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# FAIRFAX INDIA HOLDINGS CORPORATION

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## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual Meeting of Shareholders of Fairfax India Holdings Corporation (“**Fairfax India**” or the “**Company**”) will be held at Roy Thomson Hall, 60 Simcoe Street, Toronto, Canada on Thursday, April 16, 2020 at 2:00 p.m. (Toronto time) for the following purposes:

- (a) to elect directors;
- (b) to appoint the auditor; and
- (c) to transact such other business as may properly come before the meeting.

By Order of the Board,

Keir Hunt  
General Counsel and Corporate Secretary

Toronto, March 6, 2020

**If you cannot be present to vote in person at the meeting, please complete and sign the enclosed form of proxy and return it in the envelope provided, or vote online at [www.investorvote.com](http://www.investorvote.com) or by telephone at 1-866-732-VOTE (8683).** Please refer to the accompanying Management Proxy Circular for further information regarding completion and use of the proxy and other information pertaining to the meeting.

## MANAGEMENT PROXY CIRCULAR

(Note: Dollar amounts in this Management Proxy Circular are in U.S. dollars except as otherwise indicated.)

### **Voting Shares and Principal Holders Thereof**

The following briefly summarizes the provisions of the Company's articles of incorporation, including a description of the Company's share capital. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Company's articles of incorporation. As of March 5, 2020, we have 122,037,745 subordinate voting shares, 30,000,000 multiple voting shares, and no preference shares issued and outstanding.

Each holder of our subordinate voting shares or multiple voting shares of record at the close of business on March 6, 2020 (the "record date" established for notice of the meeting and for voting in respect of the meeting) will be entitled to vote at the meeting or any adjournment or postponement thereof, either in person or by proxy. Two persons present and each entitled to vote at the meeting who, together, hold or represent by proxy at least 15% of our outstanding voting shares constitute a quorum at any meeting of shareholders.

As of March 5, 2020, Fairfax Financial Holdings Limited, through its subsidiaries (collectively, "**Fairfax**"), owns 21,558,422 subordinate voting shares and 30,000,000 multiple voting shares, representing 93.8% of the total votes attached to all classes of our shares (100% of the total votes attached to the multiple voting shares and 17.7% of the total votes attached to the subordinate voting shares).

Except for a sale to a purchaser who makes an equivalent unconditional offer to purchase all outstanding subordinate voting shares, Fairfax has agreed with us that it will not sell its multiple voting shares (other than to affiliates of Fairfax).

To the knowledge of the Company, as of March 5, 2020, OMERS Administration Corporation ("**OMERS**") also owns voting securities carrying 10% or more of the votes attached to one of our classes of securities, consisting of 20,363,574 subordinate voting shares, representing 16.7% of the total votes attached to the subordinate voting shares.

### **Authorized Share Capital**

The Company's authorized share capital consists of (i) an unlimited number of multiple voting shares that may only be issued to Fairfax or its affiliates, (ii) an unlimited number of subordinate voting shares and (iii) an unlimited number of preference shares, issuable in series. Except as provided in any special rights or restrictions attaching to any series of preference shares issued from time to time, the preference shares are not entitled to vote at any meeting of the Shareholders of the Company.

### **Multiple Voting Shares and Subordinate Voting Shares**

#### *Dividend Rights*

Holders of multiple voting shares and subordinate voting shares are entitled to receive dividends out of the assets of the Company legally available for the payment of dividends at such times and in such amount and form as the Board may from time to time determine and the Company will pay dividends thereon on a *pari passu* basis, if, as and when declared by the Board. The Company has not declared or paid any dividends since its incorporation and does not currently anticipate paying any dividends in the near future.

#### *Voting Rights*

The multiple voting shares are entitled to 50 votes per multiple voting share, and the subordinate voting shares are entitled to one vote per subordinate voting share. The outstanding subordinate voting shares currently represent 7.5% of the total votes attached to all classes of the Company's outstanding shares.

The following matters require the approval by 66⅔% of the votes attached to the multiple voting shares and the subordinate voting shares, each voting separately as a class, at a duly convened meeting of holders of multiple voting shares and subordinate voting shares:

1. An amendment to the Company's articles of incorporation or by laws to:
  - (i) increase or decrease any maximum number of authorized shares of the multiple voting shares or the subordinate voting shares, or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the multiple voting shares or the subordinate voting shares, except for the issuance of preference shares;
  - (ii) effect an exchange, reclassification or cancellation of all or part of the multiple voting shares or subordinate voting shares;
  - (iii) add, change or remove the rights, privileges, restrictions or conditions attached to the multiple voting shares or subordinate voting shares, including:
    - (a) remove or change prejudicially rights to accrued dividends or rights to cumulative dividends,
    - (b) add, remove or prejudicially change redemption rights,
    - (c) reduce or remove a dividend preference or a liquidation preference, or
    - (d) add, remove or change prejudicially conversion privileges, options, voting, transfer or pre-emptive rights, or rights to acquire securities of a corporation, or sinking fund provisions;
  - (iv) increase the rights or privileges of any class of shares having rights or privileges equal or superior to the multiple voting shares or the subordinate voting shares;
  - (v) create a new class of shares equal or superior to the multiple voting shares or subordinate voting shares, except for the issuance of preference shares;
  - (vi) make any class of shares having rights or privileges inferior to the multiple voting shares or subordinate voting shares equal or superior to the shares of either the multiple voting shares or subordinate voting shares;
  - (vii) effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of a class; or
  - (viii) constrain the issue, transfer or ownership of the shares of a class or change or remove such constraint;
2. Any change to the Company's investment objective or investment restrictions;
3. A transfer by Fairfax or Hamblin Watsa Investment Counsel Ltd. (the "**Portfolio Advisor**"), as portfolio advisor to the Company, of the Investment Advisory Agreement (as defined below under "Investment Advisory Agreement") to a non-affiliate of Fairfax; or
4. A change to the basis of the calculation of a fee that is charged to the Company by the Portfolio Advisor or Fairfax in a way that could result in an increase in charges to the Company.

The Company has included in its by-laws express provisions setting forth: (i) its investment objective (including the "Investment Concentration Restriction" and "Minimum Investment Requirement"); (ii) the requirement for one or more custodians to hold its assets, where each such custodian must be an entity that would be qualified to act as a custodian or sub-custodian for assets held in Canada or a custodian or sub-custodian for assets held outside Canada, as the case may be, in each case in accordance with Part 6 of National Instrument 81-102 — *Investment Funds*; and (iii) the requirement for the Company to utilize at least one portfolio manager that is registered as a portfolio manager in a province or territory of Canada (collectively the "**Mandatory By-Law Provisions**"). Any amendments to the Mandatory By-Law Provisions will require the approval of both the holders of the multiple voting shares and the subordinate voting shares, each voting separately as a class. Each such approval shall be evidenced by an "ordinary resolution", as such term is defined under the

Canada Business Corporations Act (the “**CBCA**”), except for amendments to the Company’s investment objective which approval shall be evidenced by a “special resolution”, as such term is defined under the CBCA.

