



## FAIRFAX FINANCIAL HOLDINGS LIMITED

**Cdn\$450,000,000 4.73 per cent. Senior Notes due 2034**

**Cdn\$250,000,000 5.23 per cent. Senior Notes due 2054**

The Cdn\$450,000,000 4.73 per cent. Senior Notes Due 2034 (the “**2034 Notes**”) and Cdn\$250,000,000 5.23 per cent. Senior Notes Due 2054 (the “**2054 Notes**” and, together with the 2034 Notes, the “**Notes**”) were originally issued by Fairfax Financial Holdings Limited (the “**Company**”) on November 22, 2024. Brit Group Holdings Limited (the “**Brit Co-Obligor**”) will become a Co-Obligor in respect of the Notes (the “**Brit Co-Obligor Accession**”) on or about June 17, 2025 pursuant to a supplemental indenture to be entered into between the Company, the Brit Co-Obligor, The Bank of New York Mellon (the “**United States trustee**”) and Computershare Advantage Trust of Canada (formerly BNY Trust Company of Canada) (the “**Canadian trustee**” and, together with the United States trustee, the “**trustees**”). Following the Brit Co-Obligor Accession coming into effect, the Brit Co-Obligor will be jointly and severally liable with the Company to pay the principal, premium, if any, and interest on the Notes of the applicable series and all other amounts payable by the Company under the indenture in respect of the Notes of such series. See “*Description of the Notes*”.

The 2034 Notes will mature on November 22, 2034 and bear interest at an annual rate of 4.73%. Interest on the 2034 Notes is payable in equal semi-annual instalments in arrears on May 22 and November 22 in each year, commencing on May 22, 2025. The Company and the Brit Co-Obligor may redeem the 2034 Notes, in whole or in part at any time and from time to time, prior to August 22, 2034 upon payment of a redemption price equal to the greater of (a) the 2034 Canada Yield Price (as defined herein) and (b) par, together, in each case, with accrued and unpaid interest to, but excluding, the date fixed for redemption. The Company and the Brit Co-Obligor may also redeem the 2034 Notes, in whole or in part at any time and from time to time, on or after August 22, 2034 upon payment of a redemption price equal to par, together with accrued and unpaid interest to, but excluding, the date fixed for redemption. See “*Description of the Notes*”.

The 2054 Notes will mature on November 23, 2054 and bear interest at an annual rate of 5.23%. Interest on the 2054 Notes is payable in equal (except for the first interest payment) semi-annual instalments in arrears on May 23 and November 23 in each year, commencing on May 23, 2025. The Company and the Brit Co-Obligor may redeem the 2054 Notes, in whole or in part at any time and from time to time, prior to May 23, 2054 upon payment of a redemption price equal to the greater of (a) the 2054 Canada Yield Price (as defined herein) and (b) par, together, in each case, with accrued and unpaid interest to, but excluding, the date fixed for redemption. The Company and the Brit Co-Obligor may also redeem the 2054 Notes, in whole or in part at any time and from time to time, on or after May 23, 2054 upon payment of a redemption price equal to par, together with accrued and unpaid interest to, but excluding, the date fixed for redemption. See “*Description of the Notes*”.

The Notes are the Company’s direct, unsecured obligations and will rank equally and ratably with all of the Company’s other unsecured and unsubordinated indebtedness from time to time outstanding. The Notes have been issued under an indenture. For a description of the terms of the Notes and the indenture pursuant to which the Notes were issued, see “*Description of the Notes*”.

These Listing Particulars do not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (as such regulation may be amended or superseded from time to time, the “**Prospectus Regulation**”). Application has been made to The Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for the Notes to be admitted to the official list (the “**Official List**”) and trading on the Global Exchange Market of Euronext Dublin (the “**Global Exchange Market**”). There can be no assurance that any such approval will be granted or, if granted, that such listing and admission to trading will be maintained. Application has been made to Euronext Dublin for the approval of this document as listing particulars. These Listing Particulars have been prepared for the purpose of such admission to trading only and may not be used for any other purpose.

As at the date of these Listing Particulars, the Notes are rated BBB+ with a positive outlook by Standard & Poor’s Ratings Services (“**S&P**”), Baa2 with a stable outlook by Moody’s Investors Service (“**Moody’s**”), A (low) with a stable outlook by Morningstar DBRS (“**DBRS**”) and BBB with a positive outlook by Fitch Ratings (“**Fitch**”). Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of

securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the Notes may not reflect the potential impact of all risks on the value of the Notes. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency. Investors should consult the relevant rating organization with respect to the interpretation and implications of the ratings.

**An investment in the Notes involves certain risks. See “*Risk Factors*”.**

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws and may not be offered or sold in the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. See “*Distribution Restrictions*”.

The Notes were issued on November 22, 2024 in minimum denominations of Cdn\$1,000 and integral multiples thereof. Book-entry only certificates representing each series of Notes were issued in registered form to CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee as registered global securities and were deposited with CDS on the date of issue of the Notes. See “*Description of the Notes — Book-Entry; Delivery and Form*”.

## NOTICE TO INVESTORS

The Company accepts responsibility for the information contained in these Listing Particulars. The Company, having taken all reasonable care to ensure that such is the case, confirms the information contained in these Listing Particulars is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Brit Co-Obligor accepts responsibility for the information contained in these Listing Particulars relating to itself and, having taken all reasonable care to ensure that such is the case, confirms the information contained in these Listing Particulars relating to itself is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

These Listing Particulars are to be read in conjunction with all documents which are deemed to be incorporated herein by reference. See “*Documents Incorporated by Reference*”. These Listing Particulars should be read and construed on the basis that such documents are incorporated in, and form part of, these Listing Particulars.

Other than in relation to the documents which are deemed to be incorporated by reference in these Listing Particulars (see “*Documents Incorporated by Reference*”), the information contained on the websites to which these Listing Particulars refer does not form part of these Listing Particulars and has not been scrutinised or approved by the Company, the Brit Co-Obligor, Euronext Dublin or any other person.

None of the trustees nor any other person (other than the Company and the Brit Co-Obligor) (each a “**Third Party**”) has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the trustees or any other Third Party as to the accuracy or completeness of the information contained or incorporated by reference in these Listing Particulars. None of the trustees nor any other Third Party accepts any liability in relation to the information contained or incorporated by reference in these Listing Particulars.

No person is or has been authorised by the Company, the Brit Co-Obligor or the trustees to give any information or to make any representation not contained in or not consistent with these Listing Particulars and, if given or made, such information or representation must not be relied upon as having been authorised by Company, the Brit Co-Obligor or the trustees.

These Listing Particulars (a) are not intended to provide the basis of any credit or other evaluation and (b) should not be considered as a recommendation by the Company, the Brit Co-Obligor, the trustees or any other Third Party that any recipient of these Listing Particulars should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Company and the Brit Co-Obligor. These Listing Particulars do not constitute an offer or invitation by or on behalf of the Company, the Brit Co-Obligor, the trustees or any other Third Party to any person to subscribe for or to purchase any Notes.

Neither the delivery of these Listing Particulars nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Company and/or the Brit Co-Obligor is correct at any time subsequent to the date hereof. Neither the trustees nor any other Third Party will review the financial condition or affairs of the Company or the Brit Co-Obligor during the term of the Notes of each series or to advise any investor in the Notes of any information coming to their attention.

The distribution of these Listing Particulars and the offer or sale of the Notes may be restricted by law in certain jurisdictions. None of the Company, the Brit Co-Obligor, the trustees or any other Third Party represents that these Listing Particulars may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Company, the Brit Co-Obligor, the trustees or any other Third Party which is intended to permit a public offering of the Notes or the distribution of these Listing Particulars in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither these Listing Particulars nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession these Listing Particulars or any Notes may come must inform themselves

about, and observe, any such restrictions on the distribution of these Listing Particulars and the offering and sale of Notes. In particular, there are restrictions on the distribution of these Listing Particulars and the offer or sale of Notes in the United States, the European Economic Area (“**EEA**”) and the United Kingdom. See “*Distribution Restrictions*” below.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making the Notes available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (“**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making the Notes available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

## INTERPRETATION AND ROUNDING

In these Listing Particulars, except where otherwise indicated, all references in this document to “\$”, “**US\$**” and “**U.S. dollars**” are to United States dollars, all references in this document to “**Cdn\$**” are to Canadian dollars and all references in this document to “**pounds Sterling**” and “**£**” are to the lawful currency of the United Kingdom of Great Britain and Northern Ireland.

Unless the context otherwise requires, the “**Company**” means Fairfax Financial Holdings Limited, a corporation incorporated under the *Canada Business Corporations Act*; and “**Fairfax**,” “**we**,” “**us**” and “**our**” mean Fairfax Financial Holdings Limited and its subsidiaries.

In these Listing Particulars, percentage changes have been calculated based on the rounded figures presented in the tables in which such percentage changes appear.

## PRESENTATION OF FINANCIAL INFORMATION

As the majority of the Company’s operations are in the United States or conducted in U.S. dollars, the Company reports its consolidated financial statements in U.S. dollars in order to provide more meaningful information to users of its financial statements.

The Company has prepared its audited consolidated financial statements as at and for the years ended December 31, 2024 and 2023 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”).

The Company has prepared its unaudited interim consolidated financial statements as of March 31, 2025 and for the three months ended March 31, 2025 and 2024 in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting.

The Brit Co-Obligor has prepared its audited unconsolidated financial statements for the period from and including the date of its incorporation (being August 7, 2024) to and including December 31, 2024 in accordance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland), and applicable law (United Kingdom Generally Accepted Accounting Practice).

### **IMPORTANT NOTICE IN RELATION TO FINANCIAL INFORMATION INCLUDED IN THESE LISTING PARTICULARS**

The Company's audited consolidated financial statements as at and for the year ended December 31, 2024 include both (1) the Company and the Brit Co-Obligor (as, respectively, the original issuer of the Notes and the Co-Obligor in respect of the Notes) and (2) companies in the Fairfax group (the "**Group Non-Obligor Companies**") that are not obligors in respect of the Notes. Based on, and (in each case) as determined by reference to, such audited consolidated financial statements:

1. the Company accounted for EBITDA of \$267.5 million and net assets of \$4,465.7 million<sup>1</sup>, representing approximately 4% and 16%, respectively, of our respective EBITDA and net assets;
2. the Brit Co-Obligor accounted for EBITDA of \$624.3 million and net assets of \$2,183.7 million<sup>2</sup>, representing approximately 9% and 8%, respectively, of our respective EBITDA and net assets;
3. the Group Non-Obligor Companies accounted for EBITDA of \$6,186.1 million and net assets of \$21,699.9 million<sup>3</sup>, representing approximately 87% and 76%, respectively, of our respective EBITDA and net assets; and
4. the Brit Co-Obligor does not account for more than 25% of our EBITDA or net assets.

The Company's audited consolidated financial statements may be of limited use in assessing the financial position of the Brit Co-Obligor.

### **FORWARD-LOOKING STATEMENTS**

Any statements made by the Company, the Brit Co-Obligor or on their respective behalf may include forward-looking information that reflect the Company's, or the Brit Co-Obligor's current views with respect to future events and financial performance. The words "believe," "anticipate," "project," "expect," "plan," "intend," "predict," "estimate," "will likely result," "will seek to" or "will continue" and similar expressions identify forward-looking information. This forward-looking information relates to, among other things: the Company's or the Brit Co-Obligor's plans and objectives for future operations and underwriting profits. The Company and the Brit Co-Obligor cautions readers not to place undue reliance on this forward-looking information, which speak only as of their dates. The Company and the Brit Co-Obligor are under no obligation to update or alter such forward-looking information as a result of new information, future events or otherwise, except as may be required by applicable securities laws. This forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. These uncertainties and other factors, which are described in more detail elsewhere in these Listing Particulars, or in documents incorporated by reference herein, include, but are not limited to:

- the ability to complete acquisitions and other strategic transactions on the terms and timeframes contemplated, and to achieve the anticipated benefits therefrom;
- a reduction in net earnings if our loss reserves are insufficient;
- underwriting losses on the risks we insure that are higher than expected;

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<sup>1</sup> Includes investment in subsidiaries of the Company that are eliminated on consolidation.

<sup>2</sup> Includes the Brit Co-Obligor and its subsidiaries.

<sup>3</sup> Each of these has been calculated as our relevant consolidated amounts less (1) the relevant Company amounts and (2) the relevant Brit Co-Obligor amounts.

- the occurrence of catastrophic events with a frequency or severity exceeding our estimates;
- changes in market variables, including unfavourable changes in interest rates, foreign exchange rates, equity prices and credit spreads, which could negatively affect our operating results and investment portfolio;
- the cycles of the insurance market and general economic conditions, which can substantially influence our and our competitors' premium rates and capacity to write new business;
- insufficient reserves for asbestos, environmental and other latent claims;
- exposure to credit risk in the event our reinsurers fail to make payments to us under our reinsurance arrangements;
- exposure to credit risk in the event our insureds, insurance producers or reinsurance intermediaries fail to remit premiums that are owed to us or failure by our insureds to reimburse us for deductibles that are paid by us on their behalf;
- our inability to maintain our long-term debt ratings, the inability of our subsidiaries to maintain financial or claims paying ability ratings and the impact of a downgrade of such ratings on derivative transactions that we or our subsidiaries have entered into;
- risks associated with implementing our business strategies;
- the timing of claims payments being sooner or the receipt of reinsurance recoverables being later than anticipated by us;
- risks associated with any use we may make of derivative instruments;
- the failure of any hedging methods we may employ to achieve their desired risk management objective;
- a decrease in the level of demand for insurance or reinsurance products, or increased competition in the insurance industry;
- the impact of emerging claim and coverage issues or the failure of any of the loss limitation methods we employ;
- our inability to access cash of our subsidiaries;
- an increase in the amount of capital that we and our subsidiaries are required to maintain and our inability to obtain required levels of capital on favourable terms, if at all;
- the loss of key employees;
- our inability to obtain reinsurance coverage in sufficient amounts, at reasonable prices or on terms that adequately protect us;
- the passage of legislation subjecting our businesses to additional adverse requirements, supervision or regulation, including additional tax regulation, in the United States, Bermuda, Canada or other jurisdictions in which we operate;
- risks associated with applicable laws and regulations relating to sanctions and corrupt practices in foreign jurisdictions in which we operate;
- risks associated with government investigations of, and litigation and negative publicity related to, insurance industry practice or any other conduct;
- risks associated with political and other developments in foreign jurisdictions in which we operate;
- risks associated with legal or regulatory proceedings or significant litigation;
- failures or security breaches of our computer and data processing systems;
- the influence exercisable by our significant shareholder;
- adverse fluctuations in foreign currency exchange rates;
- our dependence on independent brokers over whom we exercise little control;

- financial reporting risks associated with IFRS 17 – *Insurance Contracts* (“**IFRS 17**”);
- financial reporting risks relating to deferred taxes associated with amendments to IAS 12 – *Income Taxes* (“**IAS 12**”);
- impairment of the carrying value of our goodwill, indefinite-lived intangible assets or investments in associates;
- our failure to realize deferred income tax assets;
- risks associated with changes in Canadian or foreign tax laws, or the interpretation thereof;
- technological or other change that adversely impacts demand, or the premiums payable, for the insurance coverages we offer;
- disruptions of our information technology systems;
- assessments and shared market mechanisms that may adversely affect our insurance subsidiaries;
- risks associated with the conflicts in Ukraine and Israel and the development of other geopolitical events and economic disruptions worldwide;
- risks associated with tariffs, trade restrictions, or other regulatory measures imposed by domestic or foreign governments that may directly or indirectly affect our business; and
- risks arising from the Brit Group’s (as defined below) reliance on Lloyd’s.

See the “Risk Factors” section of these Listing Particulars for a further discussion of these risks and uncertainties.

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## RISK FACTORS

*Each of the Company and the Brit Co-Obligor believes that the following factors may affect its ability to fulfil its obligations under the Notes. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below. Most of these factors are contingencies which may or may not occur, and neither the Company nor the Brit Co-Obligor is in a position to express a view on the likelihood of any such contingency occurring.*

*Each of the Company and the Brit Co-Obligor believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Company or the Brit Co-Obligor to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Company and the Brit Co-Obligor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in these Listing Particulars and reach their own views prior to making any investment decision.*

### **Risk Factors Relating to Our Business**

***If our actual claims exceed our claim reserves, our financial condition and results of operations could be adversely affected.***

We maintain reserves to cover our estimated ultimate unpaid liability for losses and loss adjustment expenses with respect to insurance and reinsurance policies underwritten by the Company at the end of each reporting period. Our success is dependent upon our ability to accurately assess the risks associated with the businesses that we reinsure or insure. If we fail to accurately assess the risks we assume, we may fail to establish appropriate premium rates and our reserves may be inadequate to cover our losses. This could adversely affect our net earnings and financial condition in future reporting periods.

Reserves do not represent an exact calculation of liability, but instead represent estimates at a point in time involving actuarial and statistical projections of our expectations of the ultimate settlement of claims incurred and the associated claims adjustment expense. Establishing an appropriate level of claims reserves is an inherently uncertain process. We utilize both proprietary and commercially available actuarial models, as well as historical insurance industry loss development patterns, to assist in the establishment of appropriate claim reserves.

In contrast to casualty losses, which frequently can be determined only through lengthy and unpredictable litigation, property losses tend to be reported promptly and usually are settled within a shorter period of time. Nevertheless, for both casualty and property losses, actual claims and claim expenses ultimately paid may deviate, perhaps substantially, from the reserve estimates reflected in our financial statements. Variables in the reserve estimation process can be affected by both internal and external events, such as changes in claims handling procedures, economic and social inflation, legal trends and legislative changes. Many of these items are not directly quantifiable, particularly on a prospective basis.

If our claim reserves are determined to be inadequate, we will be required to increase claim reserves with a corresponding reduction in our net earnings in the period in which the deficiency is rectified. It is possible that claims in respect of events that have occurred could exceed our claim reserves and have a material adverse effect on our results of operations in a particular period and/or our financial condition.

Even though most insurance contracts have policy limits, the nature of property and casualty insurance and reinsurance is such that losses can exceed policy limits for a variety of reasons and could significantly exceed the premiums received on the underlying policies. When this occurs, our financial results are adversely affected.

***Unpredictable catastrophic events could reduce our net earnings.***

Our insurance and reinsurance operations expose us to claims arising out of catastrophes. We have experienced, and will in the future experience, catastrophe losses that may materially reduce our profitability or harm our financial condition. Catastrophes can be caused by various events, including natural events such as hurricanes, windstorms, earthquakes, tornadoes, hailstorms, severe winter weather and fires, and unnatural events such as terrorist attacks and riots. Weather-related losses have increased in recent years, in part due to climate change, which represents a significant emerging risk that will

continue to increase the inherent unpredictability of both the frequency and severity of weather-related catastrophe losses.

The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Most catastrophes are restricted to small geographic areas; however, hurricanes, windstorms and earthquakes may produce significant damage in large, heavily populated areas. Catastrophes can cause losses in a variety of property and casualty lines, including losses relating to business interruptions occurring in the same geographic area as the catastrophic event or in the other geographic areas. It is possible that a catastrophic event or multiple catastrophic events could have a material adverse effect upon our financial condition, profitability or cash flows.

We believe that increases in the value and geographic concentration of insured property, and higher construction costs due to labor and raw material shortages following a significant catastrophic event, could increase the number and severity of claims from catastrophic events in the future.

***Our portfolio holdings are subject to fluctuations in the market which could negatively affect their value. If we are unable to realize our investment objectives, our business, financial condition or results of operations may be adversely affected.***

Investment returns are an important part of our overall profitability and our operating results depend in part on the performance of our investment portfolio. We hold bonds and other debt instruments, common stocks, preferred stocks and derivative instruments in our portfolio.

Accordingly, fluctuations in the fixed income or equity markets could have an adverse effect on our financial condition, profitability or cash flows. We derive our investment income from interest and dividends, together with net gains or losses on investments. The portion derived from net gains or losses on investments generally fluctuates from year to year and is typically a less predictable source of investment income than interest and dividends, particularly in the short term.

The return on our portfolio and the risks associated with our investments are also affected by our asset mix, which can change materially depending on market and industry-specific conditions and the creditworthiness of our counterparties.

The uncertainty around the ultimate amount and the timing of our claim payments may force us to liquidate securities, which may cause us to incur losses. If we structure our investments improperly relative to our liabilities, we may be forced to liquidate investments prior to its maturity or planned exit date at a significant loss to cover such liabilities. Realized and unrealized investment losses resulting from a decline in value could significantly decrease our net earnings.

The ability to achieve our investment objectives is affected by general economic conditions that are beyond our control. General economic conditions can adversely affect the markets for interest rate sensitive securities, including the extent and timing of investor participation in such markets, the level and volatility of interest rates and, consequently, the value of fixed income securities. Interest rates are highly sensitive to many factors, including governmental monetary policies, domestic and international economic and political conditions, trade restrictions and other factors beyond our control. General economic conditions, stock market conditions, environmental conditions, climate change, policy changes and many other factors can also adversely affect the equity markets and, consequently, the value of the equity securities we own.

Inflation rates in jurisdictions that we operate or invest in have increased significantly in recent years, rising above the target inflation rate ranges set by governing central banks. A significant portion of the upward pressure on prices has been attributed to the rising costs of labor, energy, food, motor vehicles and housing, as well as overall challenges involved in managing the economy throughout the COVID-19 pandemic and continuing global supply-chain disruptions. Inflationary increases may or may not be transitory and future inflation may be impacted by reductions or increases in labor market constraints, supply-chain disruptions, tariffs and commodity prices. To address rising inflation, central banks across the world have simultaneously increased interest rates, which have remained at elevated levels despite recent easing. Inflation and the corresponding rise in interest rates in recent years have not had a material adverse effect on our business; however, any further sustained upward trajectory in the inflation rate and corresponding increases to interest rates may have an adverse impact on our operating results and our

investments. We continue to monitor inflationary pressures in the jurisdictions we operate or invest in and assess any potential effects on our operating results and investments.

In addition, defaults by third parties who fail to pay or perform on their obligations could reduce our investment income and net gains on investment or result in investment losses. The cycles of the insurance and reinsurance industries, general economic conditions and industry-specific factors relating to our asset mix may cause fluctuations in our operating results.

Historically, we have experienced fluctuations in operating results due to competition, frequency or severity of both catastrophic and non-catastrophic events, levels of capital and underwriting capacity, general economic conditions and other factors. Demand for insurance and reinsurance is influenced significantly by underwriting results of primary insurers and prevailing general economic conditions. Factors such as changes in the level of employment, wages, consumer spending, business investment and government spending, the volatility and strength of the global capital markets and inflation or deflation, all affect the business and economic environment and, ultimately, the demand for insurance and reinsurance products, and therefore may affect our net earnings, financial position or cash flows.

The property and casualty insurance business historically has been characterized by periods of intense price competition due to excess underwriting capacity, as well as periods when shortages of underwriting capacity have permitted attractive premium levels. We expect to continue to experience the effects of this cyclicity, which, during down periods, could significantly reduce the amount of premium we write and could harm our financial condition, profitability or cash flows.

