is attributable to a U.S. permanent establishment or fixed base of the Non-U.S. Holder) generally will be subject to U.S. federal income tax on a net income basis at the rates applicable to U.S. persons (and, with respect to corporate Non-U.S. Holders, may also be subject to a 30% branch profits tax or such lower rate as may be specified by an applicable income tax treaty). If the second exception applies, the Non-U.S. holder generally will be subject to tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on such holder's net U.S. source capital gain.

#### *Accrued Interest*

Subject to the discussion under “—Information Reporting and Backup Withholding” and “—Foreign Account Tax Compliance Act Withholding” below, amounts paid pursuant to the Tender Offer that are allocable to accrued and unpaid interest on the Notes will not be subject to U.S. federal income tax or any withholding thereof provided that such interest is not effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States and the Non-U.S. Holder:

- (1) does not actually or constructively own 10% or more of the total combined voting power of all classes of the Company stock that are entitled to vote;
- (2) is not a “controlled foreign corporation” (within the meaning of the Code) related to the Company, actually or constructively, through stock ownership; and
- (3) certifies under penalties of perjury on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or a suitable substitute form), that it is not a U.S. person, and otherwise properly completes the form (or a clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business and holds the Notes on behalf of the Non-U.S. Holder certifies under penalties of perjury that such a statement has been received from the Non-U.S. Holder (or an intermediate organization, bank or institution) and furnishes a copy to the Company or applicable withholding agent).

A Non-U.S. Holder that does not qualify for exemption from U.S. federal income tax and withholding tax as described above generally will be subject to the withholding of U.S. federal tax at a 30% rate (or lower applicable income tax treaty rate) on payments of accrued interest pursuant to the Tender Offer, unless the interest is effectively connected with the conduct of a trade or business within the United States (and, if an income tax treaty requires, is attributable to a permanent establishment or fixed base of the Non-U.S. Holder in the United States). If the amount received on account of any accrued but unpaid interest is effectively connected with the conduct by a Non-U.S. Holder of a trade or business within the United States and, if an income tax treaty requires, is attributable to a permanent establishment or fixed base of the Non-U.S. Holder in the United States, such interest (a) generally will be subject to U.S. federal income tax on a net income basis at the rates applicable to U.S. persons (and, with respect to corporate Non-U.S. Holders, may also be subject to a 30% branch profits tax or such lower rate as may be specified by an applicable income tax treaty), and (b) will not be subject to U.S. federal withholding tax so long as the relevant Non-U.S. Holder provides the Company with the appropriate documentation (generally on IRS Form W-8ECI).

#### *Information Reporting and Backup Withholding*

A Non-U.S. Holder generally will not be subject to additional information reporting or to backup withholding with respect to payments made pursuant to the Tender Offer if the certifications described in clause (3) under “—U.S. Federal Income Tax Considerations for Non-U.S. Holders—Accrued Interest” above are received. Backup withholding is not an additional tax. A Non-U.S. Holder may obtain a refund or a credit against such Non-U.S. Holder's U.S. federal income tax liability of any amounts withheld under the backup withholding rules provided the required information is timely furnished to the IRS. Non-U.S. Holders are urged to consult their own tax advisors regarding the application of the information reporting and backup withholding rules in their particular situations, the availability of an exemption therefrom, and the procedure for obtaining such an exemption, if available.

### *Foreign Account Tax Compliance Act Withholding*

The Foreign Account Tax Compliance Act, or FATCA, imposes a 30% withholding tax on certain types of payments (including payments of U.S. source interest and the gross proceeds from the sale or other disposition of an obligation that produces U.S. source interest) made to “foreign financial institutions” and certain other non-U.S. entities unless certain due diligence, reporting, withholding, and certification requirements are satisfied. However, the FATCA withholding obligation with respect to payments of U.S. source interest does not apply to any debt instrument issued before July 1, 2014 (unless such debt instrument is the subject of a “significant modification” such that it is considered to be re-issued for U.S. federal income tax purposes on or after such date). In addition, recently proposed Treasury regulations eliminate FATCA withholding on payments of gross proceeds. The preamble to these proposed regulations state that taxpayers may rely on them until final Treasury regulations are issued. Here the Notes were originally issued before July 1, 2014 and the Company does not believe that such Notes have been subject to a significant modification. Accordingly, FATCA withholding is not expected to be required with respect to payments received on the sale of the Notes pursuant to the Tender Offer.