Notwithstanding the foregoing, a multiple voting share will convert, without any further action on the part of the Company or the holder of such shares, automatically into a subordinate voting share on a one for one basis in the event that: (i) such multiple voting share is transferred to, or held by, a non-affiliate of Fairfax (including by virtue of a change of control of the applicable Fairfax entity that holds such multiple voting share where Fairfax no longer beneficially owns, directly or indirectly, a majority of the votes attached to such entity’s shares entitled to vote for the election of such entity’s board of directors, but excluding any assignment or other transfer for purposes of providing security); (ii) such multiple voting share is subject to an “Equity Monetization Arrangement”; (iii) if Fairfax or its affiliates sell any multiple voting shares and, as a result of such sale, Fairfax and its affiliates beneficially own, directly or indirectly, multiple voting shares having an aggregate market value of less than US\$150 million with such market value to be determined by utilizing the 20-day volume weighted average trading price of the subordinate voting shares on any stock exchange on which the subordinate voting shares then trade as of the trading day prior to the sale by Fairfax or its affiliates (where the market value of a subordinate voting share shall be deemed to be equal to the market value of a multiple voting share for the purposes of such market value calculation); (iv) the Portfolio Advisor ceases to act as a portfolio advisor to the Company, FIH Mauritius Investments Ltd (“**FIH Mauritius**”) or FIH Private Investments Ltd (“**FIH Private**”) for any reason and the obligation to act as a portfolio advisor is not assumed by an affiliate of Fairfax that is duly registered as an advisor in the category of portfolio manager in a province or territory of Canada in accordance with the Company’s by-laws; unless (a) the Portfolio Advisor ceases to act in such capacity as a result of employees of the Company, FIH Mauritius or FIH Private, as applicable, assuming the obligation to provide such portfolio advisory services, subject to compliance with applicable law or (b) the holders of the subordinate voting shares, by special resolution, determine that the multiple voting shares should not convert to subordinate voting shares as a result thereof; (v) the assignment by the Portfolio Advisor or Fairfax of the Investment Advisory Agreement to a non-affiliate of Fairfax; or (vi) a change of control occurs in respect of the Portfolio Advisor such that Fairfax no longer beneficially owns, directly or indirectly, a majority of the votes attached to the Portfolio Advisor’s shares entitled to vote for the election of the Portfolio Advisor’s board of directors or Fairfax approves any plan or proposal for the liquidation or dissolution of the Portfolio Advisor unless the Investment Advisory Agreement has been transferred by the Portfolio Advisor to an affiliate of Fairfax or the obligation to provide portfolio advisory services performed by the Portfolio Advisor have been assumed by employees of the Company, FIH Mauritius or FIH Private, as applicable, subject to compliance with applicable law.

#### *Coattail Agreement*

Under applicable Canadian law, an offer to purchase multiple voting shares would not necessarily require that an offer be made to purchase subordinate voting shares. In accordance with the rules of the Toronto Stock Exchange (the “**TSX**”) designed to ensure that, in the event of a take-over bid, the holders of subordinate voting shares will be entitled to participate on an equal footing with holders of multiple voting shares, Fairfax, as the owner of all the outstanding multiple voting shares, entered into a customary coattail agreement with the Company and a trustee (the “**Coattail Agreement**”) on the date of the closing (the “**Closing**”) of our initial public offering (“**IPO**”). The Coattail Agreement contains provisions customary for dual class, TSX-listed corporations designed to prevent transactions that otherwise would deprive the holders of subordinate voting shares of rights under applicable provincial take-over bid legislation to which they would have been entitled if the multiple voting shares had been subordinate voting shares.

The undertakings in the Coattail Agreement do not apply to prevent a sale by Fairfax or its affiliates of multiple voting shares if concurrently an offer is made to purchase subordinate voting shares that:

1. offers a price per subordinate voting share at least as high as the highest price per share paid pursuant to the take-over bid for the multiple voting shares;
2. provides that the percentage of outstanding subordinate voting shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as

high as the percentage of multiple voting shares to be sold (exclusive of multiple voting shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);

3. has no condition attached other than the right not to take up and pay for subordinate voting shares tendered if no shares are purchased pursuant to the offer for multiple voting shares; and
4. is in all other material respects identical to the offer for multiple voting shares.

In addition, the Coattail Agreement does not prevent the transfer of multiple voting shares by Fairfax or its affiliates to other affiliates of Fairfax, provided such transfer is not or would not have been subject to the requirements to make a take-over bid (if the vendor or transferee were in Canada) or constitutes or would constitute an exempt take-over bid (as defined in applicable securities legislation). The conversion of multiple voting shares into subordinate voting shares, whether or not such subordinate voting shares are subsequently sold, would not constitute a disposition of multiple voting shares for the purposes of the Coattail Agreement.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the subordinate voting shares. The obligation of the trustee to take such action is conditional on the Company or holders of the subordinate voting shares providing such funds and indemnity as the trustee may reasonably require. No holder of subordinate voting shares has the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding subordinate voting shares and reasonable funds and indemnity have been provided to the trustee.

Other than in respect of non-material amendments and waivers that do not adversely affect the interests of holders of subordinate voting shares, the Coattail Agreement provides that it may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the TSX and any other applicable securities regulatory authority in Canada; and (b) the approval of at least two-thirds of the votes cast by holders of subordinate voting shares represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to subordinate voting shares held by Fairfax or its affiliates and any persons who have an agreement to purchase multiple voting shares on terms which would constitute a sale or disposition for purposes of the Coattail Agreement, other than as permitted thereby.

No provision of the Coattail Agreement will limit the rights of any holders of subordinate voting shares under applicable law.

#### *Pre-Emptive Rights*

In the event that the Company decides to issue additional subordinate voting shares or securities convertible into or exchangeable for subordinate voting shares or an option or other right to acquire any such securities other than to an affiliate thereof ("**Issued Securities**"), the securityholders' rights agreement between the Company and Fairfax (the "**Securityholders' Rights Agreement**") provides Fairfax (and any of its subsidiaries who, from time to time, hold an equity interest in the Company), for so long as Fairfax (together with its subsidiaries) owns, in the aggregate, at least a 10% equity interest in the Company calculated based on the equity capital of the Company as of the Closing, with pre-emptive rights to purchase Issued Securities, to maintain Fairfax's direct and indirect effective pro rata ownership interest. The pre-emptive right does not apply to the issuance of Issued Securities in certain circumstances, including: (i) in respect of the exercise of options, warrants, rights or other securities issued under the Company's security based compensation arrangements, if any; (ii) in connection with a subdivision of then-outstanding subordinate voting shares into a greater number of subordinate voting shares; (iii) the issuance of equity securities of the Company in lieu of cash dividends, if any; (iv) the exercise by a holder of a conversion, exchange or other similar privilege pursuant to the terms of a security in respect of which Fairfax or its subsidiaries did not exercise, failed to exercise, or waived its pre-emptive right or in respect of which the pre-emptive right did not apply; (v) pursuant to a shareholders' rights plan of the Company, if any; (vi) to the Company or any subsidiary of the Company or an affiliate of any of them; and (vii) any issuance of subordinate voting shares pursuant to an over-allotment option granted to the agents or underwriters, as applicable, in connection with an offering of subordinate voting shares.

### *Registration Rights*

The Securityholders' Rights Agreement provides Fairfax with the right (the "**Piggy-Back Registration Right**") to require the Company to include multiple voting shares or subordinate voting shares held by it and/or any of its subsidiaries in any future offerings undertaken by the Company by way of prospectus that it may file with applicable Canadian securities regulatory authorities (a "**Piggy-Back Distribution**"). In such a case, any multiple voting shares to be part of such an offering would first be exchanged by the Company for subordinate voting shares on a one-for-one basis in accordance with their terms. The Company is required to use reasonable commercial efforts to cause to be included in the Piggy-Back Distribution all of the subordinate voting shares (including subordinate voting shares that were formerly multiple voting shares) that Fairfax requests to be sold, provided that if the Piggy-Back Distribution involves an underwriting and the lead underwriter reasonably determines that the aggregate number of subordinate voting shares (including subordinate voting shares that were formerly multiple voting shares) to be included in such Piggy-Back Distribution should be limited for certain prescribed reasons, the subordinate voting shares to be included in the Piggy-Back Distribution will be first allocated to the Company.