In the reinsurance industry, the supply of reinsurance is related to prevailing prices and levels of underwriting capacity surplus that, in turn, may fluctuate in response to changes in rates of return being realized in the broader capital markets. If premium rates change or other reinsurance policy terms and conditions change expanding coverage, particularly if the present level of demand for reinsurance decreases because insurers require less reinsurance or the level of supply of reinsurance increases as a result of capital provided by existing reinsurers or alternative forms of reinsurance capacity enter the market, the profitability of our reinsurance business could be adversely affected.

***Our business could be harmed because of our potential exposure to asbestos, environmental and other latent claims.***

We have established loss reserves for asbestos and environmental and other latent claims that represent our best estimate of ultimate claims and claims adjustment expenses based upon all known facts and current law. As a result of significant issues surrounding liabilities of insurers, risks inherent in major litigation and diverging legal interpretations and judgments in different jurisdictions, actual liability for these types of claims could exceed the loss reserves set by us by an amount that could be material to our financial condition, profitability or cash flows in future periods.

***We cannot assure you that our reinsurers and certain insureds will pay us on a timely basis or at all.***

Most insurance and reinsurance companies reduce their exposure to any individual claim by reinsuring amounts in excess of their maximum desired retention. Reinsurance is an arrangement in which an insurer, called the cedent, transfers insurance risk to another insurer, called the reinsurer, which accepts the risk in return for a premium payment. This third-party reinsurance does not relieve us, as a cedent, of our primary obligation to the insured. Recoverables from reinsurers balances reported in reinsurance contract assets held may become uncollectible due to reinsurer solvency and credit concerns, due to the potentially long time period over which claims may be paid and the resulting recoveries may be received from the reinsurers, or due to policy disputes. If reinsurers are unwilling or unable to pay us amounts due under reinsurance contracts, we will incur unexpected losses and our results of operations, financial condition and cash flows could be adversely affected.

***We are exposed to credit risk in the event our insureds, insurance producers or reinsurance intermediaries fail to remit premiums that are owed to us or failure by our insureds to reimburse us for deductibles that are paid by us on their behalf.***

Various insurance intermediaries collect premiums from our customers, which they then remit to us. We may be required to provide insurance coverage even if an intermediary fails to pay us. In addition, we write certain insurance policies, such as large deductible policies (policies where the insured retains a specific amount of any potential loss), in which the insured must reimburse us for certain losses.

Accordingly, we bear credit risk on these policies and cannot assure you that intermediaries of our insureds will pay us on a timely basis or at all.

***If our insurance and reinsurance subsidiaries are unable to maintain financial strength ratings, it may be more difficult for them to renew policies, retain business or write new business and a downgrade of our credit rating may affect the cost and availability of financing.***

Financial strength and credit ratings by major North American rating agencies are important factors in establishing a competitive position for insurance and reinsurance companies. Third-party rating agencies assess and rate the claims-paying ability of reinsurers and insurers based upon the criteria of such rating agencies. Periodically the rating agencies evaluate our insurance and reinsurance subsidiaries to confirm that they continue to meet the criteria of the ratings previously assigned to them. The claims-paying ability ratings assigned by rating agencies to insurance or reinsurance companies represent independent opinions of financial strength and ability to meet policyholder obligations. A downgrade in these ratings could lead to a significant reduction in the number of insurance policies our insurance subsidiaries write and could cause early termination of contracts written by our reinsurance subsidiaries or a requirement for them to post collateral at the direction of their counterparties.

A downgrade in our long-term debt ratings by the major rating agencies could require us and/or our subsidiaries to accelerate our or their cash settlement obligations for certain derivative transactions to which we or they are a party and could result in the termination of certain other derivative transactions. In addition, a downgrade of our credit rating may affect the cost and availability of unsecured financing. Ratings are subject to periodic review at the discretion of each respective rating agency and may be revised downward or revoked at their sole discretion. Rating agencies may also increase their scrutiny of rated companies, revise their rating standards or take other action. We have dedicated personnel that manage our relationships with our various rating agencies, however there can be no assurance that these activities will avoid a downgrade by rating agencies. We can provide no assurance that we will not experience such downgrades in the future.

***We may not be successful in achieving our strategic objectives.***

We may periodically and opportunistically acquire other insurance and reinsurance companies or execute other strategic initiatives developed by management. Although we undertake due diligence prior to the completion of an acquisition, it is possible that unanticipated factors could arise and there is no assurance that the anticipated financial or strategic objectives following an integration effort or the implementation of a strategic initiative will be achieved, which could adversely affect our financial condition, profitability or cash flows.

We may periodically explore opportunities to make strategic investments in all or part of certain businesses or companies. Acquisitions may involve a number of special risks, including failure to retain key personnel, unanticipated events or circumstances, increased exposure to industry-specific and credit risks and potential for legal liabilities and incurrence of indebtedness to finance the transactions, some or all of which could have a material adverse effect on our business, results of operations and financial position. We cannot be sure that any acquired businesses will achieve the anticipated revenues, income and synergies, or that acquisitions of loan portfolios will perform as anticipated. Failure on our part to manage our acquisition strategy successfully could have a material adverse effect on our business, results of operations and financial position. We cannot be sure that we will be able to identify appropriate targets, profitably manage additional businesses, investments and/or portfolios or successfully integrate any acquired business into our operations.

The strategies and performance of our subsidiaries, and the alignment of those strategies throughout our organization, are regularly assessed through various processes undertaken by senior management and our Board of Directors, however there can be no assurance that these efforts will be successful to mitigate the risks identified above.

***We may hold derivative instruments, which could result in significant losses and volatility of our operating results.***

We may hold significant investments in derivative instruments and the market value and liquidity of these investments are volatile or extremely volatile and may vary dramatically up or down in short periods, and these circumstances may be exacerbated by adverse economic conditions, fluctuations in

interest rates and the volatility in the public markets. We may use derivative instruments to manage or reduce risks or as a cost-effective way to synthetically replicate the investment characteristics of an otherwise permitted investment. The market value and liquidity of these instruments are volatile and may vary dramatically up or down in short periods, and their ultimate value will therefore only be known upon their disposition or settlement. If the counterparties to our derivative instruments fail to honor their obligations under the derivative instrument agreements, we may lose the value of our derivative instruments. This failure could have an adverse effect on our financial condition and results of operations.

Our use of derivative instruments is governed by our investment policies and exposes us to a number of risks, including credit risk, interest rate risk, liquidity risk, inflation risk, equity market risk, foreign currency risk, basis risk and counterparty risk. If the counterparties to our derivative instruments fail to honor their obligations under the derivative instrument agreements, we may lose the value of our derivative instruments, which failure could have an adverse effect on our financial condition, profitability or cash flows.

We endeavor to limit counterparty risk through diligent selection of counterparties to our derivative instruments and through the terms of agreements negotiated with our counterparties. Pursuant to these agreements, we and the counterparties are required to deposit eligible collateral in collateral accounts for either the benefit of us or the counterparty depending on the then current fair value or change in the fair value of the derivative contract.

We may not be able to realize our investment objectives with respect to derivative instruments, which could have a material adverse effect on our financial position, profitability or cash flows.

***The methods we employ to hedge risks associated with certain of our financial instruments may fail to achieve their desired risk management objectives.***

We may use derivative instruments from time to time to manage or reduce our exposure to credit risk and various market risks, including interest rate risk, equity market risk, inflation/deflation risk and foreign currency risk. Our hedging strategies may be implemented to hedge risks associated with a specific financial instrument, asset or liability or at a macro level to hedge systemic financial risk and the impact of potential future economic crisis and credit related problems on our operations and the value of our financial assets. Credit default swaps, total return swaps and consumer price index-linked derivative instruments have been used in the past to hedge our macro-level risks.

Our derivative instruments may expose us to basis risk. Basis risk is the risk that the fair value or cash flows of derivative instruments applied as economic hedges will not experience changes in exactly the opposite directions from those of the underlying hedged exposure. This imperfect correlation may adversely impact the net effectiveness of the hedge and may diminish the financial viability of maintaining the hedging strategy and therefore adversely impact our financial condition, profitability or cash flows.

We regularly monitor the prospective and retrospective effectiveness of our economic hedging instruments and will adjust the amount and/or type of hedging instruments as required to achieve our risk management goals.

***We operate in a highly competitive environment which could make it more difficult for us to attract and retain business.***

The property and casualty insurance industry and the reinsurance industry are both highly competitive and will likely remain highly competitive in the foreseeable future. Competition in these industries is based on many factors, including premiums charged and other terms and conditions offered, products and services provided, commission structure, financial ratings assigned by independent rating agencies, speed of claims payment, reputation, selling effort, perceived financial strength and the experience of the insurer or reinsurer in the line of insurance or reinsurance to be written. We compete, and will continue to compete, with a large number of Canadian, U.S. and foreign insurers and reinsurers, as well as certain underwriting syndicates, some of which have greater financial, marketing and management resources than we do. In addition, some financial institutions, such as banks, are now able to offer services similar to those offered by our reinsurance subsidiaries while in recent years, capital market participants have also created alternative products that are intended to compete with reinsurance products.

Consolidation within the insurance industry could result in insurance and reinsurance market participants using their market power to implement price reductions. If competitive pressures compel us to reduce our prices, our operating margins would decrease. As the insurance industry consolidates, competition for customers could become more intense and the importance of acquiring and properly servicing each customer could become greater, causing us to incur greater expenses relating to customer acquisition and retention and further reducing operating margins.

***Emerging claim and coverage issues, or the failure of any of the loss limitation methods we employ, could adversely affect our business, financial condition or results of operations.***

The liability for incurred claims for insurance contracts is an estimate and may be found to be deficient, perhaps very significantly, in the future as a result of unanticipated frequency or severity of claims or for a variety of other reasons including unpredictable judicial rulings, expansion of insurance coverage to include exposures not contemplated at the time of policy issue (as was the case with asbestos and pollution exposures), extreme weather events, civil unrest and pandemics. Unanticipated developments in the law as well as changes in social and environmental conditions could result in unexpected claims for coverage under insurance and reinsurance contracts. With respect to casualty lines of business, these legal, social and environmental changes may not become apparent until some time after their occurrence.

The full effects of these and other unforeseen emerging claim and coverage issues are extremely hard to predict and could harm our business. As a result, the full extent of our liability under our coverages, and in particular our casualty insurance policies and reinsurance contracts, may not be known until many years after a policy or contract is issued. Our exposure to this uncertainty is greatest in our “long-tail” casualty lines of business where claims can typically be made for many years, rendering them more susceptible to these trends than in the property insurance lines of business, which are more typically “short-tail.” In addition, we could be adversely affected by the growing trend of plaintiffs targeting participants in the property-liability insurance industry in purported class action litigation relating to claims handling and other practices.

Although loss exposure is limited by geographic diversification and we seek to limit our loss exposure by employing a variety of policy limits and other terms and conditions and through prudent underwriting of each program written, there can be no assurance that such measures will be successful in limiting our loss exposure.

***We are a holding company and may not have access to the cash that is needed to meet our financial obligations.***

We are a holding company that conducts substantially all of our business through our subsidiaries (including the Brit Co-Obligor and its subsidiaries) and receives substantially all of our earnings from such subsidiaries. We control the operating insurance and reinsurance companies, each of which must comply with applicable insurance regulations of the jurisdictions in which it operates. Each insurance and reinsurance operating company must maintain reserves for losses and loss adjustment expenses to cover the risks it has underwritten. The reserves of one of our insurance or reinsurance companies are not available to be applied against the risks underwritten by other of such companies. The financial condition and results of operations of each of the insurance and reinsurance companies we control are included in our consolidated financial statements and, generally, losses incurred by any of our companies directly impact our consolidated results. Although a severe loss incurred by one insurance or reinsurance company should not have any adverse effect on any of our other insurance or reinsurance companies, such loss, even though not material to us when our financial condition is viewed as a whole, could have an adverse effect on us because it could affect adversely how our other insurance or reinsurance companies are treated by others, including rating agencies and insurance regulators.

In the event of the insolvency or liquidation of a subsidiary, following payment by such subsidiary of its liabilities, the subsidiary may not have sufficient remaining assets to make payments to us as a shareholder or otherwise, or may be restricted from doing so by insurance regulatory authorities, receiver, administrator or supervising court, as applicable. In the event of a default by a subsidiary under a credit agreement or other indebtedness, its creditors could accelerate the debt, prior to such subsidiary distributing amounts to us that we could use to make payments on our outstanding debt.

Our ability to meet financial obligations, including the ability to make payments on outstanding debt, is largely dependent on the distribution of earnings from our subsidiaries as substantially all of our

operations are conducted through our subsidiaries. The ability of subsidiaries to pay dividends or distributions in the future will depend on their statutory surplus, on earnings and on regulatory restrictions. Our subsidiaries may incur additional indebtedness that may severely restrict or prohibit the making of distributions, the payment of dividends or the making of loans by our subsidiaries to the Company. We cannot assure you that the agreements governing the current and future indebtedness of our subsidiaries will permit our subsidiaries to provide us with sufficient dividends, distributions or loans to meet our financial obligations, including to fund payments on our outstanding debt when due. Dividends, distributions or returns of capital to us are subject to restrictions set forth in the applicable laws and regulations of the countries where the relevant company operates (principally the U.S., Canada, the United Kingdom and Bermuda) (in each case, including the provinces, states or other jurisdictions therein) and is affected by the subsidiaries' credit agreements and indentures, rating agencies, the discretion of insurance regulatory authorities and capital support agreements with subsidiaries. Although we strive to be soundly financed and maintain high levels of liquid assets, an inability of subsidiaries to pay dividends could have a negative impact on our liquidity and ability to meet our obligations.

***Our inability to obtain additional capital in the future as required could have a material adverse effect on our financial condition.***

We are required to maintain specified levels of capital to satisfy regulatory requirements, maintain our credit ratings and meet conditions in various commercial and financing agreements. These requirements and the methods for calculating capital may change as regulators or rating agencies revise their models. Our future capital requirements depend on many factors, including our ability to successfully write new business and to establish premium rates and reserves at levels sufficient to cover losses. Our liquidity needs could increase materially and rapidly for a variety of reasons, many of which are outside of our control. For example, our insurance subsidiaries may require us to make additional investments in the event that their regulatory capital levels decline below desired levels as a result of net investment losses and future impairments of investment securities, catastrophe losses or other conditions, including changes in regulatory capital requirements. To the extent that the funds generated by our business are insufficient to fund future operations, we may need to raise additional funds through equity or debt financings. Any equity or debt financing, if available at all, may be on terms that are not favorable to us, including being subject to higher interest rates. The cost and availability of debt financing is affected by credit ratings. Our ability to raise additional capital may be adversely affected by our credit ratings. If we cannot obtain adequate capital or if we fail to refinance our existing debt as it comes due, our business, financial condition and profitability would be materially adversely affected. In addition, certain of our financings are, and future financings may be exposed to, floating interest rate risks, and if interest rates increase, an increased proportion of our cash flow may be required to service indebtedness.

Our ability and/or the ability of our subsidiaries to obtain additional financing for working capital, capital expenditures or acquisitions in the future may also be limited under the terms of the Company's unsecured revolving credit facility (the "**Credit Facility**"). The Credit Facility contains various covenants that may restrict, among other things, our ability or the ability of our subsidiaries to incur additional indebtedness, to create liens or other encumbrances and to sell or otherwise dispose of assets and merge or consolidate with another entity. In particular, the Credit Facility restricts indebtedness (other than certain additional permitted indebtedness) of the Company's regulated insurance subsidiaries and their immediate and intermediate, if applicable, parent holding companies to a maximum aggregate amount of \$1.5 billion (including a sublimit of \$1.0 billion in aggregate for Crum & Forster, Odyssey Group, Northbridge, Zenith National, Allied World and Brit (and each of their respective direct and indirect subsidiaries) (the "**Core Group**")) unless the applicable subsidiary provides an unsecured guarantee, which overall limit reduces to \$1.0 billion in aggregate upon any sale of more than 51% of the equity interests of any member of the Core Group. In addition, the Credit Facility contains certain financial covenants that require the Company to maintain a ratio of consolidated debt to consolidated capitalization not exceeding 0.35:1 and consolidated shareholders' equity of not less than \$11.5 billion, both calculated as defined in the Credit Facility (including, in certain circumstances and subject to certain limits and conditions, calculating consolidated debt on the basis of net consolidated debt, taking into account up to \$1.0 billion in consolidated cash and cash equivalents that are held in an account in Canada or the United States with a lender under the Credit Facility (or its affiliate)). A failure to comply with the obligations and covenants under the Credit Facility could result in an event of default under such agreement which, if not cured or waived, could permit acceleration of indebtedness, including other indebtedness of the Company or our subsidiaries. If such indebtedness were to be accelerated, there can be no assurance that the Company's assets would be sufficient to repay that indebtedness in full. Moreover, the Credit Facility could limit our ability to incur additional indebtedness in the future.

***Our business could be adversely affected by the loss of one or more key employees.***

We are substantially dependent on a small number of key employees, including our Chairman, Chief Executive Officer and significant shareholder, Mr. Prem Watsa, and the senior management of the Company and its operating subsidiaries. The industry experience and reputation of these individuals are important factors in our ability to attract new business and investment opportunities. Our success has been, and will continue to be, dependent on our ability to retain the services of our existing key employees and to attract and retain additional qualified personnel in the future. The loss of the services of any of these key employees, or the inability to identify, hire and retain other highly qualified personnel in the future, could adversely affect the quality and profitability of our business operations. At our operating subsidiaries, employment agreements have been entered into with key employees. We do not maintain key employee insurance with respect to any of our employees.

***We may be unable to obtain reinsurance coverage at reasonable prices or on terms that adequately protect us.***

We use reinsurance arrangements, including reinsurance of our own reinsurance business purchased from other reinsurers, referred to as retrocessionaires, to help manage our exposure to property and casualty risks. The availability of reinsurance and rates charged by reinsurers are subject to prevailing market conditions, both in terms of price and available capacity, which can affect our business volume and profitability. Reinsurance companies can also add or exclude certain coverages from, or alter terms in, the policies that we purchase from them. Some exclusions are with respect to risks which we cannot exclude in policies we write due to business or regulatory constraints, such as coverage with respect to acts of terrorism, mold and cyber risk. Reinsurers may also impose terms, such as lower per occurrence and aggregate limits, on primary insurers that are inconsistent with corresponding terms in the policies written by these primary insurers. As a result, our insurance subsidiaries, like other primary insurance companies, increasingly are writing insurance policies which to some extent do not have the benefit of reinsurance protection. These gaps in reinsurance protection expose us to greater risk and greater potential losses.

The rates charged by reinsurers and the availability of reinsurance to our subsidiaries will generally reflect our recent loss experience and the industry loss experience overall. Reinsurance pricing has continued to firm as a result of catastrophe losses in recent years, the threat of sustained high inflation and its impact on claim costs and the effects of social inflation in the United States and the low interest rate environment. The retrocession market continues to experience significant rate increases due to increased catastrophe activity in recent years. Each of our insurance and reinsurance subsidiaries continue to evaluate the relative costs and benefits of accepting more risk on a net basis, reducing exposure on a direct basis, and paying additional premiums for reinsurance. If we cannot obtain adequate reinsurance protection for the risks we underwrite, we may be exposed to greater losses from those risks or we may be forced to reduce the amount of business we underwrite, which will reduce our revenues. As a result, our inability to obtain adequate reinsurance protection could have a material adverse effect on our financial condition and operations.

***Our operations could be adversely affected as a result of regulatory, political, economic or other influences in the insurance and reinsurance industries.***

We are subject to government regulation in each of the jurisdictions in which our operating insurance and reinsurance subsidiaries are licensed or authorized to conduct business. Governmental bodies have broad administrative power to regulate many aspects of the insurance business, which may include accounting methods, governance, premium rates, market practices, policy forms and capital adequacy. The laws and rules behind this regulation are concerned primarily with the protection of policyholders rather than investors. Governmental bodies may impose fines, additional capital requirements or limitations on our insurance and reinsurance operations, and/or impose criminal sanctions for violation of regulatory requirements. The laws and regulations that are applicable to our insurance and reinsurance operations are complex and may increase the costs of regulatory compliance or subject our business to the possibility of regulatory actions or proceedings.

In recent years, the insurance industry has been subject to increased scrutiny by policymakers, legislatures and regulators alike. New laws and rules and new interpretations of existing laws and rules could adversely affect our financial results by limiting our operating insurance subsidiaries' ability to make investments consistent with our total return strategy or requiring us to maintain capital in specific



operating subsidiaries in excess of the amounts we consider to be appropriate, or causing us to make unplanned modifications of products or services, or imposing restrictions on our ability to enter or exit lines of insurance business or to utilize new methods of assessing and pricing risks or selling products and services. We cannot predict the future impact of changing law, regulation or government policy on our operations; any changes could have a material adverse effect on us or the insurance industry in general.

***Our international business is subject to applicable laws and regulations relating to sanctions and foreign corrupt practices, the violation of which could adversely affect our operations.***

We must comply with all applicable economic sanctions and anti-bribery laws and regulations, including those of Canada, the United States, the United Kingdom, the European Union and other foreign jurisdictions where we operate. U.S. laws and regulations applicable to us include the economic trade sanctions laws and regulations administered by the U.S. Department of the Treasury's Office of Foreign Assets Control, as well as certain laws administered by the U.S. Department of State. In addition, our business is subject to the Canadian Corruption of Foreign Public Officials Act, Foreign Corrupt Practices Act and other anti-bribery laws such as the U.K. Bribery Act that generally bar corrupt payments or unreasonable gifts to foreign governments or officials and the Bribery Act 2016 of Bermuda. We believe that our commitment to honesty and integrity, set out in our Guiding Principles and regularly communicated, and the large number of our executives and employees who have served the Company for a long time, significantly enhance the likelihood that we will comply with those laws and regulations. More specifically, we have policies and controls in place that are designed to ensure compliance with these laws and regulations, including policies distributed annually to employees, controls and oversight at individual operating companies and companywide, and whistleblower programs that are monitored by senior management and the Board of Directors. Despite these policies and controls, it is possible that an employee or intermediary could fail to comply with applicable laws and regulations, which could expose us to civil penalties, criminal penalties and other sanctions, including fines or other punitive actions. In addition, such violations could damage our business and/or reputation and therefore have a material adverse effect on our financial condition and results of operations.

***Certain business practices of the insurance industry have been the subject of negative publicity and investigations by government authorities and the subject of class action litigation.***

From time to time, the insurance industry has been subject to investigations, litigation and regulatory activity by various insurance, governmental and enforcement authorities, concerning certain practices within the industry. We sometimes receive inquiries and informational requests from insurance regulators or other government officials in the jurisdictions in which our insurance and reinsurance subsidiaries operate. Our internal and external legal counsels coordinate with operating companies in responding to information requests and government proceedings. From time to time, consumer advocacy groups or the media also focus attention on certain insurance industry practices. We cannot predict at this time the effect that investigations, litigation and regulatory activity or negative publicity from consumers or the media will have on the insurance or reinsurance industry or our business, or whether activities or practices currently thought to be lawful will be characterized in the future as unlawful or will become subject to negative scrutiny from consumer advocacy groups or the media. Our involvement in any investigations and related lawsuits would cause us to incur legal costs and, if we were found to have violated any laws, we could be required to pay fines and damages, perhaps in material amounts. In addition, we could be materially adversely affected by the negative publicity for the insurance industry related to any such proceedings, and by any new industry-wide regulations or practices that may result from such proceedings or publicity. It is possible that future investigations or related regulatory developments will mandate changes in industry practices in a fashion that increases our costs of doing business or requires us to alter aspects of the manner in which we conduct our business.