If withholding is required under FATCA, investors that otherwise would not be subject to withholding (or that otherwise would be entitled to a reduced rate of withholding) generally will be required to seek a refund or credit from the IRS to obtain the benefit of such exemption or reduction (provided that such benefit is available). Holders should consult their tax advisors regarding the effect of FATCA in their particular circumstances.

### *Non-Tendering Non-U.S. Holders*

Non-U.S. Holders that do not tender their Notes in the Tender Offer or do not have their tender of Notes accepted for purchase pursuant to the Tender Offer will not recognize any gain or loss for U.S. federal income tax purposes. Such non-tendering Non-U.S. Holders will continue to have the same tax basis, holding period, and other attributes with respect to the Notes as they had before the Tender Offer.

**THE DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION PURPOSES ONLY. ALL HOLDERS ARE ENCOURAGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE U.S. FEDERAL, STATE AND LOCAL AND FOREIGN TAX CONSEQUENCES OF THE OFFER.**

## THE DEALER MANAGERS, THE TENDER AGENT AND THE INFORMATION AGENT

We have retained Wells Fargo Securities, LLC and Citigroup Global Markets Inc. to act as Dealer Managers and Global Bondholder Services Corporation to act as the Information Agent and as the Tender Agent in connection with the Tender Offer. We have agreed to pay the Information Agent and the Tender Agent customary fees for their services in connection with the Tender Offer. We have also agreed to reimburse the Dealer Managers, the Information Agent and the Tender Agent for certain out-of-pocket expenses and to indemnify them against certain liabilities, including liabilities under federal securities laws.

At any given time, in the ordinary course of their business activities, the Dealer Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Company, Alterra or any of our other affiliates. The Dealer Managers or their affiliates that have a lending relationship with Markel routinely hedge their credit exposure to Markel consistent with their customary risk management policies. Typically, the Dealer Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes referred to herein. Any such credit default swaps or short positions could adversely affect current or future trading prices of the Notes. The Dealer Managers and their affiliates also may make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Dealer Managers and their respective affiliates in the ordinary course of their business may purchase and/or sell the Company's securities, including the Notes, for their own accounts and for the accounts of their customers. As a result, the Dealer Managers and their respective affiliates at any time may hold a long or a short position in certain of the Company's securities, including the Notes, and may also tender into the Offer Notes that they may hold or acquire.

Affiliates of the Dealer Managers are parties to Markel's revolving credit facility. In addition, the Dealer Managers are expected to be underwriters in the proposed offering of senior notes that Markel commenced marketing on the date of this Offer to Purchase, and the Dealer Managers and/or their affiliates have provided in the past, and/or are currently providing, other investment and commercial banking and financial advisory services to Markel and its affiliates. The Dealer Managers and/or their affiliates may in the future provide various investment and commercial banking and other services to Markel and its affiliates, for which they would receive customary compensation.

None of the Dealer Managers, the Information Agent, the Tender Agent or any trustee for the Notes assumes any responsibility for the accuracy or completeness of the information concerning the Company, Alterra or any of our other affiliates or the Notes contained in this Offer to Purchase, or incorporated by reference herein, or for any failure by us to disclose events that may have occurred and may affect the significance or accuracy of such information.

**None of the Company, its board of directors Alterra, its board of managers, the Dealer Managers, the Tender Agent, the Information Agent or any trustee for the Notes is making any recommendation as to whether Holders should tender Notes in the Tender Offer.**

In connection with the Tender Offer, Markel's directors, officers and regular employees (who will not be specifically compensated for such services) may solicit tenders by use of the mails, personally or by telephone. We will also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this Offer to Purchase and related documents to the beneficial owners of the Notes and in handling or forwarding tenders of Notes by their customers.

## MISCELLANEOUS

We are not aware of any jurisdiction where the making of either Offer is not in compliance with the laws of such jurisdiction. If we become aware of any jurisdiction where the making of either Offer would not be in compliance with such laws, we will make a good faith effort to comply with any such laws or may seek to have such laws declared inapplicable to the applicable Offer. If, after such good faith effort, we cannot comply with any such applicable laws, the applicable Offer will not be made to the Holders residing in each such jurisdiction.