In addition, the Securityholders' Rights Agreement provides Fairfax with the right (the "**Demand Registration Right**") to require the Company to use reasonable commercial efforts to file one or more prospectuses with applicable Canadian securities regulatory authorities, qualifying multiple voting shares or subordinate voting shares held by Fairfax or its subsidiaries (a "**Demand Distribution**"). In such a case, any multiple voting shares to be part of such an offering would first be exchanged by the Company for subordinate voting shares on a one-for-one basis in accordance with their terms. Fairfax is entitled to request not more than two Demand Distributions per calendar year, and each Demand Distribution must be comprised of such number of subordinate voting shares (including subordinate voting shares that were formerly multiple voting shares) that would reasonably be expected to result in gross proceeds of at least US\$20 million. The Company may also distribute subordinate voting shares in connection with a Demand Distribution provided that if the Demand Distribution involves an underwriting and the lead underwriter reasonably determines that the aggregate number of subordinate voting shares to be included in such Demand Distribution should be limited for certain prescribed reasons, the subordinate voting shares (including subordinate voting shares that were formerly multiple voting shares) to be included in the Demand Distribution will be first allocated to Fairfax and its subsidiaries.

Each of the Piggy-Back Registration Right and the Demand Registration Right are exercisable at any time, subject to Fairfax's retained interest requirements, provided that Fairfax directly or indirectly owns at least a 5% equity interest in the Company calculated based on the equity capital of the Company as of the Closing. The Piggy-Back Registration Right and the Demand Registration Right is subject to various conditions and limitations, and the Company is entitled to defer any Demand Distribution in certain circumstances for a period not exceeding 90 days. The expenses in respect of a Piggy-Back Distribution, subject to certain exceptions, will be borne by the Company, except that any underwriting fee on the sale of any subordinate voting shares (including subordinate voting shares that were formerly multiple voting shares) by Fairfax or its subsidiaries, and the fees of Fairfax's external legal counsel, will be borne by Fairfax. The expenses in respect of a Demand Distribution, subject to certain exceptions, will be borne by the Company and Fairfax on a proportionate basis according to the number of subordinate voting shares distributed by each. Pursuant to the Securityholders' Rights Agreement, the Company will indemnify Fairfax for any misrepresentation in a prospectus under which Fairfax's subordinate voting shares (including subordinate voting shares that were formerly multiple voting shares) are distributed (other than in respect of any information provided by Fairfax, in respect of Fairfax, for inclusion in the prospectus) and Fairfax will indemnify the Company for any misrepresentation in any information provided by Fairfax, in respect of Fairfax, for inclusion in the prospectus.

### *Pre-Emptive, Subscription, Redemption and Conversion Rights*

Other than as described above under "Coattail Agreement", "Pre-Emptive Rights" and "Registration Rights", holders of multiple voting shares and subordinate voting shares will have no pre-emptive or subscription rights. Holders of subordinate voting shares will have no redemption or conversion rights. Multiple voting shares, however, are convertible at any time at the option of the holder into fully-paid, non-assessable subordinate voting shares on a one-for-one basis. In

accordance with the Company's articles of incorporation, multiple voting shares may only be issued to Fairfax or its affiliates.

#### *Liquidation Rights*

Upon the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the holders of multiple voting shares and subordinate voting shares, without preference or distinction, are entitled to receive ratably all of the Company's assets remaining after payment of all debts and other liabilities, subject to the prior rights of the holders of any other prior ranking shares that may be outstanding at such time.

#### *Modifications*

Modifications to the provisions attaching to the multiple voting shares as a class, or to the subordinate voting shares as a class, require the separate affirmative vote of at least two-thirds of the votes cast at a meeting of the holders of the shares of each such class (or by written resolution of holders of at least two-thirds of the votes attached to the multiple voting shares and the subordinate voting shares, separately as a class).

No subdivision or consolidation of the multiple voting shares or subordinate voting shares may occur unless the shares of both classes are concurrently subdivided or consolidated and in the same manner and proportion.

Other than as described herein, no new rights to acquire additional shares or other securities or property of the Company will be issued to holders of multiple voting shares or subordinate voting shares unless the same rights are concurrently issued to the holders of shares of both classes.

#### **Annual Report**

Our Annual Report includes our consolidated financial statements and the notes thereto for the year ended December 31, 2019. No action will be taken at the meeting with respect to approval or disapproval of the Annual Report.

You may obtain a copy of our latest annual information form (together with the documents incorporated therein by reference), our comparative consolidated financial statements for 2019 together with the report of the auditor thereon, management's discussion and analysis of our financial condition and results of operations for 2019, any of our interim financial statements for periods subsequent to the end of our 2019 fiscal year and this circular, upon request to our Corporate Secretary. If you are one of our securityholders, there will be no charge to you for these documents. You can also find these documents, and additional information relating to the Company, on our website ([www.fairfaxindia.ca](http://www.fairfaxindia.ca)) or on SEDAR ([www.sedar.com](http://www.sedar.com)).

#### **Election of Directors**

A Board of nine directors is to be elected at the meeting to serve until the next annual meeting. Each nominee is voted for on an individual basis. If you submit a proxy in the enclosed form, it will, unless you direct otherwise, be voted **FOR** the election of each of the nominees named below. However, in case any of the nominees should become unavailable for election for any presently unforeseen reason, the persons named in the proxy will have the right to use their discretion in selecting a substitute. The Board has adopted a majority voting policy for uncontested elections of directors. If any nominee for director is not elected by at least a majority (50% + 1 vote) of the votes cast with respect to his or her election, he or she will immediately tender his or her resignation to the Chairman of the Board following the annual meeting. The Governance, Compensation and Nominating Committee will consider the resignation and recommend to the Board whether there are exceptional circumstances which would warrant rejecting such resignation. The Board will accept the resignation, absent exceptional circumstances, and will make such determination within 90 days of the applicable annual meeting. Any director who tenders his or her resignation pursuant to the policy will not participate in any meeting of the Board or any committee of the Board at which such resignation is considered. The resignation will be effective when accepted by the Board. Following the Board's decision on any resignation, the Company will promptly disclose, via press release, the Board's decision of whether or not to accept the director's resignation offer, including the reasons for rejecting the resignation offer, if applicable.

The following information is submitted with respect to the nominees for director:

<b>Names of nominees, offices held in Fairfax India (or significant affiliates) and principal occupations</b>	<b>Director since</b>	<b>Ownership or control over voting securities (subordinate voting shares) of Fairfax India</b>
ANTHONY F. GRIFFITHS <sup>(a)(b)(c)</sup> Independent Business Consultant and Corporate Director	2015	50,000
ALAN D. HORN <sup>(a)(b)</sup> President and Chief Executive Officer, Rogers Telecommunications Limited	2015	15,000
CHRISTOPHER D. HODGSON <sup>(a)(b)</sup> President, Ontario Mining Association	2015	1,000
DEEPAK PAREKH Chairman of Housing Development Finance Corporation Limited	2015	—
LAUREN C. TEMPLETON Founder and President of Templeton and Phillips Capital Management, LLC	2018	2,021
SUMIT MAHESHWARI Managing Director & CEO of Fairbridge Capital Private Limited	2018	—
GOPALAKRISHNAN SOUNDARAJAN Managing Director, India of the Portfolio Advisor	2019	—
CHANDRAN RATNASWAMI Chief Executive Officer of the Company	2015	7,000
V. PREM WATSA Chairman of the Company	2015	320,000 <sup>(1)</sup>

(a) Member of the Audit Committee (Chair — Alan Horn)

(b) Member of the Governance, Compensation and Nominating Committee (Chair — Anthony Griffiths)

(c) Lead Director

(1) The 320,000 subordinate voting shares of Fairfax India are the personal holdings of Mr. Watsa. Fairfax's interest in Fairfax India has not been included here.



The information as to shares beneficially owned or controlled by each nominee (as previously provided), and certain of the biographical information provided below, not being within our knowledge, has been furnished by such nominee.

*Legend:*

*BD — Board of Directors*

*AC — Audit Committee*

*G,C&NC — Governance, Compensation and Nominating Committee*

**Anthony F. Griffiths**, 89, is a member of our Board of Directors and our Lead Director. Mr. Griffiths is a member of our Audit Committee and the Chair of our Governance, Compensation and Nominating Committee. Mr. Griffiths is an independent business consultant and corporate director. He is a director of Fairfax Financial Holdings Limited. Mr. Griffiths was the Chairman of Mitel Corporation from 1987 to 1993, and from 1991 to 1993 assumed the positions of President and Chief Executive Officer in addition to that of Chairman. Mr. Griffiths is a resident of Toronto, Ontario, Canada.