***Political and other developments in foreign jurisdictions in which we operate could adversely affect our business and assets.***

Our international operations are regulated in various jurisdictions with respect to licensing requirements, currency, amount and type of security deposits, amount and type of reserves, amount and type of local investment and other matters. We regularly monitor for political and other changes in each country where we operate. The decentralized nature of our operations generally permits quick adaptation to, or mitigation of, evolving regional risks. Furthermore, our international operations are widespread and therefore not dependent on the economic stability of any one particular region. International operations

and assets held abroad may, however, be adversely affected by political and other developments in foreign countries, including possibilities of tax changes, trade protectionism measures, nationalization and changes in regulatory policy, as well as by consequences of terrorism, war, hostilities and unrest. The risks of such occurrences and their overall effect upon us vary from country to country and cannot easily be predicted.

Our operations and financial performance may be impacted by changes in tariffs, trade restrictions, or other regulatory measures imposed by domestic or foreign governments. The imposition of tariffs by the United States (the “**U.S. Tariffs**”) and retaliatory measures between governments may cause multifaceted effects on the economy. The U.S. Tariffs may adversely impact our operations by causing supply chain disruptions, economic downturn, inflationary pressures and uncertainty in capital markets. We are currently assessing the direct and indirect impacts to our operations of these tariffs and potential retaliatory tariffs and other trade protectionist measures that may arise, and such impacts may be significant, including inflationary pressures on loss costs, particularly for raw materials in the auto and construction industries. Failure to mitigate the negative effects of the U.S. Tariffs on our business could have a material adverse impact on our operating results and financial condition. While we are taking steps to seek to mitigate the potential impact on our business, given that developments are ongoing with respect to these tariffs and other measures, their impacts are uncertain and could adversely affect our business, financial condition and results of operations.

***We may be subject to regulatory proceedings or significant litigation, which will be expensive and time consuming and, if decided against us, could require us to pay substantial judgments or settlements.***

We may, from time to time, become party to a variety of legal claims and regulatory proceedings, including, but not limited to: disputes over coverage or claims adjudication; disputes regarding sales practices, disclosures, premium refunds, licensing, regulatory compliance and compensation arrangements; disputes with our agents, brokers or network providers over compensation and termination of contracts and related claims; regulatory actions relating to consumer pressure in relation to benefits realized by insurers; disputes with taxing authorities regarding our tax liabilities and tax assets; regulatory proceedings and litigation related to acquisitions or divestitures made or proposed by us or our subsidiaries or in connection with subsidiaries in which we hold an investment; and disputes relating to certain businesses acquired or disposed of by us. Operating companies manage day-to-day regulatory and legal risk primarily by implementing appropriate policies, procedures and controls. Internal and external legal counsels also work closely with the operating companies to identify and mitigate areas of potential regulatory and legal risk. The existence of such claims against us or our subsidiaries, affiliates, directors or officers could, however, have various adverse effects, including negative publicity and the incurrence of significant legal expenses defending claims, even those without merit.

***Our computer and data processing systems may fail or be perceived to be insecure, which could adversely affect our business and damage our customer relationships.***

Our business is highly dependent upon the successful and uninterrupted functioning of our computer and data processing systems. We rely on these systems to perform actuarial and other modeling functions necessary for writing business, to process and make claim payments and to process and summarize investment transactions. Third parties provide certain of the key components of our business infrastructure such as voice and data communications and network access. Given the high volume of transactions processed daily, we are reliant on such third-party provided services to successfully deliver our products and services. We have highly trained information technology staff that is committed to the continual development and maintenance of our technology infrastructure. Security measures, including data security programs to protect confidential personal information, have been implemented and are regularly upgraded. We, together with our third-party service providers, also maintain and regularly test contingency plans for our technology infrastructure. Notwithstanding these measures, the failure of these systems could interrupt our operations or materially impact our ability to rapidly evaluate and commit to new business opportunities. If sustained or repeated, a system failure could result in the loss of existing or potential business relationships, or compromise our ability to pay claims in a timely manner.

In addition, a security breach of our computer systems could damage our reputation or result in liability to persons affected by the breach as well as regulatory penalties. We retain confidential information regarding our business dealings in our computer systems, including, in some cases, confidential personal information regarding our insureds. We may be required to spend significant capital and other resources to protect against security breaches or to alleviate problems caused by such breaches. Any well-

publicized compromise of security could deter people from conducting transactions that involve transmitting confidential information to our systems. Therefore, it is critical that these facilities and infrastructure remain secure and are perceived by the marketplace to be secure. This infrastructure may be vulnerable to physical break-ins, computer viruses, programming errors, attacks by third parties or similar disruptive problems. In addition, we could be subject to liability if hackers were able to penetrate our network security or otherwise misappropriate confidential information.

***A disruption of our information technology systems could significantly affect our business.***

We rely on information technology in virtually all aspects of our business. A significant disruption or failure of our information technology systems could result in service interruptions, safety failures, security violations, regulatory compliance failures, inability to protect information and assets against intruders, and other operational difficulties. Attacks perpetrated against our information technology systems could result in loss of assets and critical information, potential breach of privacy laws, expose us to remediation costs, reputational damage, regulatory scrutiny, litigation and adversely affect our results of operations, financial condition and liquidity.

Cyberattacks, including those perpetrated through the use of artificial intelligence, could further adversely affect our ability to operate facilities, information technology and business systems, or compromise confidential customer and employee information. Cyberattacks resulting in political, economic, social or financial market instability or damage to or interference with our assets, or our customers or suppliers may result in business interruptions, lost revenue, higher commodity prices, disruption in fuel supplies, lower energy consumption, unstable markets, increased security and repair or other costs, any of which may affect our consolidated financial results. Furthermore, instability in the financial markets as a result of terrorism, sustained or significant cyberattacks, or war could also materially adversely affect our ability to raise capital.

We have taken steps intended to mitigate these risks, including implementation of cybersecurity and cyber resilience measures, business continuity planning, disaster recovery planning and business impact analysis, and regularly update these plans and security measures, however, there can be no assurance that such steps will be adequate to protect us from the impacts of a cyberattack.

***Our significant shareholder may substantially influence our direction and operations.***

Mr. Prem Watsa, our Chairman and Chief Executive Officer, owns, directly or indirectly, or exercises control or direction over shares representing approximately 43.3% of the voting power of the Company's outstanding shares. Mr. Watsa has the ability to substantially influence certain actions requiring shareholder approval, including approving a business combination or consolidation, liquidation or sale of the Company's assets, electing members of our Board of Directors and adopting amendments to the Company's articles of incorporation and by-laws.

Amendments were made to the terms of our multiple voting shares, which are controlled by Mr. Watsa, in August of 2015 having the effect of preserving the voting power represented by the multiple voting shares at 41.8% even if additional subordinate voting shares are issued in the future.

***We may be adversely affected by foreign currency fluctuations.***

Our reporting currency is the U.S. dollar. A portion of our premiums and our expenses are denominated in foreign currencies and a portion of our assets (including investments) and loss reserves are also denominated in foreign currencies. We may, from time to time, experience losses resulting from fluctuations in the values of foreign currencies (including when our foreign currency assets and liabilities are hedged) which could adversely affect our financial condition, profitability or cash flows.

***We rely on independent brokers over whom we exercise little control, which exposes us to certain risks.***

We use brokers to distribute our business and, in some instances, will distribute through agents or directly to customers. We may also conduct business through third parties such as managing general agents where it is cost effective to do so and where we can control the underwriting process to ensure our risk management criteria are met. Each of these channels has its own distinct distribution characteristics and customers. A large majority of our business is generated by brokers (including international reinsurance brokers with respect to our reinsurance operations), with the remainder split among the other distribution channels. This is substantially consistent across our insurance and reinsurance subsidiaries.

Our insurance operations have relationships with many different types of brokers including independent retail brokers, wholesale brokers and national brokers depending on the particular jurisdiction, while our reinsurance operations are dependent primarily on a limited number of international reinsurance brokers. We transact business with these brokers on a non-exclusive basis. These independent brokers also transact the business of our competitors and there can be no assurance as to their continuing commitment to distribute our insurance and reinsurance products. Our continued profitability depends, in part, on the marketing efforts of independent brokers and our ability to offer insurance and reinsurance products and maintain financial ratings that meet the requirements and preferences of such brokers and their policyholders.

Because the majority of our brokers are independent, there is limited ability to exercise control over them. In the event that an independent broker exceeds its authority by binding us on a risk that does not comply with our underwriting guidelines, we may be at risk for that policy until the application is received and a cancellation effected. Although to date we have not experienced a material loss from improper use of binding authority by our brokers, any improper use of such authority may result in losses that could have a material adverse effect on our business, financial condition, profitability or cash flows. Our insurance and reinsurance subsidiaries closely manage and monitor broker relationships and regularly audit broker compliance with our established underwriting guidelines.

***Financial reporting risks associated with IFRS 17.***

IFRS 17 as issued by the IASB was retrospectively adopted by the Company on January 1, 2023 with restated comparative periods presented in the financial statements. IFRS 17 replaced IFRS 4 Insurance Contracts and introduced considerable change and additional complexity to the recognition, measurement, presentation and disclosure of insurance contracts within the Company's consolidated financial statements. The complex measurement requirements of IFRS 17 increased the potential volatility in the Company's consolidated statement of earnings and financial position, which affects financial reporting risk.

***Financial reporting risks relating to deferred taxes associated with amendments to IAS 12.***

On May 23, 2023, the IASB issued amendments to IAS 12 to provide temporary relief from accounting and disclosure for deferred taxes arising from the implementation of Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). The Pillar Two model rules provide a general framework for the implementation of a 15% global minimum tax, which is to be applied on a jurisdiction-by-jurisdiction basis. We retrospectively adopted this amendment during the second quarter of 2023 and have applied the exception to recognizing and disclosing information regarding Pillar Two deferred income tax assets and liabilities.

***To the extent that the value of our goodwill, indefinite-lived intangible assets or investments in associates is impaired, we are required to write down the value of such assets.***

The goodwill, indefinite-lived intangible assets and investments in associates on our consolidated balance sheet originated from various acquisitions and investments made by us or our operating subsidiaries. Continued profitability and achievement of financial plans by acquired businesses and associates is a key consideration for there to be no impairment in the carrying value of goodwill, indefinite-lived intangible assets and investments in associates. An intangible asset may be impaired if the economic benefit to be derived from its use is unexpectedly diminished. An investment in an associate is considered to be impaired if its carrying value exceeds its recoverable amount (the higher of the associate's fair value and value-in-use).

Management regularly reviews the current and expected profitability of operating companies and associates and their success in achieving financial plans when assessing the carrying value of goodwill, indefinite-lived intangible assets and investments in associates. The carrying values of goodwill and indefinite-lived intangible assets are tested for impairment at least annually or more often if events or circumstances indicate there may be impairment. Investments in associates with carrying values that exceed their fair values are tested for impairment using value-in-use discounted cash flow models at each reporting date.

***Our failure to realize deferred income tax assets could lead to a write-down or tax authorities may take differing positions from ours, either of which could adversely affect our results of operations.***

Realization of deferred income tax assets is dependent upon the generation of taxable income in those jurisdictions where the relevant tax losses and temporary differences exist. Failure to achieve projected levels of profitability could lead to a reduction in our deferred income tax asset if it is no longer probable that the amount of the asset will be realized.

We are subject to income taxes in Canada, the United States and many foreign jurisdictions where we operate, and our determination of our tax liability is subject to review by applicable domestic and foreign tax authorities. Tax legislation of each jurisdiction in which we operate is interpreted to determine the provision for income taxes and expected timing of the reversal of deferred income tax assets and liabilities. While we believe our tax positions to be reasonable, where our interpretations differ from those of tax authorities or the timing of realization is not as expected, the provision for income taxes may increase or decrease in future periods to reflect actual experience.

***There is a risk that Canadian or foreign tax laws, or the interpretation thereof, could change in a manner that adversely affects us.***

Canada, together with approximately 140 other countries comprising the OECD and the G20 Inclusive Framework on Base Erosion and Profit Shifting (“**BEPS**”), approved in principle in 2021 certain base erosion tax initiatives including the introduction of a 15% global minimum tax to be applied on a jurisdiction-by-jurisdiction basis. Future developments with respect to the BEPS proposals may result in an increase in future taxes and an adverse effect on the Company.

Canada enacted legislation implementing certain aspects of Pillar Two (the primary charging rule of the global minimum tax and a domestic minimum tax) on June 20, 2024, effective for the Company for taxation years beginning on or after January 1, 2024, and announced draft legislation on August 12, 2024 to implement an undertaxed profits rule (a minimum effective tax rate of 15% on profits wherever multinational corporations do business) proposed to be effective for us for taxation years beginning on or after January 1, 2025. Certain other jurisdictions in which we operate have enacted or substantively enacted Pillar Two legislation, certain aspects of which will generally be effective for the Company for taxation years beginning on January 1, 2024. A number of jurisdictions are implementing, or considering the implementation of, new domestic tax regimes, or are planning to revise existing tax regimes, in response to the global Pillar Two tax initiative.

Further, on December 27, 2023, Bermuda enacted The Corporate Income Tax Act 2023 (the “**CIT Act**”). Entities subject to tax under the CIT Act are the Bermuda constituent entities of multi-national groups. A multi-national group is defined under the CIT Act as a group with entities in more than one jurisdiction with consolidated revenues of at least EUR750 million for two of the four previous fiscal years. If Bermuda constituent entities of a multi-national group are subject to tax under the CIT Act, such tax is charged at a rate of 15% of the net taxable income of such constituent entities as determined in accordance with and subject to the adjustments set out in the CIT Act. Tax is chargeable under the CIT Act for tax years starting on or after January 1, 2025. In addition, the CIT Act includes transition rules, including carry-forward tax losses incurred in the five fiscal years preceding the effective date or increases in the tax basis of assets and liabilities. The CIT Act also provides relief from double taxation via foreign tax credit based on the adjusted amount of foreign taxes accrued by the group. The CIT Act is designed as a covered tax for the purposes of the OECD’s Global Anti-Base Erosion Rules (“**GloBE Model Rules**”), meaning the CIT Act does not presently apply an income-inclusion rule or under taxed profits rule in the same way as the GloBE Model Rules do. While we expect that Allied World would be treated as a Bermuda constituent entity for the purposes of the CIT Act and therefore subject to taxation in Bermuda, we do not currently expect the CIT Act to have a material adverse effect on our results of operations going forward. Future developments and guidance under the GloBE Model Rules may impact Bermuda’s implementation of its corporate tax regime, and any future changes to the Bermuda corporate income tax regime may impact our tax liability, financial condition and results of operations, and could increase our administrative expenses. This is generally expected to result in an increase in the Company’s liability for taxes in Bermuda and to reduce any Pillar Two top-up taxes payable by the Company in respect of Bermuda.

The Company is also subject to the application of the Canadian excessive interest and finance expense limitation rules (enacted on June 20, 2024) that limit the deductibility of certain interest expenses in

certain circumstances, which may result in an increase in the amount of taxable income incurred by the Company or its subsidiaries.

No assurance can be given that applicable tax laws, or the interpretation thereof, will not change or that new taxes will not be implemented which would adversely affect the Company.

***Technological or other changes could adversely impact demand, or the premiums payable, for the insurance coverages we offer.***

Technological changes could have unpredictable effects on the insurance and reinsurance industries. It is expected that new services and technologies will continue to emerge that will affect the demand for insurance and reinsurance products and services, the premiums payable, the profitability of such products and services and the risks associated with underwriting certain lines of business, including new lines of business. While we strive to maintain an innovation working group comprised of members with diverse backgrounds from across our global operating companies to regularly assess new services and technologies that may be applicable or disruptive to the insurance and reinsurance industries, failure to understand evolving technologies, or to position us in the appropriate direction, or to deploy new products and services in a timely way that considers customer demand and competitor activities could have an adverse impact on our business, financial condition, profitability or cash flows.

***Assessments and other surcharges for guaranty funds and second-injury funds and other mandatory pooling arrangements may reduce the profitability of our insurance subsidiaries.***

Virtually all U.S. states require insurers licensed to do business in their state to bear a portion of the loss suffered by some insureds as a result of impaired or insolvent insurance companies. Many states also have laws that establish second injury funds to provide compensation to injured employees for aggravation of a prior condition or injury. In addition, as a condition to the ability to conduct business in various jurisdictions, some of our insurance subsidiaries are required to participate in mandatory property and casualty shared market mechanisms or pooling arrangements, which provide various types of insurance coverage to individuals or other entities that otherwise are unable to purchase that coverage from private insurers. The effect of these assessments and mandatory shared market mechanisms or changes in them could reduce the profitability of our U.S. insurance subsidiaries in any given period or limit their ability to grow their business. Similarly, our Canadian insurance subsidiaries contribute to mandatory guaranty funds that protect insureds in the event of a Canadian property and casualty insurer becoming insolvent, and certain of our Asian insurance subsidiaries participate in mandatory pooling arrangements in their local markets.

***We may continue to be adversely impacted by the conflicts in Ukraine and Israel and the development of other geopolitical events and economic disruptions worldwide.***

Supply chain disruptions and volatility in commodity prices persist in many regions of the world, contributing to increased inflationary pressures, worsened by supply shocks arising from the conflicts in Ukraine and Israel and other geopolitical events worldwide. In response, central banks around the world had aggressively raised interest rates in an effort to ease rising inflation. Our business relies, to a certain extent, on free movement of goods, services and capital from around the world, and as a result, are facing upward cost pressures. Given the ongoing and dynamic nature of the circumstances surrounding the conflicts in Ukraine and Israel, and other geopolitical events worldwide, it is difficult to predict how significant these continuing events or the occurrence of any similar events will be on the global economy and our businesses, investments and employees, or for how long any further disruptions in the future are likely to continue. Such further developments could have a material adverse effect on our business, financial condition, results of operations, profitability or cash flows.

## **Risk Factors Relating to the Brit Co-Obligor's Business**

***The Brit Co-Obligor is a holding company that may not have access to the cash that is needed to meet its financial obligations.***

The Brit Co-Obligor is a holding company that conducts its business through subsidiaries and receives its earnings from them. The Brit Co-Obligor owns, amongst other subsidiaries, Brit Reinsurance (Bermuda) Limited (“**Brit Re**”), a Bermuda Class 4 insurer, and Brit UW Limited (together, with Brit Re, the “**Brit Carriers**”), a Lloyd’s corporate member, which participates on Lloyd’s syndicates 2987

and 2988). Each of the Brit Carriers must comply with applicable insurance regulations of the jurisdictions in which it operates. Each carrier must maintain reserves for losses and loss adjustment expenses to cover the risks it has underwritten. The reserves of one Brit Carrier are not available to be applied against the risks underwritten by the other Brit Carrier. The financial condition and results of operations of each of the Brit Carriers are included in the Brit Co-Obligor's consolidated financial statements and losses incurred by any of the Brit Co-Obligor's subsidiaries directly impact's the Brit Co-Obligor's consolidated results.

In the event of the insolvency or liquidation of a subsidiary, following payment by such subsidiary of its liabilities, the subsidiary may not have sufficient remaining assets to make payments to the Brit Co-Obligor as a shareholder or otherwise, or may be restricted from doing so by insurance regulatory authorities, receiver, administrator or supervising court, as applicable. In the event of a default by a subsidiary under a credit agreement or other indebtedness, its creditors could accelerate the debt, prior to such subsidiary distributing amounts to the Brit Co-Obligor that the Brit Co-Obligor could use to make payments on the Brit Co-Obligor's outstanding debt.

Although the Brit Group's operations are conducted through subsidiaries of the Brit Co-Obligor, none of the Brit Co-Obligor's subsidiaries are obligated to make funds available to the Brit Co-Obligor for the payment of principal and interest on its outstanding debt. Accordingly, the Brit Co-Obligor's ability to meet financial obligations, including the ability to make payments on outstanding debt, is dependent on the distribution of earnings from the Brit Co-Obligor's subsidiaries. The ability of the Brit Co-Obligor's subsidiaries to pay dividends or distributions in the future will depend on earnings and on regulatory restrictions. The Brit Co-Obligor cannot provide assurance that the agreements governing the current and future indebtedness of its subsidiaries will permit its subsidiaries to provide the Brit Co-Obligor with sufficient dividends, distributions, or loans to meet its financial obligations, including to fund payments on the Brit Co-Obligor's outstanding debt when due. Dividends, distributions or returns of capital to the Brit Co-Obligor are subject to restrictions set forth in the applicable laws and regulations of the countries where the relevant company operates and are affected by the subsidiaries' credit agreements and indentures, rating agencies, the discretion of insurance regulatory authorities and capital support agreements with subsidiaries. Although the Brit Co-Obligor and its subsidiaries (together, the "**Brit Group**") strive to be soundly financed and maintain high levels of liquid assets, an inability of subsidiaries to pay dividends could have a negative impact on the Brit Co-Obligor's liquidity and ability to meet its obligations.

*If the Brit Carriers' actual claims exceed claim reserves, their financial condition and results of operations could be adversely affected.*

The Brit Carriers each maintain reserves to cover estimated ultimate unpaid liabilities for losses and loss adjustment expenses arising from the insurance and reinsurance policies underwritten by the Brit Carriers. The Brit Co-Obligor's success is dependent upon the ability of the Brit business ("**Brit**") to accurately assess the risks that the Brit Carriers insure and reinsure. Failure to accurately assess the risks assumed by the Brit Carriers may result in a failure to establish appropriate premium rates, and reserves may be inadequate to cover losses. This could adversely affect the Brit Co-Obligor's net earnings and financial condition in future reporting periods.

Reserves do not represent an exact calculation of liability but instead represent estimates at a point in time involving actuarial and statistical projections of expectations of the ultimate settlement of claims incurred and the associated claims adjustment expenses. Establishing an appropriate level of claims reserves is an inherently uncertain process.

Losses, actual claims and claim expenses ultimately paid may deviate, substantially, from the reserve estimates reflected in financial statements. Variables in the reserve estimation process can be affected by both internal and external events, such as changes in claims handling procedures, economic and social inflation, legal trends, and legislative changes. Many of these items are not directly quantifiable, particularly on a prospective basis.

If claim reserves are determined to be inadequate, it will be necessary to increase claim reserves with a corresponding reduction in net earnings in the period in which the deficiency is rectified. It is possible that claims in respect of events that have occurred could exceed the Brit Carriers' claims reserves and have a material adverse effect on the results of operations and/or the financial condition of the Brit Co-Obligor.

Even though most insurance contracts have policy limits, the nature of property and casualty insurance and reinsurance is such that losses can exceed policy limits for a variety of reasons and could significantly exceed the premiums received on the underlying policies. When this occurs, the financial results of the Brit Co-Obligor could be adversely affected.