**SCHEDULE A**

**FORMULA FOR DETERMINING CONSIDERATION AND ACCRUED INTEREST**

- C = The Consideration per \$1,000 principal amount of the Notes being priced (excluding Accrued Interest). The tendering Holder will receive a total amount per \$1,000 principal amount (rounded to the nearest \$0.01) equal to the Consideration plus Accrued Interest on such Notes from the applicable last interest payment date to, but not including, the Settlement Date.
- N = The number of remaining cash payment dates for the Notes being priced from, but not including, the Settlement Date to and including the applicable maturity date.
- CF<sub>i</sub> = The aggregate amount of cash per \$1,000 principal amount scheduled to be paid on the Notes being priced on the “i-th” out of the N remaining cash payment dates for such Notes. Scheduled payments of cash include interest and, on the date of maturity, principal.
- YLD = The applicable Yield for the Series of Notes being priced (expressed as a decimal number). The Yield is the sum of the applicable Reference Yield (as defined in this Offer to Purchase) and the applicable Fixed Spread (as set forth on the front cover of this Offer to Purchase).
- S = The number of days from and including the last interest payment date for the Series of Notes to, but not including, the Settlement Date. The number of days is computed using the 30/360 day count method in accordance with market convention.
- Accrued Interest = Accrued and unpaid interest per \$1,000 principal amount of the Notes being priced from the applicable last interest payment date to, but not including, the Settlement Date.
- / = Divide. The term immediately to the left of the division symbol is divided by the term immediately to the right of the division symbol before any other addition or subtraction operations are performed.
- exp = Exponentiate. The term to the left of the exponentiation symbol is raised to the power indicated by the term to the right of the exponentiation symbol.
- $\sum_{i=1}^N$  = Summate. The term to the right of the summation symbol is separately calculated “N” i=1 times (substituting for the “i” in that term each whole number between 1 and N, inclusive) and the separate calculations are then added together.

Formula:

$$C = \sum_{i=1}^N \left[ \frac{CF_i}{(1 + YLD/2)^{\exp(i-S/180)}} \right] - \text{Accrued Interest}$$

---

In order to tender Notes, a Holder should send or deliver a properly completed and signed Letter of Transmittal and any other required documents to the Tender Agent at one of its addresses set forth below or tender pursuant to DTC's Automated Tender Offer Program. Any questions or requests for assistance or additional copies of this Offer to Purchase, the Letter of Transmittal or the Notice of Guaranteed Delivery may be directed to the Information Agent at the address or telephone numbers set forth below. You also may contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Offer.

*The Information Agent for the Tender Offer is:*

## **Global Bondholder Services Corporation**

65 Broadway, Suite 404  
New York, New York 10006  
Attention: Corporate Actions  
Email: [contact@gbsc-usa.com](mailto:contact@gbsc-usa.com)  
<http://www.gbsc-usa.com/Markel/>

Banks and Brokers Call: (212) 430-3774  
Toll Free: (866) 924-2200  
International call: 001-212-430-3774

If you need assistance with respect to the procedures for participating in the Offer, you should contact the Tender Agent at the address and telephone numbers set forth below.

*The Tender Agent for the Tender Offer is:*

## **Global Bondholder Services Corporation**

*By Regular, Registered or Certified Mail:*

*Hand or Overnight Delivery:*

65 Broadway, Suite 404  
New York, New York 10006  
Attention: Corporate Actions  
Email: [contact@gbsc-usa.com](mailto:contact@gbsc-usa.com)  
<http://www.gbsc-usa.com/Markel/>

*By Facsimile Transmission:*

(212) 430-3775 (for eligible institutions only)  
To confirm receipt of facsimile by telephone:  
(212) 430-3774

Any questions regarding the terms of the Tender Offer should be directed to the Dealer Managers at the addresses and telephone numbers set forth below:

*The Dealer Managers for the Tender Offer are:*

### **Wells Fargo Securities, LLC**

550 South Tryon Street, 5th Floor  
Charlotte, North Carolina 28202  
Attn: Liability Management Group  
Toll-Free: (866) 309-6316  
Collect: (704) 410-4756

### **Citigroup Global Markets Inc.**

388 Greenwich Street, 7th Floor  
New York, New York 10013  
Attn: Liability Management Group  
Toll free: (800) 558-3745  
Collect: (212) 723-6106

---