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1 of 1 G,C&NC

**Christopher D. Hodgson**, 58, is a member of our Board of Directors and a member of each of the Audit Committee and Governance, Compensation and Nominating Committee. Mr. Hodgson is the President of the Ontario Mining Association, and a board member of Fairfax Africa Holdings Corporation, Recipe Unlimited Corporation and Canadian Orebodies Inc. He previously served as lead director for The Brick Ltd. As a member of provincial parliament, he served as Minister of Natural Resources, Minister of Northern Development and Mines, Chairman of the Management Board of Cabinet, Commissioner of the Board of Internal Economy, and Minister of Municipal Affairs and Housing. Previously he enjoyed a career in municipal government and real estate development and is an Honours Bachelor of Arts graduate from Trent University. Mr. Hodgson is a resident of Markham, Ontario, Canada.

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**Alan D. Horn**, 68, is a member of our Board of Directors, Chair of our Audit Committee and a member of the Governance, Compensation and Nominating Committee. Mr. Horn is the President and Chief Executive Officer of Rogers Telecommunications Limited, a director of Rogers Communications Inc. and was the Chairman of Rogers Communications Inc. from March 2006 to December 2017. Mr. Horn served as Acting President and Chief Executive Officer of Rogers Communications Inc. from October 2016 to April 2017 and from October 2008 to March 2009. Mr. Horn was Vice-President, Finance and Chief Financial Officer of Rogers Communications Inc. from 1996 to 2006 and was President and Chief Operating Officer of Rogers Telecommunications Limited from 1990 to 1996. Mr. Horn is a Chartered Professional Accountant and a director and chair of the Audit Committee of Fairfax Financial Holdings Limited. Mr. Horn is a resident of Toronto, Ontario, Canada.

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**Deepak Parekh**, 75, is a member of our Board of Directors. Mr. Parekh is the Chairman of the Housing Development Finance Corporation Limited (HDFC), the largest housing finance company in India which he joined in 1978. Mr. Parekh is the non-executive Chairman of BAE Systems India (Services) Pvt Ltd, GlaxoSmithKline Pharmaceuticals Ltd. and Siemens Ltd and serves as a director of several Indian public companies, including The Indian Hotels Co Ltd and Network 18 Media & Investments Limited. Mr. Parekh also serves as a director of DP World Limited, a company listed on NASDAQ Dubai, and Vedanta Resources PLC, a company listed on the London Stock Exchange, besides serving as Chairman for several HDFC Group companies. Mr. Parekh received a Bachelor of Commerce degree from the Bombay University and holds a Chartered Accountant degree from the Institute of Chartered Accountants in England & Wales. Mr. Parekh is a resident of Mumbai, Maharashtra, India.

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**Lauren C. Templeton**, 43, is a member of our Board of Directors. Ms. Templeton is founder and President of Templeton & Phillips Capital Management, LLC, a registered investment advisor and value investing boutique located in Chattanooga, Tennessee. Ms. Templeton serves as a director and member of the audit committee of Fairfax Financial Holdings Limited. She serves on the Board of Trustees, audit committee and endowment committee at the Baylor School and is a member of Rotary International, previously serving on the investment committee for the Rotary Foundation. Ms. Templeton serves on the Board of Overseers for the Atlas Economic Research Foundation. She is the founder and past president of the Southeastern Hedge Fund Association Inc.; was previously a member of the Board of Directors for the Memorial Hospital Foundation and the Finance Advisory Board of the University of Tennessee at Chattanooga; and served on the Chattanooga Area Chamber of Commerce Board of Directors. Ms. Templeton is a member of the John M. Templeton Foundation, Templeton World Charities and the Templeton Religion Trust. She serves on the compensation committee for the John M. Templeton Foundation. Ms. Templeton is a resident of Lookout Mountain, Tennessee U.S.A.

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Meetings Attended in 2019  
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**Sumit Maheshwari**, 37, is a member of our Board of Directors. Mr. Maheshwari has been the Managing Director and Chief Executive Officer of Fairbridge since May 2018. Prior to this, Mr. Maheshwari was Vice President at Fairbridge and has been working at Fairbridge since July 2011. Prior to joining Fairbridge, Mr. Maheshwari worked with KPMG in India for 5 years in their audit and accounting advisory functions, specializing in Indian GAAP, U.S. GAAP and IFRS accounting standards. Mr. Maheshwari serves on the board of directors of many of the Company's and Fairfax's portfolio companies in India. He is a qualified Chartered Accountant, has completed the Post Graduate Programme in Management from the Indian School of Business, Hyderabad, and holds a Bachelors of Commerce degree from the University of Mumbai. Mr. Maheshwari is a resident of Mumbai, Maharashtra, India.

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**Gopalakrishnan Soundarajan**, 57 was appointed as a member of our Board of Directors on March 1, 2019. Mr. Soundarajan is Managing Director, India at the Portfolio Advisor. Prior to this, Mr. Soundarajan was the Chief Investment Officer of ICICI Lombard, the largest private sector property and casualty insurance company in India. Mr. Soundarajan held the position of head of investments at ICICI Lombard from 2001 to 2018 and was a member of the investment committee. Mr. Soundarajan serves on the boards of directors of FIH Private, FIH Mauritius and Primary Real Estate Investment Fund. Mr. Soundarajan has a Bachelor of Commerce degree from the University of Madras, is a member of the Institute of Chartered Accountants of India and is a Qualified Chartered Financial Analyst and Member of the CFA Institute in the United States. Mr. Soundarajan is a resident of Toronto, Ontario, Canada.

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Meetings Attended in 2019  
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**Chandran Ratnaswami**, 70, is a member of our Board of Directors. Mr. Ratnaswami is the Chief Executive Officer of the Company and Managing Director, East Asia of the Portfolio Advisor. At the Portfolio Advisor, Mr. Ratnaswami is responsible for portfolio investments in Asia. Mr. Ratnaswami joined the Portfolio Advisor in 1993 as director of International Investments. Mr. Ratnaswami serves on the board of directors of a number of Fairfax companies, including Fairbridge, IIFL Holdings Limited, National Collateral Management Services Private Limited, Sanmar Engineering Services Limited, Bangalore International Airport Limited, Thomas Cook (India) Limited, Go Digit Infoworks Services Private Limited, and Ques Corp Limited. Mr. Ratnaswami is a resident of Toronto, Ontario, Canada.

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Meetings Attended in 2019  
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**V. Prem Watsa**, 69, has been the Chairman of our Board of Directors since 2015 and has been the Chairman and Chief Executive Officer of Fairfax Financial Holdings Limited since 1985. He has served as Vice Chairman of the Portfolio Advisor since September 2019 and served as Vice President of the Portfolio Advisor from July 1984 to September 2019. Mr. Watsa is also a director of Fairfax Africa Holdings Corporation and BlackBerry Limited, and is a resident of Toronto, Ontario, Canada.

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Meetings Attended in 2019  
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None of our director nominees serve together on the Board of any other companies, other than Fairfax and its subsidiaries or portfolio companies, or act together as trustees for other entities.

Mr. Griffiths was a director of Resolute Forest Products Inc. (formerly Abitibi Bowater Inc.) when that company and certain of its Canadian and U.S. subsidiaries filed for protection in Canada under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") and for relief under Chapter 11 of the *United States Bankruptcy Code* (the "**USBC**") in April 2009. On December 9, 2010, that company emerged from creditor protection under the CCAA in Canada and Chapter 11 of the USBC in the United States. Mr. Griffiths was a director of Jaguar Mining Inc. from May 2004 to June 2013. On December 23, 2013, the company commenced proceedings under the CCAA to complete a recapitalization and financing transaction. Trading of the company's common shares was suspended on December 23, 2013 and those shares were delisted from the TSX on February 10, 2014. On February 7, 2014, the affected unsecured creditors of that company and the Ontario Superior Court of Justice approved the company's plan of compromise and arrangement pursuant to the CCAA, which was implemented effective April 22, 2014.