***Unpredictable catastrophic events could reduce the Brit Co-Obligor's net earnings and/or harm its financial condition.***

The Brit Carriers' insurance and reinsurance operations expose them to claims arising out of catastrophes. The Brit Carriers have experienced, and will in the future experience, catastrophe losses that may materially reduce their profitability or harm their financial condition. This, in turn, could impact the profitability and financial condition of the Brit Co-Obligor.

***Catastrophes.*** Catastrophes can be caused by various events, including natural events such as hurricanes, windstorms, earthquakes, tornadoes, hailstorms, severe winter weather and fires, and unnatural events such as terrorist attacks and riots.

The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Most catastrophes are restricted to small geographic areas; however, hurricanes, windstorms and earthquakes may produce significant damage in large, heavily populated areas. Catastrophes can cause losses in a variety of property and casualty lines, including losses relating to business interruptions occurring in the same geographic area as the catastrophic event or in other geographic areas. It is possible that a catastrophic event or multiple catastrophic events could have a material adverse effect upon the financial condition, profitability, and cash flows of the Brit Carriers, and, in turn, the Brit Co-Obligor.

Increases in the value and geographic concentration of insured property, higher construction costs due to labor and raw material shortages following a significant catastrophic event could increase the number and severity of claims from catastrophic events in the future.

***Man-made disasters and terrorism.*** Complex technology intersecting with increased population density, infrastructure and higher rates of utilisation of natural resources increase the likelihood and the magnitude of catastrophic man-made events. Man-made disasters involving chemical, biological or nuclear hazards, as well as disasters that pose significant risk to the environment, in particular bear high potential for losses. Due to the uncertainty of the occurrence of, and loss from, man-made disasters, unexpected large losses could have a material adverse effect on the financial condition, results of operations and cash flow of the Brit Group. Man-made disasters such as oil spills from offshore drilling or accidents involving oil tankers, or damage to nuclear reactors, could give rise not only to claims due to the damage caused by such events but also claims arising from governmental sanctions and civil litigation. In addition to man-made disasters caused by accident or negligence, the Brit Group faces risks related to terrorist and criminal acts on a significant scale (including acts intended to cause strain on financial and other critical infrastructures, which, given reliance on digital technology, could be triggered by cyber threats).

***Systemic events.*** In addition to natural and man-made disasters, systemic financial risks have the potential to cause significant economic disruptions in a variety of geographies and sectors, due to the interconnectedness of the global economy, which could give rise to significant claims. The 2007 global financial crisis was one such event.

**The Brit Group may be exposed to a series of claims for large losses in relation to uncorrelated events which occur at, or around, the same time.**

The Brit Group may be exposed to a series of claims for large losses in relation to uncorrelated and otherwise unrelated events which occur at, or around, the same time. While none of such claims may itself be material to the Brit Group, in aggregate they may result in the Brit Group having to recognise significant losses in a single reporting period, which could have a material adverse effect on the Brit Group's capital position, results of operations and financial condition in that reporting period.



***Investment holdings within the Brit Group are subject to market fluctuations that may significantly reduce the value of such holdings. Such reductions in value may affect the business, financial condition, or results of operations of the Brit Co-Obligor.***

Investment returns are an important part of the Brit Co-Obligor's overall profitability, and its operating results depend in part on the performance of the investment portfolios within its subsidiaries. The Brit Group holds bonds and other debt instruments, equities, preferred stocks, and derivative instruments in its portfolio.

Accordingly, fluctuations in the fixed income or equity markets could have an adverse effect on the Brit Obligor's financial condition, profitability, or cash flows. The Brit Group derives investment income from interest and dividends, together with net gains or losses on investments. The portion derived from net gains or losses on investments fluctuates from year to year and is typically a less predictable source of investment income than interest and dividends, particularly in the short term.

The return on the Brit Group's investment portfolio and the risks associated with its investments are also affected by its asset mix, which can change materially depending on market and industry-specific conditions and the creditworthiness of counterparties.

The uncertainty around the ultimate amount and the timing of Brit Carrier claim payments may force them to liquidate securities that may cause them to incur losses. If investments are structured improperly relative to liabilities, Brit Carriers may be forced to liquidate investments prior to their maturity or planned exit date at a significant loss to cover such liabilities. Realized and unrealized investment losses resulting from a decline in value could significantly decrease net earnings.

The ability to achieve investment objectives is affected by general economic conditions that are beyond the control of Brit. General economic conditions can adversely affect the markets for interest rate sensitive securities, including the extent and timing of investor participation in such markets, the level and volatility of interest rates and, consequently, the value of fixed income securities. Interest rates are sensitive to many factors, including governmental monetary policies, domestic and international economic and political conditions, and other factors beyond the control of the Brit Group. General economic conditions, stock market conditions, environmental conditions, climate change and many other factors can also adversely affect the equity markets and, consequently, the value of the equity securities held by the Brit Group.

To address rising inflation in recent years, central banks across the world have simultaneously increased interest rates. Any further sustained upward trajectory in the inflation rate and corresponding increases to interest rates may have an impact on Brit's operating results and Brit Group investments.

In addition, defaults by third parties who fail to pay or perform on their obligations could reduce the Brit Group's investment income and net gains on investment or result in investment losses. The cycles of the insurance and reinsurance industries, general economic conditions and industry-specific factors relating to the Brit Group's asset mix may cause fluctuations in the Brit Co-Obligor's operating results.

***The Brit Group's return on underwriting activities is subject to the insurance (or underwriting) cycle and general economic conditions. Changes in the insurance cycle, or general economic conditions, may affect the business, financial condition, or results of operations of the Brit Co-Obligor.***

The Brit Group has, historically, experienced fluctuations in operating results due to competition, frequency or severity of both catastrophic and non-catastrophic events, levels of capital and underwriting capacity, general economic conditions, and other factors. Demand for insurance and reinsurance is influenced significantly by prevailing general economic conditions. Factors such as changes in the level of employment, wages, consumer spending, business investment and government spending, the volatility and strength of the global capital markets and inflation or deflation, all affect the business and economic environment and, ultimately, the demand for insurance and reinsurance products, and therefore may affect the Brit Group's net earnings, financial position or cash flows.

The property and casualty insurance business historically has been characterized by periods of intense price competition due to excess underwriting capacity, as well as periods when shortages of underwriting capacity have permitted attractive premium levels. The effect of this cyclicalities has the potential to significantly reduce the amount of premium written by Brit Carriers and could harm their financial condition, profitability, or cash flows.

In the reinsurance industry, the supply of reinsurance is related to prevailing prices and levels of underwriting capacity surplus that, in turn, may fluctuate in response to changes in rates of return being realized in the broader capital markets. If premium rates change or other reinsurance policy terms and conditions change expanding coverage, particularly if the present level of demand for reinsurance decreases because insurers require less reinsurance or the level of supply of reinsurance increases because of capital provided by existing reinsurers or alternative forms of reinsurance capacity enter the market, the profitability of the Brit Group's reinsurance business could be adversely affected.

***The Brit Group could be harmed because of exposure to latent claims.***

The Brit Group has established loss reserves for latent claims (including asbestos, environmental and other claims) that represent Brit's best estimate of ultimate claims and claims adjustment expenses based upon all known facts and current law. As a result of significant issues surrounding liabilities of insurers, risks inherent in major litigation and diverging legal interpretations and judgments in different jurisdictions, actual liability for these types of claims could exceed the loss reserves set by Brit Carriers by an amount that could be material to the Brit Group's financial condition, profitability or cash flows in future periods.

***Reinsurers and insureds may not pay on a timely basis or at all.***

Most insurance and reinsurance companies, including the Brit Carriers, reduce their exposure to any individual claim by reinsuring amounts above their maximum desired retention. Reinsurance is an arrangement in which an insurer transfers insurance risk to another insurer, which accepts the risk in return for a premium payment. This third-party reinsurance does not relieve the insurer, as a cedent, of its primary obligation to the insured. Recoverables from reinsurers balances reported in reinsurance contract assets held may become uncollectible due to reinsurer solvency and credit concerns, due to the potentially long period over which claims may be paid and the resulting recoveries may be received from the reinsurers, or due to policy disputes. If reinsurers are unwilling or unable to pay amounts due under reinsurance contracts, the Brit Carriers will incur unexpected losses and its results of operations, financial condition and cash flows could be adversely affected.

***The Brit Group is exposed to credit risk if its insureds, insurance producers or reinsurance intermediaries fail to remit premiums that are owed.***

Various insurance intermediaries collect premiums from customers, which they then remit to Brit Carriers. The Brit Carriers may be required to provide insurance coverage even if an intermediary fails to pay.

***If either Brit Re or Lloyd's are unable to maintain financial strength ratings, it may be more difficult for the Brit Carriers to renew policies, retain business, or write new business.***

Financial strength and credit ratings by major North American rating agencies are key factors in establishing a competitive position for insurance and reinsurance carriers. Third-party rating agencies assess and rate the claims-paying ability of reinsurers and insurers based upon the criteria of such rating agencies. Lloyd's syndicates are not individually rated but benefit from Lloyd's ratings. Periodically the rating agencies evaluate Brit Re and Lloyd's to confirm that they continue to meet the criteria of the ratings previously assigned to them. The claims-paying ability ratings assigned by rating agencies to insurance or reinsurance carriers represent independent opinions of financial strength and ability to meet policyholder obligations. A downgrade in these ratings could lead to a significant reduction in the number of policies underwritten by the Brit Carriers and could cause early termination of contracts written by the Brit Carriers or a requirement for them to post collateral.

***The Brit Group may hold derivative instruments, which could result in significant losses and volatility in its operating results.***

The Brit Group may hold significant investments in derivative instruments. The market value and liquidity of these investments are volatile or extremely volatile and may vary dramatically up or down in short periods, and these circumstances may be exacerbated by adverse economic conditions, fluctuations in interest rates and volatility in the public markets. The Brit Group may use derivative instruments to manage or reduce risks or as a cost-effective way to synthetically replicate the investment characteristics of an otherwise permitted investment. The market value and liquidity of these instruments are volatile and may vary dramatically up or down in short periods, and their ultimate value will therefore only be

known upon their disposition or settlement. If counterparties to derivative instruments fail to honor their obligations under the derivative instrument agreements, the Brit Group may lose the value of these instruments. This failure could have an adverse effect on the Brit Group's financial condition and results of operations.

The Brit Group's use of derivative instruments is governed by investment policies and exposes the Brit Group to credit, interest rate, liquidity, inflation, equity market, foreign currency, basis, and counterparty risk. If the counterparties to the Brit Group's derivative instruments fail to honor their obligations under the derivative instrument agreements, the Brit Group may lose the value of its derivative instruments, which failure could have an adverse effect on its financial condition, profitability, or cash flows.

The Brit Group may not be able to realize its investment objectives with respect to derivative instruments, which could have a material adverse effect on its financial position, profitability, or cash flows.

***The methods employed by Brit to hedge risks associated with certain of financial instruments may fail to achieve their desired risk management objectives.***

The Brit Group may use derivative instruments from time to time to manage or reduce its exposure to credit risk and various market risks, including interest rate risk, equity market risk, inflation/deflation risk and foreign currency risk. Brit's hedging strategies may be implemented to hedge risks associated with a specific financial instrument, asset, or liability or at a macro level to hedge systemic financial risk and the impact of potential future economic crisis and credit related problems on operations and the value of financial assets.

Brit's derivative instruments may expose the Brit Group to basis risk. Basis risk is the risk that the fair value or cash flows of derivative instruments applied as economic hedges will not experience changes in exactly the opposite directions from those of the underlying hedged exposure. This imperfect correlation may adversely impact the net effectiveness of the hedge and may diminish the financial viability of maintaining the hedging strategy and therefore adversely impact the Brit Group's financial condition, profitability, or cash flows.

Brit regularly monitors the prospective and retrospective effectiveness of its economic hedging instruments and will adjust the amount and/or type of hedging instruments as required to achieve risk management goals.

***The Brit Group operates in a highly competitive environment that could make it more difficult for it to attract and retain business.***

The property and casualty insurance industry and the reinsurance industry are both highly competitive and will likely remain highly competitive in the foreseeable future. Competition in these industries is based on many factors, including premiums charged and other terms and conditions offered, products and services provided, commission structure, financial ratings assigned by independent rating agencies, speed of claims payment, reputation, selling effort, perceived financial strength and the experience of the insurer or reinsurer in the line of insurance or reinsurance to be written. The Brit Group competes, and will continue to compete, with other Lloyd's syndicates and international insurers and reinsurers, some of which have greater financial, marketing and management resources than it does.

Consolidation within the insurance industry could result in insurance and reinsurance market participants using their market power to implement price reductions. If competitive pressures compel the Brit Group to reduce its prices, its operating margins will decrease. As the insurance industry consolidates, competition for customers could become more intense and the importance of acquiring and properly servicing each customer could become greater, causing the Brit Group to incur greater expenses relating to customer acquisition and retention and further reducing operating margins.

***Emerging claim and coverage issues, or the failure of any of the loss limitation methods the Brit Group employs, could adversely affect its business, financial condition, or results of operations.***

The liability for incurred claims for insurance contracts is an estimate and may be found to be deficient, perhaps very significantly, in the future as a result of unanticipated frequency or severity of claims or for a variety of other reasons including unpredictable judicial rulings, expansion of insurance coverage to include exposures not contemplated at the time of policy issue (as was the case with asbestos and pollution exposures), extreme weather events, civil unrest and pandemics. Unanticipated developments

in the law as well as changes in social and environmental conditions could result in unexpected claims for coverage under insurance and reinsurance contracts. With respect to casualty lines of business, these legal, social, and environmental changes may not become apparent until sometime after their occurrence.

The full effects of these and other unforeseen emerging claim and coverage issues are extremely hard to predict and could harm the Brit Group. As a result, the full extent of Brit's liability under coverages, and in particular its casualty insurance policies and reinsurance contracts, may not be known until many years after a policy or contract is issued. The Brit Group's exposure to this uncertainty is greatest in its "long-tail" casualty lines of business where claims can typically be made for many years, rendering them more susceptible to these trends than in the property insurance lines of business, which are more typically "short-tail." In addition, the Brit Group could be adversely affected by the growing trend of plaintiffs targeting participants in the property-liability insurance industry in class action litigation relating to claims handling and other practices.

Although loss exposure is limited by geographic diversification and Brit seeks to limit loss exposure by employing a variety of policy limits and other terms and conditions and through prudent underwriting of each program written, there can be no assurance that such measures will be successful in limiting the Brit Group's loss exposure.

***The Brit Group's inability to obtain additional capital in the future as required could have a material adverse effect on the financial condition of the Brit Co-Obligor.***

The Brit Group is required to maintain specified levels of capital to satisfy regulatory requirements, maintain applicable credit ratings and meet conditions in commercial and financing agreements. These requirements and the methods for calculating capital may change as regulators or applicable rating agencies revise their models. The Brit Group's future capital requirements depend on many factors, including the Brit Group's ability to successfully write new business and to establish premium rates and reserves at levels sufficient to cover losses. The Brit Group's liquidity needs could increase materially and rapidly for a variety of reasons, many of which are outside of the Brit Group's control. For example, a Brit Carrier may require additional capital if their regulatory capital levels decline below desired levels because of net investment losses and future impairments of investment securities, catastrophe losses or other conditions, including changes in regulatory capital requirements. To the extent that the funds generated by the Brit Group are insufficient to fund future operations, the Brit Group may need to raise additional funds. Any equity or debt financing, if available at all, may be on terms that are not favorable to the Brit Group, including being subject to higher interest rates. The cost and availability of debt financing is affected by credit ratings. The Brit Group's ability to raise additional capital may be adversely affected by the credit ratings of Brit Re or Lloyd's. If the Brit Group cannot obtain adequate capital or if the Brit Group fails to refinance its existing debt as it comes due, its business, financial condition and profitability could be materially adversely affected. In addition, certain of the Brit Group's financings are, and future financings may be exposed to, floating interest rate risks, and if interest rates increase, an increased proportion of the Brit Group's cash flow may be required to service indebtedness.

***The Brit Carriers may be unable to obtain reinsurance coverage at reasonable prices or on terms that adequately protect them.***

The Brit Carriers use reinsurance arrangements, including reinsurance of their own reinsurance business purchased from other reinsurers, referred to as retrocessionaires, to help manage their exposure to property and casualty risks. The availability of reinsurance and rates charged by reinsurers are subject to prevailing market conditions, both in terms of price and available capacity, which can affect the Brit Carriers' business volumes and profitability. Reinsurance companies can also add or exclude certain coverages from, or alter terms in, the policies that the Brit Carriers purchase from them. Reinsurers may also impose terms, such as lower per occurrence and aggregate limits, on primary insurers that are inconsistent with corresponding terms in the policies written by these primary insurers.

The rates charged by reinsurers and the availability of reinsurance to the Brit Carriers will reflect the recent loss experience of the Brit Co-Obligor and of the industry overall. In recent years, reinsurance pricing has firmed because of catastrophe losses, the threat of sustained high inflation and its impact on claim costs and the effects of social inflation in the United States and the low-interest rate environment. Each of the Brit Carriers continue to evaluate the relative costs and benefits of accepting more risk on a net basis, reducing exposure on a direct basis, and paying additional premiums for reinsurance. If the

Brit Carriers cannot obtain adequate reinsurance protection for the risks they underwrite, they may be exposed to greater losses from those risks or they may be forced to reduce the amount of business they underwrite, which will reduce the Brit Group's revenues. As a result, the Brit Group's inability to obtain adequate reinsurance protection could have a material adverse effect on its financial condition and operations.

***The Brit Group's operations could be adversely affected because of regulatory, political, economic, or other influences in the insurance and reinsurance industries.***

The Brit Group is subject to government regulation in each of the jurisdictions in which the Brit Carriers are licensed or authorized to conduct business. Governmental bodies have broad administrative power to regulate many aspects of the insurance business, which may include accounting methods, governance, premium rates, market practices, policy forms, and capital adequacy. The laws and rules behind these regulations are concerned primarily with the protection of policyholders rather than investors. Governmental bodies may impose fines, additional capital requirements or limitations on the Brit Carriers, and/or impose criminal sanctions for violation of regulatory requirements. The laws and regulations that are applicable to the Brit Group's insurance and reinsurance operations are complex and may increase the costs of regulatory compliance or subject its business to the possibility of regulatory actions or proceedings.

In recent years, the insurance industry has been subject to increased scrutiny by legislatures and regulators alike. New laws and rules and new interpretations of existing laws and rules could adversely affect the Brit Obligor's financial results by limiting a Brit Carrier's ability to make investments consistent with the Brit Group's strategy or requiring it to maintain capital in excess of the amounts Brit considers to be appropriate, or causing Brit to make unplanned modifications of products or services, or imposing restrictions on Brit's ability to enter or exit lines of insurance business or to utilize new methods of assessing and pricing risks or selling products and services. Brit cannot predict the future impact of changing law or regulation on its operations; any changes could have a material adverse effect on it or the insurance industry in general.

***The Brit group is subject to laws and regulations relating to sanctions and corrupt practices in the jurisdictions in which it operates and elsewhere, the violation of which could adversely affect its operations.***

The Brit Group must comply with all applicable economic sanctions and anti-bribery laws and regulations, including those of the United States, the United Kingdom, the European Union, Bermuda, and other foreign jurisdictions where it underwrites insurance and reinsurance risks. Applicable U.S. laws and regulations applicable include the economic trade sanctions laws and regulations administered by the U.S. Department of the Treasury's Office of Foreign Assets Control, as well as certain laws administered by the U.S. Department of State. In addition, Brit's business is subject to anti-bribery laws such as the U.K. Bribery Act that bar corrupt payments or unreasonable gifts to foreign governments or officials. The Brit Group has policies and controls in place that are designed to ensure compliance with these laws and regulations, including annual training for employees, controls, and whistleblower programs. Despite these policies and controls, it is possible that an employee or intermediary could fail to comply with applicable laws and regulations, which could expose the Brit Group to civil penalties, criminal penalties, and other sanctions, including fines or other punitive actions. In addition, such violations could damage Brit's business and/or reputation and therefore have a material adverse effect on the Brit Group's financial condition and results of operations.

***Certain business practices of the insurance industry have been the subject of negative publicity and investigations by government authorities and the subject of class action litigation.***

From time to time, the insurance industry has been subject to investigations, litigation and regulatory activity by various insurance, governmental and enforcement authorities, concerning certain practices within the industry. Brit sometimes receive inquiries and informational requests from regulators or other government officials in the jurisdictions in which it operates. From time to time, consumer advocacy groups or the media also focus attention on certain insurance industry practices. Brit cannot predict the effect that investigations, litigation and regulatory activity or negative publicity from consumers or the media will have on the insurance or reinsurance industry or Brit, or whether activities or practices currently thought to be lawful will be characterized in the future as unlawful or will become subject to negative scrutiny from consumer advocacy groups or the media. Brit's involvement in any investigations

and related lawsuits could cause the Brit group to incur legal costs and, if found to have violated any laws, Brit Group companies could be required to pay fines and damages, in material amounts. In addition, the Brit Group could be adversely affected by the negative publicity for the insurance industry related to any such proceedings, and by any new industry-wide regulations or practices that may result from such proceedings or publicity. It is possible that future investigations or related regulatory developments will mandate changes in industry practices in a fashion that increases the cost of doing business or requires the Brit Group to alter aspects of the way it conducts its business, and this could result in adverse impacts on its financial condition or operating losses.

***Political and other developments in jurisdictions in which the Brit Group underwrites insurance and reinsurance risks could adversely affect the Brit Group's business and assets.***

The Brit Group is regulated in various jurisdictions with respect to licensing requirements, currency, amount and type of security deposits, amount and type of reserves, amount and type of local investment and other matters. Brit regularly monitors political and other changes in each country in which it underwrites insurance and reinsurance risks. International operations and assets held abroad may be adversely affected by political and other developments in foreign countries, including possibilities of tax changes, nationalization, and changes in regulatory policy (including in relation to Lloyd's licenses), as well as by consequences of terrorism, war, hostilities, and unrest. The risks of such occurrences and their overall effect vary from country to country and cannot easily be predicted.

***Brit Group companies may be subject to regulatory proceedings or significant litigation, which could be expensive and time consuming and could require Brit Group companies to pay substantial judgments or settlements.***

Brit Group companies may, from time to time, become party to a variety of legal claims and regulatory proceedings, including, but not limited to: disputes over coverage or claims adjudication; disputes regarding sales practices, disclosures, premium refunds, licensing, regulatory compliance and compensation arrangements; disputes with agents, brokers or network providers over compensation and termination of contracts and related claims; regulatory actions relating to consumer pressure in relation to benefits realized by insurers; disputes with taxing authorities regarding tax liabilities and tax assets; and disputes relating to certain businesses acquired or disposed of. Operating companies manage day-to-day regulatory and legal risk primarily by implementing appropriate policies, procedures, and controls. Internal and external legal counsels also work closely with the operating companies to identify and mitigate areas of potential regulatory and legal risk. The existence of such claims against Brit Group companies, affiliates, directors, or officers could, however, have various adverse effects, including negative publicity and the incurrence of significant legal expenses defending claims, even those without merit.