### **Appointment of Auditor**

If you submit a proxy in the enclosed form, it will, unless you direct otherwise, be voted **FOR** the appointment of PricewaterhouseCoopers LLP as our auditor to hold office until the next annual meeting. PricewaterhouseCoopers LLP has been our auditor since 2015, the year that we became a public company. In order to be effective, the resolution to appoint PricewaterhouseCoopers LLP as our auditor must be passed by a majority of the votes cast in person or by proxy at the meeting.

### **Shareholder Proposals for Next Year's Annual Meeting**

The CBCA permits certain eligible shareholders to submit shareholder proposals to us, which proposals may be included in a management proxy circular relating to an annual meeting of shareholders. The final date by which we must receive shareholder proposals for our annual meeting of shareholders to be held in 2021 is December 6, 2020.

### **Nomination of Directors**

We have included certain advance notice provisions in our by-laws (the "**Advance Notice Provisions**") for the nomination of directors. The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as Directors. Nominations of persons for election to the Board may be made for any annual meeting of shareholders, or for any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of Directors: (a) by or at the direction of the Directors, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a shareholder proposal or requisition of the shareholders made in accordance with applicable law; or (c) by any person (a "**Nominating Shareholder**"): (A) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the Company's register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in the Advance Notice Provisions.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Directors. To be timely, a Nominating Shareholder's notice to the Directors must be made: (a) in the case of an annual meeting of Shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of Shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing Directors (whether or not called for other purposes), not later than the close of business on the 15<sup>th</sup> day following the day that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders, or an announcement thereof, re-start the initially required time periods for the giving of a Nominating Shareholder's notice as described above. For greater certainty, this means that a Nominating Shareholder who failed to deliver a timely Nominating Shareholder's notice in proper written form to the Directors for purposes of the originally scheduled shareholders' meeting shall not be entitled to provide a Nominating Shareholder's notice for purposes of any adjourned or postponed meeting of shareholders related thereto as the determination as to whether a Nominating Shareholder's notice is timely is to be determined based off of the original shareholders' meeting date and not any adjourned or postponed shareholders' meeting date.

To be in proper written form, a Nominating Shareholder's notice to the Directors must set forth: (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a Director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of Directors pursuant to applicable securities laws; and (b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of Directors pursuant to applicable securities laws. The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an Independent Director or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, the discretion to declare that such defective nomination shall be disregarded.

Notwithstanding the foregoing, the Directors may, in their sole discretion, waive any requirement in the Advance Notice Provisions.

### **Other Business**

Our management is not aware of any other matters which are to be presented at the meeting. However, if any matters other than those referred to herein should be presented at the meeting, the persons named in the enclosed proxy are authorized to vote the shares represented by the proxy in their discretion and in accordance with their best judgment.

### **Compensation of Directors**

Our directors who are not officers or employees of us or any of our subsidiaries receive a retainer of \$30,000 per year. There are no additional fees for acting as Chair of the Board or of any committees, acting as a member of any committee or attendance at Board or committee meetings. In addition, non-management directors joining the Board are granted

options or restricted shares (or, as a result of applicable tax rules, cash in lieu over a period of time). Additional amounts may be paid for special assignments except in respect of their service as directors of any of the Company's subsidiaries. Please see the table below, giving details of the outstanding option-based and share-based awards granted to our directors as well as cash payments in lieu. Any such awards made to directors are based on our outstanding subordinate voting shares purchased in the market and, since they involve no previously unissued stock, there is no dilution to shareholders. Non-management directors are also reimbursed for travel and other out-of-pocket expenses incurred in attending Board or committee meetings or in otherwise being engaged on our business. Mr. Watsa (our Chairman), Mr. Ratnaswami (our CEO), Mr. Maheshwari and Mr. Soundarajan do not receive compensation for their services as directors. Details of the compensation provided to our other directors during 2019 (including compensation paid by our subsidiaries for those individuals' services as directors of those subsidiaries) are shown in the following table:

<b>Name</b>	<b>Fees Earned</b>	<b>Share-Based Awards</b>	<b>Option-Based Awards</b>	<b>Non-Equity Incentive Plan Compensation</b>	<b>All Other Compensation</b>	<b>Total Compensation</b>
Anthony F. Griffiths	\$30,000	—	—	—	—	\$30,000
Christopher D. Hodgson	\$30,000	—	—	—	—	\$30,000
Alan D. Horn	\$30,000	—	—	—	—	\$30,000
Deepak Parekh	\$30,000	—	—	—	\$50,000 <sup>(1)</sup>	\$80,000
Lauren C. Templeton	\$30,000	—	—	—	—	\$30,000

(1) Cash in lieu of options or restricted shares.

Details of the outstanding option-based and share-based awards on our previously issued subordinate voting shares are shown in the following table:

<b>Name</b>	<b>Option-Based Awards</b>				<b>Share-Based Awards</b>	
	<b>Number of shares underlying unexercised options</b>	<b>Option exercise price</b>	<b>Option expiration date</b>	<b>Value of unexercised in-the-money options<sup>(1)</sup></b>	<b>Number of shares that have not vested</b>	<b>Market value of share-based awards that have not vested<sup>(2)</sup></b>
Anthony F. Griffiths	9,671	\$10.34	March 6, 2030	\$23,791	—	—
Alan D. Horn	9,671	\$10.34	March 6, 2030	\$23,791	—	—
Christopher D. Hodgson	9,671	\$10.34	March 6, 2030	\$23,791	—	—
Deepak Parekh	—	—	—	—	—	—
Lauren C. Templeton	—	—	—	—	6,203 <sup>(3)</sup>	\$79,398

(1) The value of unexercised in-the-money options is calculated by subtracting the exercise price of an option to acquire one subordinate voting share from the market value of one of our subordinate voting shares at the end of 2019, and multiplying that difference by the number of unexercised options. That value does not include any deduction to recognize that some or all unexercised options may never become exercisable.

(2) The market value is calculated by multiplying the market value of our subordinate voting shares at the end of 2019 by the number of such shares awarded pursuant to unvested restricted stock grants. That value does not include any deduction to recognize that the shares so awarded may never become vested.

(3) Restricted share award.

The values vested during 2019 of the option-based and share-based awards granted to our directors shown in the preceding table are shown in the following table:

	<b>Option-Based Awards – Value vested during the year<sup>(1)</sup></b>	<b>Share-Based Awards – Value vested during the year<sup>(2)</sup></b>
Anthony F. Griffiths	\$2,543	—
Christopher D. Hodgson	\$2,543	—
Alan D. Horn	\$2,543	—
Deepak Parekh	—	—
Lauren C. Templeton	—	\$7,781

- (1) *The value vested is calculated by multiplying the number of options which became vested during the year by the amount by which the market value of one of our subordinate voting shares on the day of vesting exceeded the exercise price of an option. Out-of-the-money options are excluded from the calculation. As no options which vested during the year were exercised, the values shown in the above table are comprised in (i.e., they are not additional to) the values of options shown in the preceding table.*
- (2) *The value vested is calculated by multiplying the number of share-based awards which became vested during the year by the market value of one of our subordinate voting shares on the day of vesting. As no share awards which vested during the year were exercised, the values shown in the above table are comprised in (i.e., they are not additional to) the values of share awards shown in the preceding table.*

### **Directors' and Officers' Insurance**

The directors and officers of the Company and its subsidiaries are covered under Fairfax's existing Directors' and Officers' liability insurance. Fairfax maintains Directors' and Officers' Liability Insurance for our directors and officers and the directors and officers of certain of our subsidiaries. This insurance forms part of a blended insurance program which provides a combined aggregate limit of liability of \$235 million, with a deductible to us of \$10 million per loss under the Directors' and Officers' Liability Insurance. The approximate annual premium paid by Fairfax for this Directors' and Officers' Liability Insurance was \$2,357,000 for 2019. Fairfax India did not pay any portion of the premium in 2019.

Under this insurance coverage from Fairfax, the Company and its subsidiaries will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of the directors and officers of the Company and its subsidiaries, subject to a deductible for each loss, which will be paid by the Company. Individual directors, and officers of the Company and its subsidiaries will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by the Company or its subsidiaries. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts. In the event that the Company is not controlled by Fairfax at any time in the future, the Company expects to obtain its own directors' and officers' liability insurance.

## Summary Compensation Table

Pursuant to the Investment Advisory Agreement (as defined herein), Fairfax is required to provide a Chief Executive Officer, a Chief Financial Officer and a Corporate Secretary to us. For so long as the Investment Advisory Agreement remains in effect, all compensation paid to our Chief Executive Officer, Chief Financial Officer and Corporate Secretary will be borne by Fairfax. In addition, all compensation payable to our Vice President and VP, Corporate Affairs is borne by Fairfax. For the year ended December 31, 2019, we incurred \$27.5 million payable to the Portfolio Advisor with respect to the Administration and Advisory Fee (as defined herein) (of which 5.6% was used by Fairfax to pay compensation to our Chief Executive Officer, Chief Financial Officer, Vice President and VP, Corporate Affairs) and \$nil with respect to the Performance Fee (as defined herein). Please see “Investment Advisory Agreement”.

Name and principal position with Fairfax India	Year	Salary	Option-Based Awards <sup>(1)</sup>	Non-Equity Incentive Plan Compensation		All Other Compensation <sup>(3)</sup>	Total Compensation
				Annual Incentive Plans <sup>(2)</sup>	Long-Term Incentive Plans		
Chandran Ratnaswami <sup>(4)(5)</sup> Chief Executive Officer	2019	\$350,575	\$108,435 <sup>(9)</sup>	\$565,269	—	\$14,980	\$1,039,259
	2018	\$289,419	\$2,571,499 <sup>(10)</sup>	\$289,419	—	\$15,183	\$3,165,519
	2017	\$288,773	\$82,085 <sup>(11)</sup>	\$288,773	—	\$15,022	\$674,652
Amy Sherk <sup>(4)(6)</sup> Chief Financial Officer	2019	\$44,912	\$5,508 <sup>(9)</sup>	\$28,773	—	\$3,967	\$83,161
Jennifer Allen <sup>(4)(7)</sup> Vice President	2019	\$101,279	\$14,642 <sup>(9)</sup>	\$76,311	—	\$5,393	\$197,624
	2018	\$185,228	\$592,083 <sup>(10)</sup>	\$92,614	—	\$12,146	\$882,072
	2017	\$184,814	\$47,357 <sup>(11)</sup>	\$234,809	—	\$16,023	\$483,004
John Varnell <sup>(4)(8)</sup> VP, Corporate Affairs	2019	\$113,054	\$16,268 <sup>(9)</sup>	\$84,790	—	\$5,992	\$220,104
	2018	\$192,946	\$348,522 <sup>(10)</sup>	\$0	—	\$10,122	\$551,589
	2017	\$192,515	\$109,447 <sup>(11)</sup>	\$0	—	\$10,015	\$311,976
Amy Tan Chief Executive Officer of FIH Mauritius and FIH Private	2019	\$185,063	—	\$100,000	—	\$3,892	\$288,955
	2018	\$172,714	—	\$75,000	—	\$4,114	\$251,828
	2017	\$178,129	\$149,200 <sup>(12)</sup>	\$37,278	—	—	\$364,607

- (1) The fair value of option-based awards is determined using the Black-Scholes option pricing model. Option grants are accounted for by amortizing the market value of the underlying shares at the date of the grant (a higher amount than the value using the Black-Scholes option-pricing model) over the number of years during which the option vests.
- (2) Beyond the cash bonus amount shown in this column, in each of 2019, 2018 and 2017, Mr. Ratnaswami and Mr. Varnell, and in 2018 and 2017, Ms. Allen, and in 2019, Ms. Sherk received an award of options on our previously issued subordinate voting shares or on previously issued subordinate voting shares of Fairfax in respect of part of the annual bonus award. Details of such option grants are reflected under “Option-Based Awards” in this summary compensation table. See notes 4, 9, 10, 11 and 12.
- (3) The amounts shown for each year represent payments in respect of registered retirement savings plan contributions made in lieu of the establishment of a pension plan.
- (4) For so long as the Investment Advisory Agreement remains in effect, all compensation (including salary and bonus) paid to our Chief Executive Officer, Chief Financial Officer and Corporate Secretary will be borne by Fairfax. In addition, all compensation payable to our Vice President and VP, Corporate Affairs is borne by Fairfax. The amounts thereof shown in the table above represent a portion of the amounts paid to them in total by Fairfax; the portion is the proportion of the time spent on the activities of the Company, as determined by the Portfolio Advisor under the Investment Advisory Agreement.
- (5) The allocated 2019 salary of C\$465,144 and cash bonus of C\$750,000 for Mr. Ratnaswami (representing 75% of the respective amounts payable by Fairfax in 2019) were converted into U.S. dollar equivalents based on an average exchange rate of 1 U.S.\$ = C\$1.3268 for 2019. The allocated 2018 salary of C\$375,000 and cash bonus of C\$375,000 for Mr. Ratnaswami (representing 75% of the respective amounts payable by Fairfax in 2018) were converted into U.S. dollar equivalents based on an average exchange rate of 1 U.S.\$ = C\$1.29570 for 2018. The allocated 2017 salary of