***The Brit' Group's computer and data processing systems may fail or be perceived to be insecure, which could adversely affect Brit and damage its customer relationships.***

Brit is highly dependent upon the successful and uninterrupted functioning of its computer and data processing systems. Brit relies on these systems to perform actuarial and other modeling functions necessary for writing business, to process and make claim payments and to process and summarize investment transactions. Third parties provide certain of the key components of Brit's business infrastructure such as voice and data communications and network access. Given the high volume of transactions processed daily, Brit is reliant on such third party provided services to successfully deliver its products and services. Brit has highly trained information technology staff that are committed to the continual development and maintenance of Brit's technology infrastructure. Security measures, including data security programs to protect confidential personal information, have been implemented and are regularly upgraded. Brit, together with its third-party service providers, also maintains and regularly assesses contingency plans for its technology infrastructure. Notwithstanding these measures, the failure of these systems could interrupt Brit's operations or materially impact Brit's ability to rapidly evaluate and commit to new business opportunities. If sustained or repeated, a system failure could result in the loss of existing or potential business relationships or compromise Brit's ability to pay claims in a timely manner.

In addition, a security breach of Brit's computer systems could damage its reputation or result in liability to persons affected by the breach as well as regulatory penalties. The Brit Group retains confidential information on business dealings in its computer systems, including, in some cases, confidential personal

information on insureds. Brit may be required to spend significant capital and other resources to protect against security breaches or to alleviate problems caused by such breaches. Any well-publicized compromise of security could deter people from conducting transactions that involve transmitting confidential information to Brit's systems. Therefore, it is critical that these facilities and infrastructure remain secure and are perceived by the marketplace to be secure. This infrastructure may be vulnerable to physical break-ins, computer viruses, programming errors, attacks by third parties or similar disruptive problems. In addition, Brit Group could be subject to liability if hackers were able to penetrate its network security or otherwise misappropriate confidential information.

***A disruption of Brit's information technology systems could significantly affect Brit's business.***

Brit relies on information technology in all areas of its business. A significant disruption or failure of the Brit group's information technology systems could result in service interruptions, safety failures, security violations, regulatory compliance failures, inability to protect information and assets against intruders, and other operational difficulties. Attacks perpetrated against Brit's information technology systems could result in loss of assets and critical information, potential breach of privacy laws, expose Brit to remediation costs, reputational damage, regulatory scrutiny, litigation and adversely affect Brit's results of operations, financial condition, and liquidity.

Cyberattacks could further adversely affect Brit's ability to operate facilities, information technology and business systems, or compromise confidential customer and employee information. Cyberattacks resulting in political, economic, social or financial market instability or damage to or interference with Brit Group assets, or Brit's customers or suppliers may result in business interruptions, lost revenue, higher commodity prices, disruption in fuel supplies, lower energy consumption, unstable markets, increased security and repair or other costs, any of which may affect the Brit Group's consolidated financial results. Furthermore, instability in the financial markets because of terrorism, sustained or significant cyber attacks, or war could also materially adversely affect the Brit Group's ability to raise capital.

Brit has taken steps intended to mitigate these risks, including implementation of cybersecurity and cyber resilience measures, business continuity planning, disaster recovery planning and business impact analysis, and regularly update these plans and security measures, however, there can be no assurance that such steps will be adequate to protect the Brit Group from the impacts of a cyberattack.

***The Brit Group may be adversely affected by foreign currency fluctuations.***

The Brit Group reports in the U.S. dollar. A portion of the Brit Group's premiums and expenses are denominated in currencies other than U.S. dollars and a portion of its assets and loss reserves are also denominated in currencies other than U.S. dollars. The Brit Group may, from time to time, experience losses resulting from fluctuations in the values of foreign currencies (including when foreign currency assets and liabilities are hedged) which could adversely affect the Brit Group's financial condition, profitability, or cash flows.

***The Brit Group relies on third parties over whom it may exercise little control, exposing the Brit Group to certain risks.***

The Brit Group uses brokers to distribute its business and, in some instances, will distribute through agents or directly to customers. The Brit Group may also conduct business through third parties such as managing general agents where it is cost effective to do so and where Brit can control the underwriting process to ensure risk management criteria are met. Each of these channels has its own distinct distribution characteristics and customers. A large majority of Brit's business is generated by brokers, with the remainder split among other distribution channels.

Brit has relationships with many different types of brokers including independent retail brokers and wholesale brokers depending on the jurisdiction. The Brit Group transacts business with these brokers on a non-exclusive basis. These independent brokers also transact the business of Brit's competitors and there can be no assurance as to their continuing commitment to distribute the Brit Group's insurance and reinsurance products. The Brit Group's continued profitability depends, in part, on the marketing efforts of independent brokers and Brit's ability to offer insurance and reinsurance products that meet the requirements and preferences of such brokers and their policyholders.

There is limited ability to exercise control over independent brokers, which may expose the Brit Group to risk. Conversely, managing general agents and coverholders operate under binding authorities, but

may, nevertheless, exceed their authority by binding the Brit Group on a risk that does not comply with its underwriting guidelines.

***Financial reporting risks relating to deferred taxes associated with amendments to IAS 12.***

On May 23, 2023, the IASB issued amendments to IAS 12 Income Taxes (“IAS 12”) to provide temporary relief from accounting and disclosure for deferred taxes arising from the implementation of Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). The Pillar Two model rules provide a general framework for the implementation of a 15% global minimum tax, which is to be applied on a jurisdiction-by-jurisdiction basis. The U.K. has enacted Pillar Two legislation. In December 2023, Bermuda introduced a domestic corporate income tax of 15%, effective January 1, 2025. This is expected to result in an increase in the Brit Group’s liability for taxes in Bermuda.

***The failure of the Brit Group to realize deferred income tax assets could lead to a write-down or tax authorities may take differing positions from Brit’s when it comes to determination of tax liability, either of which could adversely affect its results of operations.***

Realization of deferred tax assets is dependent upon the generation of taxable income in those jurisdictions where the relevant tax losses and temporary differences exist. Failure to achieve projected levels of profitability could lead to a reduction in the Brit Group’s deferred income tax asset if it is no longer probable that the amount of the asset will be realized.

The Brit Group’s determination of its tax liability is subject to review by applicable domestic and foreign tax authorities. Tax legislation of each jurisdiction in which the Brit Group operates is interpreted to determine the provision for taxes and expected timing of the reversal of deferred income tax assets and liabilities. While Brit believes its tax positions to be reasonable, where its interpretations differ from those of tax authorities or the timing of realization is not as expected, the provision for income taxes may increase or decrease in future periods to reflect actual experience.

There is a risk that tax laws, or the interpretation thereof, could change in a manner that adversely affects the Brit Group.

***Technological or other changes could adversely impact demand, or the premiums payable, for the insurance and reinsurance coverages the Brit Group offers.***

Technological changes could have unpredictable effects on the insurance and reinsurance industries. It is expected that new services and technologies will continue to emerge that will affect the demand for insurance and reinsurance products and services, the premiums payable, the profitability of such products and services and the risks associated with underwriting certain lines of business, including new lines of business. Failure to understand evolving technologies, or to position Brit in the appropriate direction, or to deploy new products and services in a timely way that considers customer demand and competitor activities could have an adverse impact on the Brit Group’s business, financial condition, profitability, or cash flows.

***The Brit Group may be adversely impacted by geopolitical events and economic disruptions worldwide.***

Supply chain disruptions and volatility in commodity prices persist in many regions of the world, contributing to increased inflationary pressures, worsened by supply shocks arising from the conflicts in Ukraine and Israel and other geopolitical events worldwide. In response, central banks around the world have aggressively raised interest rates to ease rising inflation. Brit relies, to a certain extent, on the free movement of goods, services, and capital from around the world. Given the ongoing and dynamic nature of the circumstances surrounding the conflicts in Ukraine and Israel, and other geopolitical events worldwide, it is difficult to predict how significant these continuing events or the occurrence of any similar events will be on the global economy and Brit’s investments, insurance reserves, and employees, or for how long any further disruptions in the future are likely to continue. More recent events have shown that unanticipated geopolitical events such as tariff increases, which impact international trading arrangements, can cause falls in equity prices and uncertainty in bond markets. These and any further developments, including any extension of tariffs, or other impediments to the free movement of goods, to services, especially in the U.S., could have a material adverse effect on the Brit Group’s business, financial condition, results of operations, profitability, or cash flows.



***Authorisation by Lloyd's is fundamental to the Brit Group's business and such business would be severely impacted should such authorisation be withdrawn or restricted.***

The Brit Group writes most of its business through Lloyd's. Authorisation by Lloyd's is therefore fundamental to the Brit Group and it would be materially adversely affected should such authorisation be restricted or withdrawn or should the conditions for operating be tightened (including its capital requirements). Lloyd's has substantial powers of intervention and enforcement in relation to the companies it regulates and supervises (including the power to set the amount of capital required to support underwriting liabilities). This layer of regulation is in addition to regulation of the Brit Group's managing agency, Brit Syndicates Limited, by the Prudential Regulation Authority and Financial Conduct Authority directly. The Council of Lloyd's has wide discretionary powers to manage and supervise the Lloyd's market. It may, for instance, vary the method by which the solvency capital requirements are calculated or the investment criteria applicable to funds at Lloyd's and/or syndicate investments are determined.

***Any significant problem with the Lloyd's market may result in a material adverse effect to the Brit Group.***

The Brit Group relies on the efficient functioning of the Lloyd's market. If, for whatever reason, members were to be restricted or otherwise unable to write insurance through the Lloyd's market, it could have a material adverse effect on the Brit Group's business and results of operations.

Any damage to the brand or reputation of Lloyd's, whether such damage is caused by financial mismanagement, fraudulent activity or otherwise, or any loss of any international licences in relation to the insurance or reinsurance business may have a material adverse effect on the Brit Group's ability to write new business and/or its reputation. In addition, any increase in tax levies imposed on Lloyd's participants in the relevant jurisdictions around the world in which they offer insurance or reinsurance or any challenge to the amount of tax paid by such Lloyd's participants may result in the Brit Group incurring a higher tax charge.

***The Brit Group is reliant upon the compliance of Lloyd's with US regulations, including the maintenance of Lloyd's of its trading licences and approvals in the US.***

A significant portion of the Brit Group's gross written premiums is derived from the U.S. Compliance with U.S. regulations by Lloyd's is therefore of significant importance to the Brit Group. Non-compliance with U.S. regulations by Lloyd's or a change in approach by U.S. regulators to Lloyd's or U.S. insurance or reinsurance business written outside of the U.S. could have a material adverse effect on the Brit Group's business, financial condition, results of operations, profitability, or cash flows.

## **Risk Factors Relating to the Notes**

***The market value of the Notes may be affected by changes in credit ratings.***

The value of the Notes will be affected by the general creditworthiness of the Company and, following the effective date of the Brit Co-Obligor Accession, the Brit Co-Obligor. Real or anticipated changes in credit ratings on the Notes may affect the market value of the Notes. No assurance can be given that any credit rating assigned to the Notes will not be lowered or withdrawn entirely by the relevant rating agency or that negative trends will not be applied by any ratings agency.

As of the date of these Listing Particulars, the Notes are rated BBB+ by S&P, Baa2 by Moody's, A (low) by DBRS and BBB by Fitch. One or more other independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed or incorporated by reference herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by a credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the

relevant series of Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financing and could adversely affect the value and trading of such Notes.

***The Notes are effectively subordinated to the indebtedness of our subsidiaries (other than the Brit Co-Obligor following the Brit Co-Obligor Accession).***

The Notes are effectively subordinated to any existing and future indebtedness and other liabilities of our subsidiaries (other than the Brit Co-Obligor following the effective date of the Brit Co-Obligor Accession). You will not have any claim as a creditor against our subsidiaries (other than the Brit Co-Obligor following the effective date of the Brit Co-Obligor Accession) or the assets of our subsidiaries (other than the Brit Co-Obligor following the effective date of the Brit Co-Obligor Accession). Therefore, in the event of the insolvency or liquidation of any such subsidiary, following payment by such subsidiary of its liabilities, the subsidiary may not have sufficient remaining assets to make payments to us as a shareholder or otherwise. In the event of a default by any such subsidiary under any credit agreement or other indebtedness, its creditors could accelerate the debt, prior to such subsidiary distributing amounts to us that we could use to make payments on the Notes. In addition, if we caused any such subsidiary to pay a dividend to us to make payments on the Notes, and the dividend was determined to be improperly paid, holders of the Notes who had received proceeds from such dividend payments could be required to return the payment to the subsidiary's creditors.

As of December 31, 2024, our subsidiaries (other than the Brit Co-Obligor) had approximately \$3.7 billion principal amount of indebtedness. Our subsidiary debt may increase in the future. The terms of the Notes do not limit the ability of our subsidiaries to incur additional indebtedness that is senior to the Notes.

***We may incur additional indebtedness that may adversely affect our ability to meet our financial obligations under the Notes.***

As of December 31, 2024, the Company and the Brit Co-Obligor had approximately \$8.1 billion aggregate principal amount of total outstanding senior unsecured indebtedness, all of which rank equally to the Notes. The Company's other subsidiaries had approximately \$3.7 billion aggregate principal amount of total outstanding indebtedness, all of which would be structurally senior to the Notes. The indenture governing the Notes does not limit the amount of additional indebtedness that we may incur. We may incur additional indebtedness in the future, which could have important consequences to holders of the Notes, including the following:

- we could have insufficient cash to meet our financial obligations, including our obligations under the Notes;
- our ability to obtain additional financing for working capital, capital expenditures or general corporate purposes may be impaired; and
- a significant degree of debt could make us more vulnerable to changes in general economic conditions and could also affect the financial strength ratings of our insurance and reinsurance subsidiaries.

The indenture governing the Notes provides that certain restrictive covenants will be automatically eliminated or amended effective as of the Amendment Date (as defined herein), including in respect of the limitation on liens on capital stock of restricted subsidiaries. The indenture also provides that if we grant any security interest to any collateral agent or trustee pursuant to such covenant in connection with any series created after the date of the Third Supplemental Indenture, such security interest shall be automatically released on the Amendment Date and any such collateral agent or trustee shall be authorized to take such further actions as we may reasonably request to give effect to such release.

As a result, once such restrictive covenants have been automatically eliminated or amended, we will no longer be restricted under the terms and conditions of the Notes from entering into transactions that could increase the total amount of our outstanding indebtedness, adversely affect our capital structure or our

credit ratings or associated outlooks, or otherwise adversely affect the holders of the Notes. See “*Description of the Notes—Certain Covenants*”.

***Holders of the Notes may not be protected in the event we are involved in a highly leveraged transaction, reorganization, restructuring, merger or similar transaction in the future.***

The indenture under which the Notes were issued may not sufficiently protect holders of the Notes if we are involved in a highly leveraged transaction, reorganization, restructuring, merger or similar transaction. The indenture does not contain:

- any provision restricting us or any of our subsidiaries from incurring, assuming or being liable with respect to any indebtedness or other obligations;
- any provision restricting us or our subsidiaries from incurring, assuming or being liable with respect to any unsecured indebtedness or other unsecured obligations;
- any provision restricting us or any of our subsidiaries from paying dividends or making other distributions on capital stock or from purchasing or redeeming capital stock;
- any restrictions on the ability of our subsidiaries to issue securities that would be senior to the common shares of the subsidiaries held by us;
- any financial ratios or specified level of net worth to which we or our subsidiaries must adhere; or
- any specific restrictions on our ability to contribute our assets to our insurance subsidiaries.

***The price at which you may be able to resell your Notes may be adversely affected by factors that are beyond our control.***

If you are able to resell your Notes, the price you receive will depend on many factors that may vary over time, including:

- the number of potential buyers;
- the level of liquidity of the Notes;
- our financial performance;
- the amount of indebtedness we have outstanding;
- the level, direction and volatility of market interest rates generally; and
- the market for similar securities.

Prevailing yields on similar securities will affect the market value of the Notes. Assuming all other factors remain unchanged, the market value of the Notes would be expected to decline as prevailing yields for similar securities rise and would be expected to increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Yield and comparable benchmark rates of interest for similar securities will also affect the market value of the Notes in an analogous manner.

As a result of these factors, you may only be able to sell your Notes at prices below those you believe to be appropriate, including prices below the price at which you acquired them.

***There may be no active market for the Notes.***

There is currently no public market for the Notes and there can be no assurance that any active market for the Notes will develop, or if one does develop, that it will be maintained. If an active market for the Notes fails to develop or be sustained, the trading price of the Notes could decline. There can be no assurance as to the liquidity of any market that may develop for the Notes, the ability of any purchaser to sell the Notes or the price at which the purchaser will be able to sell the Notes.

***The Notes may be redeemed prior to maturity.***

The Notes of either series may be redeemed, at our option, in whole at any time or in part from time to time prior to the maturity date. Holders of Notes should assume that our redemption option will be exercised if it is in our interest to redeem the Notes of such series. Holders whose Notes are redeemed would not be entitled to participate in any future increase in the market price of such Notes and may not be able to reinvest their redemption proceeds in securities providing a comparable expected rate of return to maturity as the Notes for a comparable level of risk. See “*Description of the Notes—Optional Redemption*”.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents (or subsection thereof, in the case of the document described in 4.) which have previously been published or are published simultaneously with these Listing Particulars shall be incorporated in, and form part of, these Listing Particulars:

1. the audited consolidated financial statements of the Company and the notes thereto, including consolidated balance sheets as of December 31, 2024 and 2023 and consolidated statements of earnings, comprehensive income, changes in equity and cash flows for each of the two years in the period ended December 31, 2024 and management's report on internal control over financial reporting set out on page 38 of the Company's 2024 Annual Report;
2. the unaudited interim consolidated financial statements of the Company and the notes thereto for the three months ended March 31, 2025;
3. the audited unconsolidated financial statements of the Brit Co-Obligor for the period from and including the date of its incorporation to and including December 31, 2024; and
4. the subsection "Intercorporate Relationships" on pages 3 to 5 of the annual information form of the Company for the year ended December 31, 2024.

Any documents themselves incorporated by reference in the above documents shall not form part of these Listing Particulars.

Copies of the documents described in 1., 2. and 4. above may be obtained on request without charge from the Company's Corporate Secretary, at Suite 800, 95 Wellington Street West, Toronto, Ontario, Canada, M5J 2N7 and are also available on the Company's issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Copies of the document described in 3. above may be obtained on request without charge from the Brit Co-Obligor's Company Secretary, at The Leadenhall Building, 122 Leadenhall Street, London, England, EC3V 4AB and are also available from <https://www.britisurance.com/financials-and-governance/debt>.

## DESCRIPTION OF THE NOTES

As used under this heading “Description of the Notes”, the terms “Fairfax”, “Company”, “we”, “us” and “our” refer only to Fairfax Financial Holdings Limited, and not its subsidiaries. References herein to the “Brit Co-Obligor” refers to Brit Group Holdings Limited. References herein to “Notes of a series” and similar expressions refer to either or both of (i) the 2034 Notes, and (ii) the 2054 Notes, which will be two separate series under the indenture.

The Notes were issued on November 22, 2024 under an indenture, dated as of December 1, 1993, as supplemented by supplemental indentures dated May 9, 2011 and February 26, 2021, among us, The Bank of New York Mellon, as the successor U.S. trustee (the “**United States trustee**” or the “**trustee**”), and Computershare Advantage Trust of Canada (formerly BNY Trust Company of Canada) (as successor trustee to CIBC Mellon Trust Company), as the successor Canadian trustee (the “**Canadian trustee**” and, together with the United States trustee, the “**trustees**”). In connection with the Brit Co-Obligor Accession, the Company, the Brit Co-Obligor and the trustees will enter into a seventh supplemental indenture (the “**Seventh Supplemental Indenture**”) to add the Brit Co-Obligor as a Co-Obligor (as defined herein) of the Notes of each series in accordance with the terms of the Notes concurrently with or promptly following the date of these Listing Particulars. The indenture, as supplemented and amended by the aforementioned supplemental indentures (including, for greater certainty, the Seventh Supplemental Indenture) is referred to collectively in these Listing Particulars as the “**indenture**” and, for greater certainty, assumes that the Seventh Supplemental Indenture has been entered into by the parties and the Brit Co-Obligor Accession has become effective. The following summary of certain provisions of the indenture does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the provisions of the indenture. Whenever reference is made to particular sections of the indenture or terms that are defined therein, such sections or defined terms are incorporated herein by reference as a part of such summaries, which are qualified in their entirety by such reference. The indenture is subject to the provisions of the *Canada Business Corporations Act* and, consequently, is exempt from certain provisions of the U.S. Trust Indenture Act of 1939, as amended, by virtue of Rule 4d-9 thereunder. References to accounting terms in the indenture and in this summary, unless otherwise defined, have the meanings assigned to them in accordance with IFRS Accounting Standards.

The 2034 Notes bear interest from the date of issuance at the rate of 4.73% per annum, and will mature on November 22, 2034. Interest on the 2034 Notes is payable in equal semi-annual instalments in arrears on May 22 and November 22 in each year, commencing May 22, 2025 to the persons in whose names the 2034 Notes are registered at the close of business on the preceding May 1 and November 1, respectively (whether or not a business day).

The 2054 Notes bear interest from the date of issuance at the rate of 5.23% per annum, and will mature on November 23, 2054. Interest on the 2054 Notes is payable in equal (except for the first interest payment) semi-annual instalments in arrears on May 23 and November 23 in each year, commencing May 23, 2025 (with a long first coupon in the amount of Cdn\$26.29328767 per Cdn\$1,000 principal amount) to the persons in whose names the 2054 Notes are registered at the close of business on the preceding May 1 and November 1, respectively (whether or not a business day). The first interest payment on the 2054 Notes shall be in the aggregate amount of Cdn\$6,573,321.92, which shall be calculated on the basis of a year of 365 days based on the actual number of days elapsed from, and including, the issue date of the 2054 Notes to, but excluding, May 23, 2025.

Interest will be calculated on the basis of a 365-day calendar year. Principal of and interest on the Notes will be payable in such coin or currency of Canada as at the time of payment is legal tender for the payment of public and private debts. The Notes will not be redeemable at the option of the holder prior to maturity and will not be subject to any sinking fund. Additional notes of the same series as the Notes of a series may be issued by the Company from time to time.

The indenture provides that, in addition to the Notes, securities of other series may be issued under the indenture without limitation as to aggregate principal amount. The securities of other series may have such terms and provisions not inconsistent with the indenture as we may determine from time to time. The securities of any series issued under the indenture, including the Notes, are referred to as “**securities**”.

## General

The Notes are the Company's and the Brit Co-Obligor's direct, unsecured obligations and rank equally and ratably with all of the Company's and the Brit Co-Obligor's other unsecured and unsubordinated indebtedness from time to time outstanding. The Notes rank among themselves equally and ratably without preference or priority. The Notes would be structurally subordinated to all obligations of the Company's subsidiaries (other than the Brit Co-Obligor) and the Brit Co-Obligor's subsidiaries. The Notes would be effectively subordinated to any future secured indebtedness of the Company and the Brit Co-Obligor, to the extent of the assets securing such indebtedness.