- C\$375,000 and cash bonus of C\$375,000 for Mr. Ratnaswami (representing 75% of the respective amounts payable by Fairfax in 2017) were converted into U.S. dollar equivalents based on an average exchange rate of 1 U.S.\$ = C\$1.2986 for 2017.
- (6) Ms. Sherk was appointed as Chief Financial Officer of the Company on August 8, 2019. The allocated 2019 salary of C\$59,589 and cash bonus of C\$28,773 for Ms. Sherk (representing 50% of the respective amounts payable by Fairfax in 2019 and prorated to reflect her start date of August 8, 2019) were converted into U.S. dollar equivalents based on an average exchange rate of 1 U.S.\$ = C\$1.3268 for 2019.
  - (7) Ms. Allen was appointed as Chief Financial Officer of Fairfax on August 8, 2019. The allocated 2019 salary of C\$134,377 and cash bonus of C\$101,250 for Ms. Allen (representing 45% of the respective amounts payable by Fairfax in 2019 and prorated to reflect her last date as Chief Financial Officer of the Company (being August 8, 2019)) were converted into U.S. dollar equivalents based on an average exchange rate of 1 U.S.\$ = C\$1.3268 for 2019. The allocated 2018 salary of C\$240,000 and cash bonus of C\$120,000 for Ms. Allen (representing 60% of the amount payable by Fairfax in 2018, other than the June 2018 award of options described in (8) below which is reflected at 100%) were converted into U.S. dollar equivalents based on an average exchange rate of 1 U.S.\$ = C\$1.2957 for 2018. The allocated 2017 salary of C\$240,000 and cash bonus of C\$304,923 for Ms. Allen (representing 80% of the amount payable by Fairfax in 2017) were converted into U.S. dollar equivalents based on an average exchange rate of 1 U.S.\$ = C\$1.2986 for 2017.
  - (8) The allocated 2019 salary of C\$150,000 and cash bonus of C\$112,500 for Mr. Varnell (representing 30% of the respective amounts payable by Fairfax in 2019) were converted into U.S. dollar equivalents based on an average exchange rate of 1 U.S.\$ = C\$1.3268 for 2019. The allocated 2018 salary of C\$250,000 for Mr. Varnell (representing 50% of the amount payable by Fairfax in 2018) was converted into U.S. dollar equivalents based on an average exchange rate of 1 U.S.\$ = C\$1.2957 for 2018. The allocated 2017 salary of C\$250,000 and cash bonus of C\$250,000 for Mr. Varnell (representing 50% of the respective amounts payable by Fairfax in 2017) were converted into U.S. dollar equivalents based on an average exchange rate of 1 U.S.\$ = C\$1.2986 for 2017.
  - (9) The fair value of Mr. Ratnaswami's 2019 award of options on 1,318 previously issued subordinate voting shares of Fairfax, which he received in respect of part of his annual bonus award (see note 2), was determined using a risk free rate of 1.59% per annum, an expected life of 15 years, volatility of 18.33% and an expected dividend yield of 2.99%. The fair value of Ms. Sherk's 2019 award of options on 169 previously issued subordinate voting shares of Fairfax, which she received in respect of part of her annual bonus award (see note 2) was determined using a risk free rate of 1.59% per annum, an expected life of 15 years, volatility of 18.33% and an expected dividend yield of 2.99%. The fair value of Ms. Allen's 2019 award of options on 297 previously issued subordinate voting shares of Fairfax, which she received in respect of part of her annual bonus award (see note 2) was determined using a risk free rate of 1.59% per annum, an expected life of 15 years, volatility of 18.33% and an expected dividend yield of 2.99%. The fair value of Mr. Varnell's 2019 award of options on 198 previously issued subordinate voting shares of Fairfax, which he received in respect of part of his annual bonus award (see note 2), was determined using a risk free rate of 1.59% per annum, an expected life of 15 years, volatility of 18.33% and an expected dividend yield of 2.99%.
  - (10) The fair value of Mr. Ratnaswami's June 2018 award of options on 350,000 of our previously issued subordinate voting shares was determined using a risk free rate of 3.1% per annum, an expected life of 15 years, volatility of 27.3% and an expected dividend yield of zero. The fair value of Mr. Ratnaswami's 2018 award of options on 582 of previously issued subordinate voting shares of Fairfax, which he received in respect of part of his annual bonus award (see note 2), was determined using a risk free rate of 2.55% per annum, an expected life of 15 years, volatility of 27.3% and an expected dividend yield of 2.45%. The fair value of Ms. Allen's June 2018 award of options on 60,000 of our previously issued subordinate voting shares was determined using a risk free rate of 3.1% per annum, an expected life of 15 years, volatility of 27.3% and an expected dividend yield of zero. The fair value of Ms. Allen's 2018 award of options on 158 of previously issued subordinate voting shares of Fairfax, which she received in respect of part of her annual bonus award (see note 2) was determined using a risk free rate of 2.55% per annum, an expected life of 15 years, volatility of 27.3% and an expected dividend yield of 2.45%. The fair value of Mr. Varnell's June 2018 award of options on 60,000 of our previously issued subordinate voting shares was determined using a risk free rate of 3.1% per annum, an expected life of 15 years, volatility of 27.3% and an expected dividend yield of zero. The fair value of Mr. Varnell's 2018 award of options on 388 previously issued subordinate voting shares of Fairfax, which he received in respect of part of his annual bonus award (see note 2), was determined using a risk free rate of 2.55% per annum, an expected life of 15 years, volatility of 27.3% and an expected dividend yield of 2.45%.
  - (11) The fair value of Mr. Ratnaswami's 2017 award of options on 592 previously issued subordinate voting shares of Fairfax, which he received in respect of part of his annual bonus award (see note 2), was determined using a risk free rate of 2.78% per annum, an expected life of 15 years, volatility of 21.0% and an expected dividend yield of 2%. The fair value of Ms. Allen's 2017 award of options on 5,807 of our previously issued subordinate voting shares, which she received in respect of part of her annual bonus award (see note 2) was determined using a risk free rate of 2.97% per annum, an expected life of 15 years, volatility of 33.2% and an expected dividend yield of zero. The fair value of Mr. Varnell's 2017 award of options on 790 previously issued subordinate voting shares of Fairfax, which he received in respect of part of his annual bonus award (see note 2), was determined using a risk free rate of 2.78% per annum, an expected life of 15 years, volatility of 21.0% and an expected dividend yield of 2%.
  - (12) The fair value of Ms. Tan's 2017 award of options on 10,000 of our previously issued subordinate voting shares was determined using a risk free rate of 2.52% per annum, an expected life of 15 years, volatility of 33.6% and an expected dividend yield of zero.



## Equity Compensation Plan

Our equity compensation plan was established in 2015. No significant changes have been made to the plan since it was established, and any changes would require the approval of the Governance, Compensation and Nominating Committee. Under the plan, stock-related awards in the form of options or restricted shares may be made to our executive officers or directors. Any awards to our Chief Executive Officer, Chief Financial Officer or Corporate Secretary will be borne by Fairfax for so long as the Investment Advisory Agreement remains in effect. In addition, any awards to our Vice President and VP, Corporate Affairs are to be borne by Fairfax. An award made to any individual is on a one-time or infrequent basis, any additional award regularly reflecting an increase in responsibilities, with a general alignment of the aggregate amount of awards to executive officers with comparable degrees of responsibility. The awards granted are expected to be held, not traded; we have no pension plan, so these awards are our form of long term incentive, whose value is determined by the performance of the Company over the long term. A grant decision is made by the Governance, Compensation and Nominating Committee on the recommendation of our Chairman. The awards are made of our subordinate voting shares which have been previously issued and the shares underlying these awards are purchased in the market, so that they involve no previously unissued stock and consequently no dilution to shareholders. As at December 31, 2019, a total of 19,671 unexercised and unexpired options have been granted to our employees, other than our Chief Executive Officer, Chief Financial Officer, Vice President, VP, Corporate Affairs and Corporate Secretary, representing less than 0.02% of our subordinate voting shares outstanding as at that date. For participants in Canada, the plan operates as much as possible like a restricted share plan but, in light of differences in applicable tax law, is structured instead to provide awards of options on previously issued shares purchased in the market, with the exercise price of each share being at least the closing market price on the date preceding the date of grant. The option is generally exercisable as to 50% five years from the date of grant and as to the remainder ten years from the date of grant or 100% five years from the date of grant, subject to the grantee remaining an employee of us or our subsidiaries at the time the option becomes exercisable, and generally expires 15 years from the date of grant but is automatically extended from time to time up until the time of retirement. We regard any option as a long term incentive.

Only option-based awards have been granted to our named executive officers under the plan. Details of the above-described options on previously issued subordinate voting shares granted to our named executive officers as at December 31, 2019 are shown below:

<b>Name</b>	<b>Number of securities underlying unexercised option</b>	<b>Option exercise price</b>	<b>Option expiration date<sup>(1)</sup></b>	<b>Value of unexercised in-the-money options<sup>(2)</sup></b>
Chandran Ratnaswami <sup>(3)</sup>	38,790	\$10.30	February 27, 2030	\$422,765
	96,712	\$10.34	March 6, 2030	
	39,764	\$10.59	March 24, 2031	
	350,000	\$17.43	June 6, 2033	
Jennifer Allen <sup>(3)</sup>	5,807	\$17.22	March 8, 2033	\$0
	60,000	\$17.43	June 6, 2033	
John Varnell <sup>(3)</sup>	27,153	\$10.30	February 27, 2030	\$186,838
	48,356	\$10.34	March 6, 2030	
	60,000	\$17.43	June 6, 2033	
Amy Tan	9,671	\$10.34	February 27, 2030	\$151,791
	10,000	\$0.00	December 26, 2032	

- (1) The options generally expire 15 years from the date of grant and are automatically extended from time to time up until the time of retirement.
- (2) The value of unexercised in-the-money options is calculated by subtracting the exercise price of an option to acquire one subordinate voting share from the market value of one of our subordinate voting shares at the end of 2019, and multiplying that difference by the number of unexercised options. That value does not include any deduction to recognize that some or all unexercised options may never become exercisable.
- (3) For so long as the Investment Advisory Agreement remains in effect, all compensation paid to our Chief Executive Officer, Chief Financial Officer and Corporate Secretary will be borne by Fairfax, including any costs relating to option grants. In addition, all compensation payable to our Vice President and VP, Corporate Affairs is borne by Fairfax, including any costs relating to option grants.