In connection with the Brit Co-Obligor Accession, the Company, the Brit Co-Obligor and the trustees will enter into the Seventh supplemental indenture to add the Brit Co-Obligor as a Co-Obligor to the Notes of each series in accordance with the terms of the Notes concurrently with or promptly following date of these Listing Particulars. Pursuant to the Seventh Supplemental Indenture, the Company will remain a full and unconditional obligor in respect of the Notes and will not be relieved of any of its obligations or covenants under the indenture or the Notes.

The indenture permits the Company and the Brit Co-Obligor from time to time, without notice to or the consent of the holders of any series of securities issued under the indenture, to create and issue further securities of the same series as the Notes of a series, ranking *pari passu* with the Notes of such series in all respects and having the same terms as the Notes of such series (except for the issue date, issue price and initial interest payment date following the issue date of such further notes) and so that such further notes shall be consolidated and form a single series with, and shall have the same terms as to status, redemption or otherwise as, the Notes of the relevant series that are currently issued and outstanding.

The Notes were issued in minimum denominations of Cdn\$1,000 and integral multiples thereof.

The indenture does not contain any provisions that would limit the Company's or the Brit Co-Obligor's ability to incur indebtedness or that would afford holders of Notes protection in the event of a highly leveraged or similar transaction involving the Company or the Brit Co-Obligor.

## Optional Redemption

### 2034 Notes

The 2034 Notes are redeemable at any time prior to August 22, 2034 (the date that is three months prior to maturity) (the "**2034 Notes Par Call Date**"), at the option of the Company or the Brit Co-Obligor, in whole at any time or in part from time to time, on not less than 10 days' nor more than 60 days' prior notice to the registered holder, upon payment of a redemption price equal to the greater of (a) the 2034 Canada Yield Price (as defined below) and (b) par, together, in each case, with accrued and unpaid interest to, but excluding, the date fixed for redemption. The 2034 Notes will be redeemable at any time on or after the 2034 Notes Par Call Date, at the option of the Company or the Brit Co-Obligor, in whole at any time or in part from time to time, on not less than 10 days' nor more than 60 days' prior notice to the registered holder, upon payment of a redemption price equal to par, together with accrued and unpaid interest to, but excluding, the date fixed for redemption.

"**2034 Canada Yield Price**" means, in respect of any redemption of the 2034 Notes, a price equal to the price of the 2034 Notes calculated to provide an annual yield to the 2034 Notes Par Call Date equal to the 2034 Government of Canada Yield plus 35 basis points, compounded semi-annually and calculated in accordance with generally accepted financial practice on the business day preceding the date on which the Company or the Brit Co-Obligor gives notice of redemption pursuant to the indenture.

"**2034 Government of Canada Yield**" on any date means the yield to the 2034 Notes Par Call Date on such date, compounded semi-annually and calculated in accordance with generally accepted financial practice, which a non-callable Government of Canada Bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the 2034 Notes Par Call Date. In calculating the 2034 Government of Canada Yield for purposes of a redemption of the 2034 Notes, the Company or the Brit Co-Obligor will use the average of the bid-side yields provided by two major Canadian investment dealers selected by the Company or the Brit Co-Obligor.

## **2054 Notes**

The 2054 Notes are redeemable at any time prior to May 23, 2054 (the date that is six months prior to maturity) (the “**2054 Notes Par Call Date**”), at the option of the Company or the Brit Co-Obligor, in whole at any time or in part from time to time, on not less than 10 days’ nor more than 60 days’ prior notice to the registered holder, upon payment of a redemption price equal to the greater of (a) the 2054 Canada Yield Price (as defined below) and (b) par, together, in each case, with accrued and unpaid interest to, but excluding, the date fixed for redemption. The 2054 Notes will be redeemable at any time on or after the 2054 Notes Par Call Date, at the option of the Company or the Brit Co-Obligor, in whole at any time or in part from time to time, on not less than 10 days’ nor more than 60 days’ prior notice to the registered holder, upon payment of a redemption price equal to par, together with accrued and unpaid interest to, but excluding, the date fixed for redemption.

“**2054 Canada Yield Price**” means, in respect of any redemption of the 2054 Notes, a price equal to the price of the 2054 Notes calculated to provide an annual yield to the 2054 Notes Par Call Date equal to the 2054 Government of Canada Yield plus 46 basis points, compounded semi-annually and calculated in accordance with generally accepted financial practice on the business day preceding the date on which the Company or the Brit Co-Obligor gives notice of redemption pursuant to the indenture.

“**2054 Government of Canada Yield**” on any date means the yield to the 2054 Notes Par Call Date on such date, compounded semi-annually and calculated in accordance with generally accepted financial practice, which a non-callable Government of Canada Bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the remaining term to the 2054 Notes Par Call Date. In calculating the 2054 Government of Canada Yield for purposes of a redemption of the 2054 Notes, the Company or the Brit Co-Obligor will use the average of the bid-side yields provided by two major Canadian investment dealers selected by the Company or the Brit Co-Obligor.

### ***Calculation of Redemption Price; Selection and Notice of Redemption***

The Company’s and the Brit Co-Obligor’s actions and determinations in determining any redemption price shall be conclusive and binding for all purposes, absent manifest error.

In the case of a partial redemption, selection of the Notes for redemption will be in accordance with the policies and procedures of the depositary. No Notes of a principal amount of Cdn\$1,000 or less shall be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption that relates to such Note will state the portion of the principal amount of the Note to be redeemed. A new Note in a principal amount equal to the unredeemed portion of such Note will be issued in the name of the holder of such Note upon surrender for cancellation of the original Note. For so long as the Notes are held by CDS (or another depositary) the selection of partially redeemed Notes and the redemption of the Notes shall be conducted in accordance with the policies and procedures of the depositary.

Any notice of redemption may state that such redemption shall be conditional upon the occurrence of any event (e.g., a financing, asset disposition or other transaction) and that if such event does not occur, or the occurrence of such event as a condition to the redemption is not waived by the Company or the Brit Co-Obligor, as the case may be, in its sole discretion, on or prior to the redemption date, then such notice shall be of no force or effect and the Company or the Brit Co-Obligor shall not be required to redeem the Notes. Once a notice of redemption is given in accordance with the indenture, subject to the satisfaction or waiver of any condition specified in such notice, the Notes called for redemption become due and payable on the applicable redemption date.

On and after the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption as long as the Company or the Brit Co-Obligor has deposited with the paying agent funds in satisfaction of the applicable redemption price.

### **Certain Covenants**

*Limitation on Liens on Capital Stock of Restricted Subsidiaries.* Until the Amendment Date (as defined below), the indenture provides that the Company and the Brit Co-Obligor may not, and may not permit any subsidiary to, create, assume, incur or suffer to exist any lien, other than a purchase money lien, upon any capital stock, whether owned on the date of the indenture or thereafter acquired, of any restricted subsidiary, to secure any obligation (other than the securities issued under the indenture) of the Company,



the Brit Co-Obligor, any subsidiary or any other person, without in any such case making effective provision whereby all of the outstanding securities issued under the indenture shall be directly secured equally and ratably with such obligation; provided, however, that this restriction will not apply to (i) liens on the capital stock of any restricted subsidiary securing obligations outstanding from time to time under any bank credit facility, provided that the principal amount of all such obligations secured by liens on the capital stock of any restricted subsidiary, at the time of each incurrence of any portion of any such obligation, does not exceed 15% of the sum of (A) the Company's consolidated shareholders' equity at the end of the Company's most recently completed fiscal quarter immediately preceding such incurrence for which financial statements are, or are required to be, available and (B) the aggregate principal amount of all obligations which are outstanding under any bank credit facility immediately after giving effect to such incurrence and which are secured by liens on the capital stock of a restricted subsidiary, and (ii) liens securing obligations from the Company to any wholly-owned restricted subsidiary or from any wholly-owned restricted subsidiary to the Company or any other wholly-owned restricted subsidiary. This provision will not restrict any other property of the Company or that of its subsidiaries (other than the Brit Co-Obligor).

The indenture defines "lien" as any mortgage, pledge, hypothecation, lien, encumbrance, charge or security interest of any kind; "obligation" as indebtedness for money borrowed or indebtedness evidenced by a bond, note, debenture or other evidence of indebtedness; "purchase money lien" as (i) any mortgage, pledge, hypothecation, lien, encumbrance, charge or security interest of any kind upon any capital stock of any restricted subsidiary acquired after the date of the indenture if such purchase money lien is for the purpose of financing, and does not exceed, the cost to the Company or any subsidiary of acquiring the capital stock of such restricted subsidiary and such financing is effected concurrently with, or within six months after, the date of such acquisition, and (ii) any extension, renewal or refinancing of any purchase money lien so long as the principal amount of obligations secured thereby shall not exceed the original principal amount of obligations so secured at the time of such extension, renewal or refinancing; "restricted subsidiary" as any subsidiary that is a licensed insurance company, other than any licensed insurance company that the Company's board of directors, in good faith, determines is not, individually or together with any other licensed insurance company as to which a similar determination has been made, material to the business of the Company and its subsidiaries, considered as a whole; and "subsidiary" as a corporation or business trust, a majority of the outstanding voting stock of which is owned, directly or indirectly, by the Company or one or more other subsidiaries, or by the Company and one or more other subsidiaries. As of the date hereof, each of the Company's licensed insurance company subsidiaries is a restricted subsidiary.

*Third Supplemental Indenture.* On February 26, 2021, the Company entered into a third supplemental indenture (the "**Third Supplemental Indenture**") to the indenture to eliminate or amend certain restrictive covenants of the Company. The Third Supplemental Indenture provides that the covenant described under "*— Limitation on Liens on Capital Stock of Restricted Subsidiaries*" will be automatically eliminated or amended effective as of the first date (the "**Amendment Date**") on which there are no securities outstanding of any series created pursuant to the indenture prior to February 26, 2021. The Third Supplemental Indenture also provides that if we grant any security interest to any collateral agent or trustee pursuant to such covenant in connection with any series created after the date of the Third Supplemental Indenture, such security interest shall be automatically released on the Amendment Date and any such collateral agent or trustee shall be authorized to take such further actions as we may reasonably request to give effect to such release.

*Amalgamation, Consolidation, Merger, Conveyance, Transfer or Lease.* The indenture provides that the Company and/or the Brit Co-Obligor shall not amalgamate or consolidate with or merge into any other corporation or convey, transfer or lease its properties and assets substantially as an entirety to any other person, unless, (i) the corporation formed by such consolidation or amalgamation or into which the Company and/or the Brit Co-Obligor is merged or the person which shall have acquired or leased such properties or assets (if other than the Company and/or the Brit Co-Obligor) shall be a corporation, partnership, company or trust organized and validly existing under the laws of Canada or any province thereof or the United States, any state thereof or the District of Columbia and shall expressly assume by supplemental indenture the Company's and/or the Brit Co-Obligor's (as applicable) obligation for the due and punctual payment of the principal of (and premium, if any, on) and interest on all the outstanding securities issued under the indenture, all other amounts payable by the Company and/or the Brit Co-Obligor (as applicable) pursuant to the indenture and the performance and observance of every covenant of the indenture on the Company's or the Brit Co-Obligor's part to be performed or observed, (ii) immediately after giving effect to such transaction, no event of default or event that after notice or

passage of time or both would be an event of default shall have occurred and be continuing and (iii) the Company or the Brit Co-Obligor (as applicable) has delivered to the trustee an officers' certificate and an opinion of counsel, each stating that such amalgamation, consolidation, merger, conveyance, transfer or lease, and supplemental indenture (if any), complies with this covenant and that all conditions precedent provided for in the indenture relating to such transaction have been complied with.

*Waiver of Certain Covenants.* With respect to the Notes of a series, the Company and/or the Brit Co-Obligor may elect in any particular instance to not comply with any term, provision or condition of the covenants described above under "*Certain Covenants—Limitation on Liens on Capital Stock of Restricted Subsidiaries*" if the holders of at least a majority in principal amount of all outstanding Notes of such series issued under the indenture and then outstanding waive compliance in such instance with such term, provision or condition.

## **Events of Default**

The following constitute events of default with respect to the Notes of a series under the indenture: (a) a default for 30 days in the payment of any interest on any Note of such series; (b) a default in the payment of the principal of (or premium, if any, on) any Note of such series when due; (c) a default in the performance, or breach, of any other covenant or warranty in the indenture (other than a covenant or warranty included in the indenture solely for the benefit of one or more series of securities other than the Notes of such series) which default or breach continues for a period of 60 days after notice; (d) a default in the payment, at the stated maturity, of any outstanding indebtedness for money borrowed by the Company or the Brit Co-Obligor in excess of US\$100,000,000 and continuing after any applicable grace period, which default shall not have been cured or waived, or the acceleration of indebtedness for money borrowed by the Company or the Brit Co-Obligor outstanding under or evidenced by any single indenture or instrument in excess of US\$100,000,000, if such indebtedness has not been discharged, or such acceleration has not been rescinded or annulled, within 10 days after written notice has been given by the trustee, or the holders of at least 25% in principal amount of the outstanding Notes of such series, as provided in the indenture; and (e) certain events of bankruptcy, insolvency or reorganization.

If an event of default relating to a default in payment of principal of (or premium, if any, on) or interest on the Notes of a series, or to a default in the performance, or breach, of any other covenant or warranty of the Company or the Brit Co-Obligor applicable to the Notes of such series but not applicable to all outstanding securities issued under the indenture, or to a default in the payment, at stated maturity, of, or to the acceleration of, any indebtedness for money borrowed shall have occurred and be continuing, the trustee or the holders of not less than 25% in principal amount of the Notes of such series then outstanding may then declare the principal of all such Notes of such series to be due and payable immediately. If an event of default relating to a default in the performance, or breach, of any other covenant or warranty in the indenture applicable to all securities issued thereunder and then outstanding shall have occurred and be continuing, the trustee or the holders of not less than 25% in principal amount of all securities issued under the indenture and then outstanding (treated as one class) may declare the principal amount of all the securities then outstanding to be due and payable immediately. If an event of default described in clause (e) above shall occur, other than with respect to one of the Company's or the Brit Co-Obligor's subsidiaries, the principal amount of all the securities will automatically, and without any action by the trustee or any holder, become immediately due and payable. In each case, the holders of a majority in principal amount of the outstanding Notes of a series may under certain circumstances rescind and annul such declaration by written notice to the Company, the Brit Co-Obligor and the trustee. In the event of a declaration of acceleration because an event of default specified in clause (d) above has occurred and is continuing, such declaration of acceleration shall be automatically annulled if the indebtedness which is the subject of such event of default has been discharged or the holders thereof have rescinded their declaration of acceleration in respect of such indebtedness, and written notice of such discharge or rescission is given to the trustee by the Company, the Brit Co-Obligor and countersigned by the holders of such indebtedness or their representative, within 30 days after such declaration of acceleration in respect of the Notes of such series, and no other event of default has occurred during such 30-day period which has not been cured or waived during such period.

The holders of not less than a majority in principal amount of the outstanding Notes of a series, in the case of an event of default applicable to such series but not to all outstanding securities, or a majority in principal amount of the outstanding securities of all series, in the case of an event of default applicable to all outstanding securities, may waive any past default and its consequences, except a default in respect of the payment of the principal of (or premium, if any, on) or interest on any security or in respect of a

covenant or provision of the indenture which cannot be modified or amended without the consent of the holder of each outstanding security affected thereby.

The indenture provides that the trustees shall be under no obligation to exercise any of the rights or powers vested in them by the indenture at the request or direction of holders of securities unless such holders shall have offered to the trustees reasonable funding, security and indemnity against the costs, expenses and liabilities which might be incurred by them in compliance with such request or direction. Subject to such provisions for the indemnification of the trustees, the holders of not less than a majority in principal amount of the securities of any series (with respect to any remedy, trust or power relating to any default in payment of principal (or premium, if any, on) or interest on the securities of such series or any default in the performance or breach of any other covenant or warranty of the Company or the Brit Co-Obligor applicable to the securities of such series but not applicable to all outstanding securities issued under the indenture) or the holders of not less than a majority in principal amount of all securities issued under the indenture and then outstanding (treated as one class) (with respect to any other remedy, trust or power) shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustees, or exercising any trust or power conferred on the trustees, with respect to such securities.

### **Co-Obligors and/or Guarantors**

When authorized by a resolution of the Company's and the Brit Co-Obligor's board of directors and without the consent of any holders of the Notes of a series, the Company, the Brit Co-Obligor and the trustees may enter into a supplemental indenture to the indenture in respect of a series of Notes (but not with respect to any other series of outstanding securities), in accordance with the terms of the indenture, for the purpose of adding one or more of the Company's or the Brit Co-Obligor's subsidiaries as an additional co-obligor (whether as an additional issuer or a guarantor) of the Notes of such series and the indenture with respect to the Notes of such series (each, in respect of the applicable series of Notes, a "**Co-Obligor**"); provided that any such Co-Obligor shall be organized or formed under the laws of (1) any state of the United States or the District of Columbia, (2) Canada or any province or territory thereof, (3) the United Kingdom, (4) Bermuda, (5) Barbados, or (6) any country that is a member of the European Union.

Any such Co-Obligor shall be jointly and severally liable with the Company and the Brit Co-Obligor to pay the principal, premium, if any, and interest on the Notes of the applicable series and all other amounts payable by the Company or the Brit Co-Obligor under the indenture in respect of the Notes of such series. The Company and the Brit Co-Obligor will only add a Co-Obligor of the Notes of such series if the Company and the Brit Co-Obligor determine that adding a Co-Obligor would (i) not result in a deemed sale or exchange of the Notes of such series by any holder for U.S. federal income tax purposes under applicable then existing Treasury Regulations promulgated under the Code or a disposition of the Notes of such series by any holder for Canadian federal income tax purposes and (ii) not adversely affect the interests of the holders of any outstanding series of securities under the indenture in any material respect.

Brit Group Holdings Limited will become a Co-Obligor in respect of each series of Notes in accordance with the terms of the Notes on or about June 17, 2025 pursuant to the Seventh Supplemental Indenture to be entered into among the Company, Brit Group Holdings Limited and the trustees and the Company will remain a full and unconditional obligor in respect of the Notes for all purposes under the indenture.

### **Discharge, Defeasance and Covenant Defeasance**

The Company and/or the Brit Co-Obligor may discharge certain obligations to holders of Notes of a series which have not already been delivered to the trustee for cancellation and which have either become due and payable or are by their terms due and payable within one year by irrevocably depositing with the trustee trust funds in an amount sufficient to pay at maturity the principal of and interest on such Notes.

The Company and/or the Brit Co-Obligor may, at their option, and at any time, elect to have its obligations discharged with respect to all outstanding Notes of a series. This is referred to as "defeasance". Such defeasance means that the Company and/or the Brit Co-Obligor shall be deemed to have paid and discharged the entire indebtedness represented by the outstanding Notes of a series and to have satisfied its other obligations with respect to such Notes under the indenture, except for (i) the rights of the holders of outstanding Notes of a series to receive, solely from the trust fund described below, payments in respect of the principal of (and premium, if any) and interest on such Notes when such

payments are due, (ii) the Company's and/or the Brit Co-Obligor's obligations with respect to the Notes of a series relating to the issuance of temporary Notes, the registration, transfer and exchange of Notes, the replacement of mutilated, destroyed, lost or stolen Notes, the maintenance of an office or agency for payment of such Notes, the holding of money for security payments in trust and statements as to compliance with the indenture, (iii) the Company's and/or the Brit Co-Obligor's obligations in connection with rights, powers, trusts, duties and immunities of the trustees under the indenture, and (iv) the defeasance provisions of the indenture. In addition, the Company and the Brit Co-Obligor may, at their option and at any time, elect to be released from its obligations with respect to certain of the covenants under the indenture (including those described under "*Certain Covenants — Limitation on Liens on Capital Stock of Restricted Subsidiaries*"), referred to as "covenant defeasance", and any omission to comply with such obligations shall not constitute a default or an event of default with respect to the Notes of a series.

In order to exercise either defeasance or covenant defeasance with respect to the Notes of a series, (i) the Company and/or the Brit Co-Obligor must irrevocably deposit with one of the trustees, in trust, for the benefit of the holders of such Notes, cash in Canadian dollars, certain Canadian government obligations, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants to pay the principal of and interest on such outstanding Notes on the stated maturity (or redemption date, if applicable) of such principal or instalment of interest; (ii) in the case of defeasance, the Company and/or the Brit Co-Obligor shall have delivered to the trustees an opinion of counsel in the United States stating that (x) they have received from, or there has been published by, the Internal Revenue Service a ruling or (y) since November 19, 2024 (the date of the prospectus supplement in respect of the initial offering of the Notes), there has been a change in the applicable United States federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the holders of such outstanding Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred; (iii) in the case of covenant defeasance, the Company and/or the Brit Co-Obligor shall have delivered to the trustees an opinion of counsel in the United States to the effect that the holders of such outstanding Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; (iv) in the case of defeasance or covenant defeasance, the Company and/or the Brit Co-Obligor shall have delivered to the trustees an opinion of counsel in Canada to the effect that holders of such outstanding Notes will not recognize income, gain or loss for Canadian federal or provincial income tax or other tax purposes as a result of such defeasance or covenant defeasance, as applicable, and will be subject to Canadian federal or provincial income tax and other tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance, as applicable, had not occurred (which condition may not be waived by any holder of such Notes or the trustees); and (v) the Company and/or the Brit Co-Obligor must comply with certain other conditions.

## **Modification**

The indenture provides that the Company, the Brit Co-Obligor and the trustees may enter into supplemental indentures in respect of a series of Notes without the consent of the holders of the Notes of such series or the holders of the securities of any other series to: (a) evidence the succession of another person to the Company or the Brit Co-Obligor and the obligations assumed by such successor under the indenture; (b) add to the Company's and the Brit Co-Obligor's covenants for the benefit of the holders of the securities of any series or to surrender any right or power conferred upon the Company or the Brit Co-Obligor by the indenture; (c) add events of default for the benefit of the holders of the securities of any series; (d) change or eliminate any provisions of the indenture, provided that any such change or elimination shall become effective only when there is no security issued under the indenture then outstanding of any series created prior thereto which is entitled to the benefit of such provision; (e) secure any series of securities; (f) establish the form and terms of any series of securities permitted to be issued under the indenture; (g) evidence the acceptance of appointment by a successor trustee under the indenture and provide for or facilitate the administration of one or more trusts under the indenture by one or more trustees; (h) cure any ambiguity, correct or supplement any inconsistency or make any other modification, provided that such action does not adversely affect the interests of the holders of outstanding securities of any series in any material respect; and (i) supplement any of the provisions of the indenture to the extent necessary to permit or facilitate the defeasance or discharge of any series of

securities, provided such action does not adversely affect the interests of the holders of securities of any series in any material respect.

The indenture also contains provisions permitting the Company, the Brit Co-Obligor and the trustees, with the consent of the holders of not less than a majority in principal amount of all securities issued under the indenture then outstanding and affected (treated as one class), to add any provisions to, change in any manner or eliminate any of the provisions of, the indenture or modify in any manner the rights of the holders of securities under the indenture; provided that the Company, the Brit Co-Obligor and the trustees may not, without the consent of the holder of each outstanding security affected thereby, among other things: (a) change the stated maturity of the principal of or any instalment of interest on any security, (b) reduce the principal amount of or the rate of interest on, or premium payable upon the redemption of, any such security, (c) reduce the amount of the principal of an original issue discount security that would be due and payable upon a declaration of acceleration of the maturity thereof, (d) adversely affect any right of repayment at the option of the holder of any security, (e) change the place or currency of payment of principal of, or any premium or interest on, any such security, (f) impair the right to institute suit for the enforcement of any such payment on any security when due, (g) reduce the percentage in principal amount of securities of any series whose consent is necessary to modify or amend the indenture or to waive compliance with certain provisions of the indenture or certain defaults and their consequences or (h) modify the foregoing requirements, except to increase any percentage or to provide that certain provisions of the indenture cannot be modified or waived without the consent of the holder of each outstanding security affected thereby.

### **Prescription**

There is no prescription provision in the indenture as regards the time period within which the claims of noteholders in respect of interest and principal must be made.

### **Enforceability of Judgments**

Since some of the Company's assets are in Canada, any judgment obtained outside of Canada against the Company, including any judgment with respect to the payment of principal or interest on the Notes of a series may not be collectible outside of Canada.

### **Book-Entry; Delivery and Form**

Book-entry only certificates representing each series of Notes were issued in registered form to CDS or its nominee as registered global securities and were deposited with CDS on the date of issue of the Notes. The Notes must be purchased, transferred or redeemed through a CDS participant. All rights of noteholders must be exercised through, and all payments or other property to which such holder is entitled will be made or delivered by, CDS or the CDS participant through which the noteholder holds such Notes. CDS is responsible for establishing and maintaining book-entry accounts for its CDS participants having interests in the Notes.

### **Paying Agent**

Computershare Advantage Trust of Canada (formerly BNY Trust Company of Canada) at its principal office in the City of Toronto, Ontario acts as paying agent with respect to the Notes.

### **Governing Law**

The indenture and the Notes are governed by and construed in accordance with the laws of the State of New York.

## USE OF PROCEEDS

The net proceeds of the Notes were used to redeem the Company's outstanding Cumulative 5-year Rate Reset Preferred Shares, Series C, Series E and Series M, and the Company's outstanding Cumulative Floating Rate Preferred Shares, Series D and Series F (collectively, the "**Preferred Shares**"), in each case in accordance with their applicable terms. Any proceeds not used to redeem the Preferred Shares were used for general corporate purposes.

## DESCRIPTION OF THE COMPANY

*In these Listing Particulars, unless the context otherwise requires, the “Company” means Fairfax Financial Holdings Limited, a corporation incorporated under the Canada Business Corporations Act; “Fairfax,” “we,” “us” and “our” mean Fairfax Financial Holdings Limited and its subsidiaries; the term “Allied World” refers to Allied World Assurance Company Holdings, Ltd, our majority-owned Bermuda-based holding company that, through its subsidiaries, provides global property, casualty and specialty insurance and reinsurance; the term “Brit” refers to our wholly-owned specialty insurance and reinsurance company operating in the Lloyd’s market, Brit Group Holdings Limited and its subsidiaries; the term “Bryte” refers to our wholly-owned South African property and casualty insurance business, Bryte Insurance Company Ltd.; the term “Colonnade” refers to our wholly-owned Luxembourg-based insurance company, Colonnade Insurance S.A.; the term “Crum & Forster” refers to our wholly-owned U.S. property and casualty insurance business, Crum & Forster Holdings Corp. and its subsidiaries; the term “Eurolife” refers to our majority-owned Greek life and non-life insurer, Eurolife FFH Insurance Group Holdings S.A. and its subsidiaries; the term “Fairfax Asia” refers to our property and casualty insurance and reinsurance business conducted through our subsidiaries in Hong Kong, Sri Lanka, Indonesia, Malaysia, Singapore and Thailand; the term “Fairfax Brasil” refers to our wholly-owned Brazilian property and casualty insurance company, Fairfax Brasil Seguros Corporativos S.A.; the term “Fairfax Latam” refers to our property and casualty insurance business conducted in Argentina, Chile, Colombia and Uruguay; the term “Fairfax Ukraine” refers to our wholly-owned property and casualty insurance business conducted through our subsidiaries in Ukraine; the term “GIG” refers to our majority-owned Kuwait company with property and casualty insurance operations in the Middle East and North Africa (“MENA”) region, Gulf Insurance Group K.S.C.P.; the term “Group Re” refers to our wholly-owned reinsurance business, conducted through certain other subsidiaries; the term “Hamblin Watsa” refers to our wholly-owned investment management subsidiary, Hamblin Watsa Investment Counsel Ltd.; the term “Ki Insurance” refers to our majority-controlled fully digital and algorithmically driven Lloyd’s of London syndicate, Ki Financial Limited and its subsidiaries; the term “Northbridge” refers to our wholly-owned Canadian property and casualty insurance business, Northbridge Financial Corporation and its subsidiaries; the term “Odyssey Group” refers to our majority-owned U.S. reinsurance and insurance business, Odyssey Group Holdings Inc. and its subsidiaries; the term “Polish Re” refers to our wholly-owned Polish reinsurance company, Polskie Towarzystwo Reasekuracji Spółka Akcyjna; the term “Valueattics” refers to Fairfax’s majority-owned Indian reinsurance company, Valueattics Reinsurance Limited; and the term “Zenith National” refers to our wholly-owned U.S. workers’ compensation insurance business, Zenith National Insurance Corp. and its subsidiaries.*

### Overview

The Company was incorporated under the *Canada Corporations Act* on March 13, 1951 and continued under the *Canada Business Corporations Act* in 1976 (corporation number 013005-2). The Company’s original name of Markel Service of Canada Limited was subsequently changed to Markel Financial Holdings Limited and, in May 1987, to the Company’s current name of Fairfax Financial Holdings Limited. Our registered and head office is located at 95 Wellington Street West, Suite 800, Toronto, Ontario, M5J 2N7. We have been under present management since September 1985. Our principal executive offices are located at Suite 800, 95 Wellington Street West, Toronto, Ontario, M5J 2N7, Canada. Our telephone number is (416) 367-4941. The financial year end of the Company is December 31 in each year.

Fairfax is a holding company which, through its subsidiaries, is primarily engaged in property and casualty insurance and reinsurance and the associated investment management. Fairfax’s corporate objective is to achieve a high rate of return on invested capital and build long term shareholder value. We seek to differentiate ourselves by combining disciplined underwriting with the investment of our assets on a total return basis.

The financial performance of a property and casualty company is determined by two principal factors: (i) the operating results of the insurance operations, which is determined by the level of premiums collected in relation to claims and operating costs, and (ii) the returns generated by the investment portfolios of the insurers.

Our insurance and reinsurance companies operate on a decentralized basis, with autonomous management teams applying a focused underwriting strategy to their markets. Our subsidiaries provide a full range of property and casualty products, maintaining a diversified portfolio of risks across all classes of business, geographic regions, and types of insureds.

Our investments are centrally managed for all the Fairfax group of companies by Hamblin Watsa, a wholly-owned subsidiary of Fairfax. Hamblin Watsa emphasizes a conservative value investment philosophy, seeking to invest assets on a total return basis, which includes realized and unrealized gains over the long term.

Since 2011, we have acquired companies that are in industries other than insurance and reinsurance where the companies met our investment criteria. Such companies are run on a decentralized basis with autonomous management.

We conduct our business through the following segments, with each of our continuing operations maintaining a strong position in its respective markets.

### ***Property and Casualty Insurance and Reinsurance***

Our reinsurance business is conducted through Odyssey Group, Group Re, Brit, Ki Insurance, Allied World, Polish Re and Singapore Reinsurance Corporation Limited (“**Singapore Re**”). Odyssey Group, our 90.0% owned subsidiary, is a U.S. based underwriter of a full range of property and casualty reinsurance on a global basis. Group Re primarily constitutes the participation by our wholly-owned subsidiaries CRC Reinsurance Limited, Wentworth Insurance Company Ltd. and Connemara Reinsurance Company Ltd. (all based in Barbados) in the reinsurance of Fairfax’s subsidiaries by quota share or through participation in those subsidiaries’ third-party reinsurance programs on the same terms and pricing as the third-party reinsurers. Group Re also writes third-party business. Brit, our wholly-owned subsidiary based in England and Wales, is a market-leading global Lloyd’s of London specialty insurer and reinsurer. Ki Insurance, our 20.0% owned subsidiary based in England and Wales, is a fully digital Lloyd’s of London syndicate that algorithmically underwrites property, casualty and specialty reinsurance. Allied World, our 83.4% owned subsidiary based in Bermuda, is a global property, casualty and specialty reinsurer. Polish Re, based in Warsaw, Poland, writes reinsurance business in the Central and Eastern European regions. Singapore Re, based in Singapore, is a general reinsurance company providing reinsurance coverage in the Asia region. We also hold a 65.0% equity interest in Valueattics, which recently received a private reinsurance license from the Insurance Regulatory and Development Authority of India, and a 47.7% interest in Thai Reinsurance Public Company Limited (a provider of reinsurance and insurance services based in Bangkok, Thailand).

Our insurance business is conducted through Northbridge (Canadian insurance), Crum & Forster (U.S. property and casualty insurance), Zenith National (U.S. workers’ compensation insurance), Odyssey Group, Brit, Ki Insurance and Allied World (global insurance), Fairfax Asia (Asian insurance), Fairfax Latam (South American insurance), Bryte (South African insurance), Fairfax Brasil (Brazilian insurance), Colonnade (Central and Eastern European insurance), and Fairfax Ukraine (Ukrainian property and casualty insurance). We also hold a 97.1% interest in GIG (a Kuwait company with property and casualty insurance operations in the MENA region). Northbridge provides commercial and personal lines property and casualty insurance primarily in Canada through a wide range of distribution channels. Crum & Forster provides a full range of commercial property and casualty insurance, which targets specialty classes of business that emphasize strong technical underwriting expertise. Zenith National is primarily engaged in the workers’ compensation insurance business in the United States. Odyssey Group provides a range of professional and specialty liability insurance in the United States and globally through its U.S. Insurance and London Market divisions. Brit is a market-leading global Lloyd’s of London specialty insurer. Ki Insurance is a fully digital Lloyd’s of London syndicate that provides algorithmically driven property, casualty and specialty insurance. Allied World is a market-leading global property, casualty and specialty insurer. Fairfax Asia is comprised of Singapore Re, as described above, as well as:

- our wholly-owned, Hong Kong-based subsidiary, Falcon Insurance Company (Hong Kong) Limited, which writes property and casualty insurance in niche markets in Hong Kong;
- our 85.0% owned, Malaysia-based subsidiary, The Pacific Insurance Berhad, which writes all classes of general insurance and medical insurance in Malaysia;
- our 80.8% owned, Jakarta-based subsidiary, PT Asuransi Multi Artha Guna Tbk, an Indonesian general insurance company;
- our 78.0% owned, Sri Lanka-based subsidiary, Fairfirst Insurance Limited, a Sri Lankan general insurance company;
- our 96.7% owned, Thailand-based subsidiary, The Falcon Insurance Public Company Limited, a Thai property and casualty insurance company;



- our 35.0% interest in Bank for Investment and Development of Vietnam Insurance Joint Stock Corporation, a Vietnamese property and casualty insurance company; and
- our 49.0% interest in Go Digit Infoworks Services Private Limited, whose subsidiary, Go Digit General Insurance Limited, is an Indian general insurance company.

Fairfax Latam, based in Miami, Florida, consists of insurance operations in Argentina, Chile, Colombia and Uruguay. Bryte, based in South Africa, writes property and casualty insurance in South Africa and Botswana. Fairfax Brasil, based in Brazil, writes commercial property and casualty business, with a primary focus on markets in Brazil. Colonnade, based in Luxembourg, writes business in the Central and Eastern regions of Europe. Fairfax Ukraine, our wholly-owned subsidiary based in Ukraine, writes property and casualty insurance in Ukraine.

### *Life Insurance and Run-off*

Eurolife, our 80.0% owned subsidiary based in Greece, writes life and non-life insurance primarily in Greece.

Our run-off business, comprised of the U.S. run-off group, which consists primarily of TIG Insurance Company and Riverstone Group Holding Company, and its subsidiaries, includes our discontinued business that did not meet our underwriting criteria or strategic objectives, selected business previously written by our other subsidiaries that was put under dedicated run-off management and third-party run-off operations that we have acquired, which we believe will provide us with the opportunity to earn attractive returns on our invested capital. In addition, the U.S. run-off group manages third-party claims administration.

### *Non-insurance Companies*

Our non-insurance companies reporting segment comprises Recipe Unlimited Corporation (“**Recipe**”), Sporting Life Group Limited (“**Sporting Life Group**”), Sleep Country Canada Holdings Inc. (“**Sleep Country**”, which was acquired on October 1, 2024), Meadow Foods Limited (“**Meadow Foods**”, which was consolidated on November 29, 2024), Peak Achievement Athletics Inc. (“**Peak Achievement**”, which was consolidated on December 20, 2024), Boat Rocker Media Inc. (“**Boat Rocker**”), Dexterra Group Inc. (“**Dexterra Group**”), AGT Food and Ingredients Inc. (“**AGT**”), Farmers Edge Inc. (“**Farmers Edge**”), Grivalia Hospitality S.A. (“**Grivalia Hospitality**”), Thomas Cook (India) Limited (“**Thomas Cook India**”) and its wholly-owned subsidiary, Sterling Holiday Resorts Limited (“**Sterling Resorts**”), and Fairfax India Holdings Corporation (“**Fairfax India**”) and its subsidiaries. Recipe franchises and/or operates restaurant brands across Canada and in select locations in the United States. Sporting Life Group is a leading Canadian sports lifestyle retail organization. Sleep Country is Canada’s leading specialty sleep retailer with a national retail store network and multiple eCommerce platforms. Meadow Foods is a value-added milk, fats, fresh confectionery and plant-based bulk ingredients business. Peak Achievement is engaged in the design, manufacture and distribution of performance sports equipment and related apparel and accessories for ice hockey, roller hockey and lacrosse, under brands such as Bauer Hockey, Cascade Lacrosse and Maverik Lacrosse. Boat Rocker is a global content creator producing and distributing high quality and award-winning entertainment for television, film, and digital. Dexterra Group is a diversified support services organization delivering quality solutions for the creation, management, and operation of infrastructure across Canada. AGT is a supplier of pulses, staple foods and food ingredients. Farmers Edge provides advanced digital tools to growers and other key participants in the agricultural value chain. Grivalia Hospitality acquires, develops and manages hospitality real estate in Greece, Cyprus and Panama. Thomas Cook India is an integrated travel and travel-related financial services company in India, offering a broad range of services that include foreign exchange, corporate and leisure travel and insurance. Sterling Resorts is engaged in vacation ownership and leisure hospitality and operates a network of resorts in India. Fairfax India invests in public and private equity and debt instruments in India and Indian businesses or other businesses primarily conducted in or dependent on India.

Our invested assets are managed by our wholly-owned investment management subsidiary, Hamblin Watsa. Hamblin Watsa has managed our invested assets since September 1985 and emphasizes a conservative investment philosophy, seeking to invest our assets on a total return basis, which includes realized and unrealized gains over the long-term, using a value-oriented approach.

Our insurance operations primarily use brokers to distribute their business and, in some instances, will distribute through agents or directly to the customer. They may also conduct business through third parties such as managing general agents where it is cost effective to do so and where we can control the underwriting process to ensure our risk management criteria are met. Our insurance operations have relationships with many different types of brokers including independent retail brokers, wholesale brokers and national brokers depending on the particular

jurisdiction. Each of these channels has its own distinct distribution characteristics and customers. Our reinsurance operations are dependent primarily on a limited number of international reinsurance brokers.

### ***Competition***

The property and casualty insurance industry and the reinsurance industry are both highly competitive, and will likely remain highly competitive in the foreseeable future. Competition in these industries is based on many factors, including premiums charged and other terms and conditions offered, products and services provided, commission structure, financial ratings assigned by independent rating agencies, speed of claims payment, reputation, selling effort, perceived financial strength and the experience of the insurer or reinsurer in the line of insurance or reinsurance to be written. We compete, and will continue to compete, with a large number of Canadian, U.S. and foreign insurers and reinsurers, as well as certain underwriting syndicates, some of which have greater financial, marketing and management resources than we do. In addition, some financial institutions, such as banks, are now able to offer services similar to those offered by our reinsurance subsidiaries while in recent years, capital markets participants have also created alternative products that are intended to compete with reinsurance products.

### ***Cycles of Insurance***

Demand for insurance and reinsurance is influenced significantly by underwriting results of primary insurers and prevailing general economic conditions. Factors such as changes in the level of employment, wages, consumer spending, business investment and government spending, the volatility and strength of the global capital markets and inflation or deflation, all affect the business and economic environment and, ultimately, the demand for insurance and reinsurance products.

The property and casualty insurance business historically has been characterized by periods of intense price competition due to excess underwriting capacity, known as a soft insurance market, when companies may underprice business to gain market share. Such inadequate pricing reduces underwriting margins. When excess capital is removed from the industry, it leads to periods when shortages of underwriting capacity have permitted attractive premium levels. This is known as a hard insurance market. We expect to continue to experience the effects of this cyclicity.

In the reinsurance industry, the supply of reinsurance is related to prevailing prices and levels of underwriting capacity surplus that, in turn, may fluctuate in response to changes in rates of return being realized in the broader capital markets. It is possible that premium rates change or other reinsurance policy terms and conditions change expanding coverage, particularly if the present level of demand for reinsurance decreases because insurers require less reinsurance or the level of supply of reinsurance increases as a result of capital provided by existing reinsurers or alternative forms of reinsurance capacity enter the market.

### ***Employees***

As at December 31, 2024, Fairfax (the holding company) had 50 employees and our subsidiaries had in aggregate approximately 57,000 full-time employees.

### ***Board of Directors***

Each member of the Company's board of directors may be reached at the registered office of the Company, at Suite 800, 95 Wellington Street West, Toronto, Ontario, M5J 2N7, Canada. Each director holds office until the next annual meeting of shareholders or until a successor is elected or appointed. As of April 10, 2025, the members of the Company's board of directors and their functions in the Company, together with any principal activities performed by them outside the Company (where these are significant with respect to the Company) are as follows:

<b>Name</b>	<b>Functions in the Company</b>	<b>Principal activities outside the Company</b>
Robert J. Gunn <sup>(a)(b)(c)</sup> ..... Director		Independent Business Consultant and Corporate Director
The Rt. Hon. David L. Johnston <sup>(b)</sup> ..... Director		Independent Business Consultant and Corporate Director
Karen L. Jurjevich <sup>(c)</sup> ..... Director		Founder and President, KJ&CO INC.

<b>Name</b>	<b>Functions in the Company</b>	<b>Principal activities outside the Company</b>
Christine A. Magee .....	Director	Corporate Director; Co-founder and Chair of the Board of Directors of Sleep Country Canada
R. William McFarland <sup>(a)</sup> .....	Lead Director	Corporate Director
Christine N. McLean .....	Director	Senior Investment Analyst, Fairbank Investment Management Limited
Brian J. Porter.....	Director	Corporate Director
Timothy R. Price <sup>(a)(b)(c)</sup> .....	Director	Chairman, Brookfield Funds, a division of Brookfield Corporation (formerly Brookfield Asset Management Inc.)
Lauren C. Templeton <sup>(a)</sup> .....	Director	Founder and President, Templeton and Phillips Capital Management, LLC
Benjamin P. Watsa .....	Director	Founder, Chief Executive Officer and Chief Investment Officer, Marval Capital Ltd.
V. Prem Watsa .....	Director	Chairman and Chief Executive Officer; Vice Chairman, Hamblin Watsa Investment Counsel Ltd.; Founder, Fairfax India Holdings Corporation
William C. Weldon <sup>(c)</sup> .....	Director	Corporate Director

Notes:

- (a) *Member of the Audit Committee (Chair – R. William McFarland)*  
(b) *Member of the Compensation Committee (Chair – Robert Gunn)*  
(c) *Member of the Governance and Nominating Committee (Chair – William Weldon)*

### ***Ethical Business Conduct and Conflicts of Interest***

The Board has approved a Code of Business Conduct and Ethics that is built around the first value in our Guiding Principles — “honesty and integrity are essential in all our relationships and will never be compromised”. The Board is responsible for monitoring compliance with the Code and accordingly has, in conjunction with the Audit Committee, established a Whistleblower Policy pursuant to which violations of the Code can be reported confidentially or anonymously and without risk of recrimination. The Board has also approved a Public Disclosure Policy applicable to all directors and employees and those authorized to speak on our behalf.

Among other things, the Code requires every director, officer and employee of Fairfax to be scrupulous in seeking to avoid any actual, potential or perceived conflict of interest and to constantly consider whether any may exist. If any material transaction or relationship that could give rise to a conflict of interest arises, the individual must immediately advise the Chair of the Audit Committee in writing and not take any action to proceed unless and until the action has been approved by the Audit Committee. The Governance and Nominating Committee also reviews all proposed significant related party transactions involving directors, executive officers or a controlling shareholder.

Each of R. William McFarland, Lauren C. Templeton, Benjamin P. Watsa and V. Prem Watsa, each a Director (and, in the case of V. Prem Watsa, a Director of Hamblin Watsa) and a Director of Fairfax India, will be required to disclose the nature and extent of his or her interest in, and is not entitled to vote on, any resolution to approve, any material contract or transaction or any proposed material contract or transaction between Fairfax and Fairfax India (or, in the case of V. Prem Watsa, between Fairfax and Hamblin Watsa) or any of their affiliates or any other entity in which Mr. McFarland, Ms. Templeton, Mr. Benjamin P. Watsa or Mr. V. Prem Watsa has an interest (unless the contract or transaction relates to his or her remuneration or an indemnity on liability insurance).

As at the date of these Listing Particulars, there are no potential conflicts of interest between any duties of the Company's board of directors to the Company, and their private interests and/or other duties.

### ***Shareholding***

The Company's subordinate voting shares are listed for trading on the Toronto Stock Exchange (the "TSX") and trade in Canadian dollars under the symbol "FFH" and in U.S. dollars under the symbol "FFH.U". The Company's Series G preferred shares are listed on the TSX under the symbol "FFH.PR.G", its Series H preferred shares are listed on the TSX under the symbol "FFH.PR.H", its Series I preferred shares are listed on the TSX under the symbol "FFH.PR.I", its Series J preferred shares are listed on the TSX under the symbol "FFH.PR.J", and its Series K preferred shares are listed on the TSX under the symbol "FFH.PR.K".

As at December 31, 2024, to our knowledge, the directors and officers of Fairfax beneficially owned, directly or indirectly, or exercised control or direction over, approximately 562,512 of our subordinate voting shares (2.7%) and 1,548,000 of our multiple voting shares (100%). As at such date, V. Prem Watsa, our Chairman and Chief Executive Officer, controlled shares representing 43.3% of the total votes attached to all classes of our shares (100% of the total votes attached to the multiple voting shares and 2.5% of the total votes attached to the subordinate voting shares).

As of March 7, 2025, we have 20,801,178 subordinate voting shares and 1,548,000 multiple voting shares outstanding (these are our only voting securities). Following shareholder approval on August 31, 2015, we amended our articles with the result that the votes attached to our multiple voting shares would continue to be maintained at their then current level of representing 41.8% of the votes attached to all of our outstanding multiple voting shares and subordinate voting shares. This result was effected by an amendment to our articles increasing the number of votes attached to the multiple voting shares from 10 to 50 votes per multiple voting share, subject to a limit of 41.8% voting power. As a result, if and when 50 votes per multiple voting share represents 41.8% of the voting power, further issuances of subordinate voting shares will continuously reduce that voting power. Our outstanding subordinate voting shares currently represent 58.2% of the votes attached to all of our outstanding multiple voting shares and subordinate voting shares. Each subordinate voting share carries one vote per share at all meetings of shareholders except for separate meetings of holders of another class of shares.

The continuing preservation of the 41.8% voting power of the multiple voting shares is subject to a majority of the minority shareholder ratification vote (i) at the annual meeting of shareholders following the period ending December 31, 2020 and any one or more consecutive five-year periods thereafter during which the number of our outstanding shares (multiple voting shares plus subordinate voting shares) has increased by at least 25%, or following any calendar year more than five years after the last ratification vote (or after August 31, 2015) if the number of our outstanding shares (multiple voting shares plus subordinate voting shares) has increased by at least 50% since the last ratification vote (or after August 31, 2015); (ii) if we intend to issue more than 50% of our outstanding shares in a single transaction; and (iii) within five years after V. Prem Watsa is, for whatever reason, neither our Chairman nor our CEO. At August 31, 2015, the number of our outstanding shares (multiple voting shares plus subordinate voting shares) was 23,583,605.

The Sixty Two Investment Company Limited ("Sixty Two") owns 50,620 subordinate voting shares and 1,548,000 multiple voting shares, representing 41.9% of the total votes attached to all classes of our shares (100% of the total votes attached to the multiple voting shares and 0.2% of the total votes attached to the subordinate voting shares). V. Prem Watsa, our Chairman and Chief Executive Officer, controls Sixty Two and himself beneficially owns an additional 467,196 subordinate voting shares and exercises control or direction over an additional 2,100 subordinate voting shares. These shares, together with the shares owned directly by Sixty Two, represent 43.3% of the total votes attached to all classes of our shares (100% of the total votes attached to the multiple voting shares and 2.5% of the total votes attached to the subordinate voting shares). To the knowledge of our directors and officers, there are no other persons who (directly or indirectly) beneficially own, or control or direct, shares carrying 10% or more of the votes attached to any class of our voting shares.

Concurrent with the above-mentioned amendment of our articles, Sixty Two and V. Prem Watsa entered into an agreement with us which included provisions restricting the sale of the multiple voting shares and prohibiting a holder of multiple voting shares from receiving a premium or additional benefit from the multiple voting shares' special voting rights. Pursuant to those provisions, Sixty Two may not sell any of its multiple voting shares (except to Sixty Two's 75%-owned subsidiaries which are similarly bound) unless the buyer makes a concurrent unconditional offer to purchase all of the subordinate voting shares for at least an equal consideration per share payable in the same form of consideration.

## DESCRIPTION OF THE BRIT CO-OBLIGOR

### *Overview*

Brit Group Holdings Limited (the “**Brit Co-Obligor**”) was established as a private limited company in England and Wales with registered number 15884169 on August 7, 2024, under the Companies Act 2006. The registered address of the Brit Co-Obligor is 122 Leadenhall Street, London, England, EC3V 4AB. The telephone number of its registered address is 020 3857 0000.

The Brit Co-Obligor is a wholly owned subsidiary of Fairfax UK Holdings Limited, which is itself a wholly owned indirect subsidiary of the Company. The financial year end of the Brit Co-Obligor is December 31 in each year. The Brit Co-Obligor is the holding company for the Brit insurance businesses.

The Brit Co-Obligor, together with its subsidiaries (the “**Brit Group**”) constitutes a global specialty (re)insurer and one of the largest businesses that trades primarily on the Lloyd’s of London platform, the world’s leading specialist commercial insurance market. The Brit Group provides highly specialised insurance products to support its clients across a broad range of complex risks, underpinned by its strong underwriting and claims expertise. The Brit Group predominantly underwrites complex, high value insurance and reinsurance risks. The Brit Group’s largest source of business is the U.S. Excess and Surplus lines market and most of its premium income is denominated in U.S. dollars, although the risks underwritten are distributed globally. The Brit Group complements its core classes with highly specialised niche lines that provide both diversification and the potential for high returns. In addition to the Brit Co-Obligor’s core Brit Syndicate 2987 platform and Bermudian Class 4 insurer, Brit Reinsurance (Bermuda) Limited, the Brit Group manages the partly aligned Lloyd’s Syndicate 2988.

### *Board of Directors*

Each member of the Brit Co-Obligor’s board of directors may be reached at the registered office of the Brit Co-Obligor, at 122 Leadenhall Street, London, England, EC3V 4AB. As of June 12, 2025, the members of the Brit Co-Obligor’s board of directors and their functions in the Brit Co-Obligor, together with any principal activities performed by them outside the Brit Co-Obligor (where these are significant with respect to the Brit Co-Obligor) are as follows:

<b>Name</b>	<b>Position</b>	<b>Principal activities outside the Brit Co-Obligor</b>
Gordon M. Campbell	Chair	<p>Non-executive Director of Bryte Insurance</p> <p>Non-executive Director and member of the Audit and Risk Committee and the Corporate Governance and Conduct Review Committee, and Chair of the Investment Committee, for certain Northbridge companies ((1) Federated Insurance Company of Canada; (2) Northbridge General Insurance Corporation; (3) Verasure Insurance Company; and (4) Zenith Insurance Company)</p> <p>Non-executive Director and member of the Audit Committee and the Compensation and Nominations Committee of Equinox Gold Corporation</p>
Martin G. Thompson	Group Chief Executive Officer	Director of the Brit Group’s Lloyd’s managing agency, Brit Syndicates Limited
Gavin L. Wilkinson	Group Chief Financial Officer	<p>Director of several Brit Group companies (including the Brit Group’s Lloyd’s managing agency, Brit Syndicates Limited)</p> <p>Member of the Lloyd’s Market Association Finance Committee</p>

Simon P.G. Lee	Non-executive Director	Chair of the Brit Group's Lloyd's managing agency, Brit Syndicates Limited, and member of its Investment Committee  Non-executive Chair of Public Policy Holding Company Inc, Director of Singapore Reinsurance Corporation Limited, Fairfax Asia Limited, Fairfax (Barbados) International Corp., Tradeplus 24 AG, Falcon Insurance Company (Hong Kong) Limited and Trust Investments Limited
Michael A. Wallace	Non-executive Director	Vice President of Insurance Operations at Fairfax  Director of Fairfax UK Holdings Limited, Go Digit Life Insurance Limited, Ki Financial Limited and Valueattics Reinsurance Limited
Andrea C.N. Welsch	Non-executive Director	Non-executive director of the Brit Group's Lloyd's managing agency, Brit Syndicates Limited, chair of its Investment Committee and member of its Risk Oversight Committee
Jean-Jacques Henchoz	Non-executive Director	Non-executive director of the Brit Group's Lloyd's managing agency, Brit Syndicates Limited  Chair of BMS Group (and in that capacity, holding various directorships within the group)

Subject as described in the column "Principal activities outside the Brit Co-Obligor" above, there are no potential conflicts of interest between any duties of the Brit Co-Obligor's board of directors to the Brit Co-Obligor, and their private interests and/or other duties.

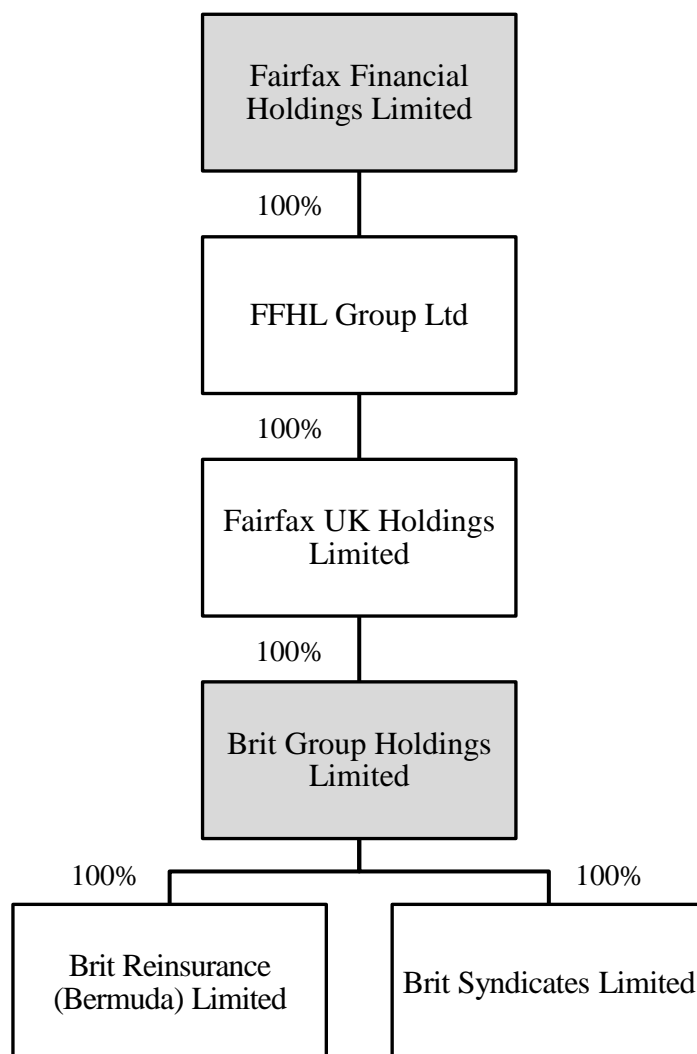
### ***Shareholding***

As at the date of these Listing Particulars, the entire issued share capital of the Brit Co-Obligor comprised 1000 ordinary shares of £1 each, all of which were fully paid up.

Fairfax UK Holdings Limited holds all the shares of the Brit Co-Obligor directly.

## ORGANISATIONAL CHART

The organisational chart below illustrates the Company's simplified ownership structure in relation to the Brit Co-Obligor and the Brit Group. Each of the Company and the Brit Co-Obligor has been shaded in grey<sup>4</sup>.



<sup>4</sup> The organisational chart above is abbreviated and does not contain all subsidiaries of the companies referenced. A comprehensive list of the principal subsidiaries of the Company is contained in the annual information form of the Company for the year ended December 31, 2024, in the subsection titled "Intercompany Relationships" which is incorporated by reference into these Listing Particulars.

## TAXATION

### CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a holder of Notes who acquires the Notes and who, at all relevant times, for purposes of the *Income Tax Act* (Canada) (the “**Tax Act**”), is resident or deemed to be resident in Canada, deals at arm’s length and is not affiliated with the Company, and holds the Notes as capital property (a “**Holder**”). A Note will generally be considered to be capital property of a Holder provided that the Holder does not use or hold the Notes in the course of carrying on a business and does not acquire them as part of an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold their Notes as capital property may, in certain circumstances, be entitled to make the irrevocable election permitted by subsection 39(4) of the Tax Act to have the Notes, and all other “Canadian securities” as defined in the Tax Act, owned by such Holder in the taxation year in which the election is made and in all subsequent years, deemed to be capital property. Holders whose Notes might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

This summary is not applicable to a holder that is a “financial institution” (as defined in the Tax Act for purposes of the mark-to-market rules), a holder an interest in which is a “tax shelter investment”, a holder that reports its “Canadian tax results” in a “functional currency” in accordance with the provisions of the Tax Act, or a holder that enters into a “derivative forward agreement” with respect to the Notes (all as defined in the Tax Act). Such holders should consult their own tax advisors having regard to their particular circumstances.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the “**Regulations**”), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (“**Tax Proposals**”) and counsel’s understanding of the current administrative policies and assessment practices of the Canada Revenue Agency published in writing by it prior to the date hereof. This summary does not take into account or anticipate any other changes in law, administrative policy or assessing practice, whether by judicial, governmental or legislative action or decisions, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective investors should consult their own tax advisors as to the tax consequences in their particular circumstances.

#### ***Interest***

A Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on a Note that accrues (or is deemed to accrue) to the Holder to the end of that taxation year or becomes receivable or is received by the Holder before the end of that taxation year, except to the extent that such interest was otherwise included in the Holder’s income for a preceding taxation year.

Any other Holder, including an individual (other than a trust described in the immediately preceding paragraph), will be required to include in computing income for a taxation year any interest on a Note received or receivable by such Holder in that year (depending upon the method regularly followed by the Holder in computing income), except to the extent that the interest was included in the Holder’s income for a preceding taxation year.

If the Notes are issued at a discount from their face value, a Holder may be required to include an additional amount in computing its income, either in taxation years in which such amount accrues or in a taxation year in which the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.



Any premium paid by the Company to a Holder because of the repayment, redemption or purchase for cancellation by it of all or part of the principal amount of a Note before maturity thereof will generally be deemed to be interest received at that time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of such repayment, redemption or purchase for cancellation of the interest that would have been paid or payable by the Company on the Note for a taxation year of the Company ending after such repayment, redemption or purchase for cancellation.

### ***Disposition***

On a disposition or deemed disposition of a Note, whether on maturity, redemption, purchase for cancellation or otherwise, a Holder generally will be required to include in income the amount of interest accrued on the Note to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

In general, a disposition or deemed disposition of a Note will give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any amount included in the Holder's income as interest and any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Note to the Holder immediately before the disposition or deemed disposition. A Holder's adjusted cost base of a Note acquired will generally include any amount paid to acquire the Note. A Holder that receives repayment in full of the outstanding principal amount of a Note upon maturity will be considered to have disposed of the Note at that time for proceeds of disposition equal to such outstanding principal amount.

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Holder must be included in computing the Holder's income and one-half of any capital loss (an "allowable capital loss") realized by a Holder in a taxation year must be deducted against the Holder's taxable capital gains realized in that year, subject to the detailed rules in the Tax Act. Allowable capital losses in excess of taxable capital gains may be carried back and deducted against net taxable capital gains realized in the three preceding taxation years or carried forward and deducted against net taxable capital gains realized in subsequent taxation years, to the extent and under the circumstances described in the Tax Act. Capital gains realized by an individual and certain trusts may give rise to a liability for alternative minimum tax.

### ***Additional Refundable Tax***

A Holder that is throughout a taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) or at any time in a taxation year a "substantive CCPC" (as defined in the Tax Act) may be subject to an additional refundable tax on certain investment income, including amounts of interest and net taxable capital gains earned or realized in respect of a Note.

## **UNITED KINGDOM TAXATION**

**The following applies only to persons who are the beneficial owners of Notes and is a general description of the Company's and the Brit Co-Obligor's understanding of current United Kingdom tax law and HM Revenue and Customs ("HMRC"), published practice, both of which may be subject to change (possibly with retrospective effect) relating to the United Kingdom withholding tax treatment of payments of interest in respect of the Notes and the United Kingdom stamp tax treatment in relation to the issue and transfer of the Notes. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The following is a general guide and should be treated with appropriate caution. Prospective holders of Notes who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.**

### ***Payment of interest on the Notes***

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. Euronext Dublin is a recognised stock exchange for these purposes. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on Euronext Dublin. Provided, therefore, that the Notes remain

so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom income tax.

In most other cases, and subject to the availability of other reliefs and exemptions, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.).

The references to “interest” in this section “*United Kingdom Taxation*” mean “interest” as understood in United Kingdom tax law. The statements do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

*Stamp Duty and Stamp Duty Reserve Tax*

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Notes. No stamp duty or stamp duty reserve tax is payable on the transfer of the Notes subject to any defeasance effected by the deposit of securities that are themselves subject to stamp duty or stamp duty reserve tax.

## DISTRIBUTION RESTRICTIONS

The distribution of these Listing Particulars is subject to certain restrictions under the laws of certain jurisdictions outside of Canada.

### United States

The Notes have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold in the United States under the U.S. Securities Act and applicable state securities laws, except in transactions exempt from the registration requirements of the U.S. Securities Act and any applicable state securities laws. These Listing Particulars do not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in the United States.

### Prohibition of Sales to EEA retail investors

The Notes may not be offered, sold or otherwise made available to any retail investor in the EEA. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### Prohibition of Sales to United Kingdom retail investors

The Notes may not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom by virtue of the EUWA; or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA.

### United Kingdom

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of the Notes may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to the Company or the Brit Co-Obligor.

### General

No action has been taken by the Company, the Brit Co-Obligor or any Third Party (as defined in “*Notice to Investors*”) that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required.

## GENERAL INFORMATION

### 1. Authorisation

The issue of the Notes was duly authorised by a resolution of the board of directors of the Company dated November 15, 2024 and the Brit Co-Obligor Accession was duly authorised by a resolution of a committee of the board of directors of the Brit Co-Obligor dated June 12, 2025.

### 2. Listing

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on its Global Exchange Market. It is anticipated that listing will take place on or around June 16, 2025. There can be no assurance that any such approval will be granted, or, if granted, that such listing will be maintained. Application has been made to Euronext Dublin for the approval of this document as listing particulars. The Company estimates that the total expenses related to admission of Notes to trading will be approximately €9,440.00.

### 3. Clearing Systems

The Notes have been accepted for clearance through CDS. The ISIN for the 2034 Notes is CA303901BT89 and the CUSIP is 303901BT8. The ISIN for the 2054 Notes is CA303901BS07 and the CUSIP is 303901BS0.

The address of CDS is 100 Adelaide Street West, Toronto, Ontario, Canada M5H 1S3.

### 4. Legal Entity Identifier (“LEI”) codes

The LEI code for (i) the Company is GLS7OQD0WOEDI8YAP031; and (ii) the Brit Co-Obligor is 2549001PN147CNOEX642.

### 5. Significant change and material adverse change

There has been no material adverse change in the prospects of the Company or the Brit Co-Obligor since December 31, 2024.

There has been no significant change in the financial or trading position of the Brit Co-Obligor since December 31, 2024.

There has been no significant change in the financial or trading position of the Company or Fairfax since March 31, 2025.

### 6. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the last 12 months which may have, or have had in the recent past, significant effects on Fairfax’s financial position or profitability.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Brit Co-Obligor is aware) during the last 12 months which may have, or have had in the recent past, significant effects on the Brit Group’s financial position or profitability.

### 7. Auditors

The Company’s independent registered public accounting firm is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, who has issued a Report of Independent Registered Public Accounting Firm dated March 7, 2025 in respect of Fairfax’s consolidated financial statements as at December 31, 2024 and 2023 and for the two years in the period ended December 31, 2024 and on the effectiveness of internal control over financial reporting as at December 31, 2024. PricewaterhouseCoopers LLP has advised that they are independent with respect to Fairfax within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada, including the CPA Code of Professional Conduct and any applicable legislation or regulations, as well as the US Securities

and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (PCAOB) on auditor independence.

The independent auditors of the Brit Co-Obligor are PricewaterhouseCoopers LLP, a member of the Institute of Chartered Accountants in England and Wales, who have audited the Brit Co-Obligor's financial statements in accordance with International Standards on Auditing (UK) and applicable law for the period from and including the date of its incorporation (being August 7, 2024) to and including December 31, 2024.

## **8. Documents Available**

For as long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market:

with respect to the Company, copies of:

- (a) its articles of incorporation and by-laws;
- (b) its audited consolidated financial statements and the notes thereto, including consolidated balance sheets as of December 31, 2024 and 2023 and consolidated statements of earnings, comprehensive income, changes in equity and cash flows for each of the two years in the period ended December 31, 2024 and management's report on internal control over financial reporting set out on page 38 of the Company's 2024 Annual Report;
- (c) its unaudited interim consolidated financial statements for the three months ended March 31, 2025; and
- (d) its annual information form for the year ended December 31, 2024,

will be available from the Company's Corporate Secretary, at Suite 800, 95 Wellington Street West, Toronto, Ontario, Canada, M5J 2N7 and are also available on the Company's issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca);

with respect to the Brit Co-Obligor, copies of:

- (a) its Certificate of Incorporation, Memorandum and Articles of Association; and
- (b) its audited unconsolidated financial statements for the period from and including the date of its incorporation to and including December 31, 2024,

will be available from Brit Co-Obligor's Company Secretary, at The Leadenhall Building, 122 Leadenhall Street, London, England, EC3V 4AB and are also available from <https://www.britinsurance.com/financials-and-governance/debt>; and

in addition, the indenture (including the Seventh Supplemental Indenture) will be available from the Company's Corporate Secretary, at Suite 800, 95 Wellington Street West, Toronto, Ontario, Canada, M5J 2N7.

## **9. Yield**

The yield of the 2034 Notes as at the issue date in respect of such Notes was 4.739% per annum (payable on a semi-annual basis). This indication of yield is calculated on the basis of the issue price of 99.929% as at the issue date of the 2034 Notes and is not an indication of future yield.

The yield of the 2054 Notes as at the issue date in respect of such Notes was 5.230% per annum (payable on a semi-annual basis). This indication of yield is calculated on the basis of the issue price of 100% as at the issue date of the 2054 Notes and is not an indication of future yield.

## **10. Other debt listings**

The Company has outstanding debt securities listed on the Global Exchange Market (ISIN XS1794676400 and ISIN XS1794675931).

The Brit Co-Obligor has outstanding debt securities listed on the Main Market of the London Stock Exchange (ISIN XS0237631097).

**11. Restrictions on the free transferability of the Notes**

There is no restriction on the free transferability of the Notes, other than as described in the “Distribution Restrictions” section of these Listing Particulars.

## **THE COMPANY**

### **Fairfax Financial Holdings Limited**

95 Wellington Street West  
Suite 800  
Toronto, Ontario  
Canada M5J 2N7

## **THE BRIT CO-OBLIGOR**

### **Brit Group Holdings Limited**

122 Leadenhall Street  
London  
England  
EC3V 4AB

## **UNITED STATES TRUSTEE**

### **The Bank of New York Mellon**

240 Greenwich Street  
Floor 7E  
New York, NY 10286  
United States

## **CANADIAN TRUSTEE AND PAYING AGENT**

### **Computershare Advantage Trust of Canada**

*(formerly BNY Trust Company of Canada)*

88A East Beaver Creek Rd.  
Richmond Hill, Ontario  
Canada L4B 4A8

## **LEGAL ADVISERS**

*To the Company as to English law and other matters*

### **Allen Overy Shearman Sterling LLP**

One Bishops Square  
London E1 6AD  
United Kingdom

*To the Company as to Canadian law*

### **Torys LLP**

79 Wellington Street West  
Suite 3000,  
Toronto, Ontario  
Canada M5K 1N2

## **AUDITORS**

*To the Company*

### **PricewaterhouseCoopers LLP**

18 York Street, Suite 2500  
Toronto, Ontario  
Canada M5J 0B2

*To the Brit Co-Obligor*

**PricewaterhouseCoopers LLP**

7 More London Riverside

London

England

SE1 2RT

**LISTING AGENT**

**William Fry LLP**

2 Grand Canal Square

Dublin 2

Dublin

D02 A342

Ireland

*Printed by*

**Allen Overy Shearman Sterling LLP**

One Bishops Square

London E1 6AD