No option-based awards granted to our named executive officers have vested during 2019.

### **Compensation Discussion and Analysis**

Pursuant to the Investment Advisory Agreement, Fairfax is required to provide a Chief Executive Officer, Chief Financial Officer and Corporate Secretary to us. For so long as the Investment Advisory Agreement remains in effect, all compensation paid to our Chief Executive Officer, Chief Financial Officer and Corporate Secretary will be borne by Fairfax. In addition, all compensation payable to our Vice President and VP, Corporate Affairs is borne by Fairfax. For the year ended December 31, 2019, we incurred \$27.5 million payable to the Portfolio Advisor with respect to the Administration and Advisory Fee and \$nil with respect to the Performance Fee. Please see “Investment Advisory Agreement”.

Our Governance, Compensation and Nominating Committee, in consultation with our Chairman, is responsible for establishing our general compensation philosophy and participating in the establishment and oversight of the compensation and benefits of our executive officers other than our Chief Executive Officer, Chief Financial Officer, Vice President, VP, Corporate Affairs and Corporate Secretary. Our executive compensation program is designed to align the interests of our executives and shareholders by linking compensation with our performance and to be competitive on a total compensation basis in order to attract and retain executives. The remuneration of our executive officers consists of an annual base salary, an annual bonus and long term participation in our fortunes by the ownership of shares through the equity compensation plan (details of this participation are set out above under “Equity Compensation Plan”). Our executive officers have no written employment contracts and no termination or change in control benefits. Our executive officers and directors are prohibited from purchasing financial instruments (including but not limited to hedges, puts, equity swaps or monetization arrangements) that are designed to hedge or offset a decrease in the market value of the Company’s equity securities granted to them under our equity compensation plans.

The base salaries of our executive officers are intended to be competitive but to remain relatively constant, generally increasing only when the executive assumes greater responsibilities. A discretionary bonus, if and to the extent appropriate, is awarded annually. The annual bonus is generally paid partly in cash and partly in options on either our or Fairfax’s previously issued subordinate voting shares (such options are described under “Equity Compensation Plan”). Internally, the value of an option for bonus purposes is the full market value of the shares underlying the option at the time of the option grant; it is not valued for bonus purposes at the lesser value using the Black-Scholes option pricing model. In awarding bonuses, the Governance, Compensation and Nominating Committee considers the performance of our executive team during the year in light of its accomplishments: there are no corporate or individual performance goals or objectives set or evaluated.

Our Chairman makes compensation recommendations to the Governance, Compensation and Nominating Committee reflecting consideration of the achievements of our executive team (other than for our Chief Executive Officer, Chief Financial Officer, Vice President, VP, Corporate Affairs and Corporate Secretary) during the year and our corporate objective to achieve a high rate of compound growth in book value per share over the long term. The Governance, Compensation and Nominating Committee evaluates the factors considered by our Chairman and decides whether to approve or adjust the recommendations for compensation of our executive officers.

### ***Compensation of the Executive Officers for 2019***

For 2019, our Chairman proposed to our Governance, Compensation and Nominating Committee the remuneration of our executive officers other than for our Chief Executive Officer, Chief Financial Officer and Corporate Secretary (whose compensation is borne by Fairfax for so long as the Investment Advisory Agreement remains in effect) and Vice President and VP, Corporate Affairs (whose compensation is borne by Fairfax). The Governance, Compensation and Nominating Committee considered the proposals by our Chairman, which included a description of the accomplishments of our executives. The Governance, Compensation and Nominating Committee evaluated and approved the compensation of our executive officers. Details of the compensation awarded to our named executive officers for 2019 are shown in the “Summary Compensation Table” above.

## Compensation of our Chief Executive Officer, Chief Financial Officer, Vice President, VP, Corporate Affairs and Corporate Secretary for 2019

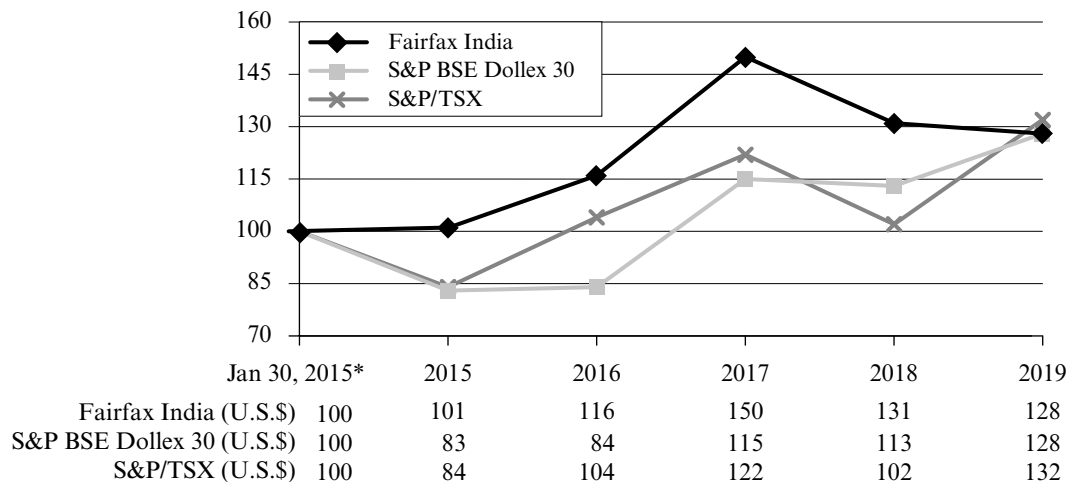
For so long as the Investment Advisory Agreement remains in effect, all compensation paid to our Chief Executive Officer, Chief Financial Officer and Corporate Secretary will be borne by Fairfax. In addition, all compensation payable to our Vice President and VP, Corporate Affairs in 2019 was borne by Fairfax. Please see “Investment Advisory Agreement”.

### Performance Graph

The following graph assumes that \$100 was invested on January 30, 2015 in our subordinate voting shares and in common shares of the S&P BSE Dollex 30 Index and the S&P/TSX Composite Total Return Index, respectively. The S&P BSE Dollex 30 is the U.S. dollar version of the S&P BSE SENSEX, India’s most tracked bellwether index, which measures the performance of the 30 largest, most liquid and financially sound companies across key sectors of the Indian economy. The S&P/TSX Index is the headline index and the principal broad market measure for the Canadian equity markets.

The graph shows market values as at various year ends, so that there is no necessary correlation between the trends, if any, shown in that graph and our executive compensation, which is determined as described above and, as so described, does not vary considerably year to year or itself reflect any trends.

### Cumulative Value of a \$100 Investment Assuming Reinvestment of Dividends



\* Fairfax India’s IPO price on January 30, 2015 and the closing index values on January 29, 2015 are used as base values

### Statement of Corporate Governance Practices

As part of our IPO in January 2015, our Board (i) approved a set of Corporate Governance Guidelines that includes the Board’s written mandate, (ii) established a Governance, Compensation and Nominating Committee (in addition to the previously established Audit Committee), (iii) approved written charters for all of its committees (which charters include position descriptions for the Chair of each committee), (iv) approved a Code of Business Conduct and Ethics applicable to our directors, officers and employees and (v) established, in conjunction with the Audit Committee, a Whistleblower Policy. All of these items are available for review on our website at [www.fairfaxindia.ca](http://www.fairfaxindia.ca) under the heading “Corporate Governance”.

The Corporate Governance Guidelines retain and enhance the principles and practices as underlying our governance system. The Code of Business Conduct and Ethics is built around the first value in our Guiding Principles — “honesty and integrity are essential in all our relationships and will never be compromised”.

Our corporate governance practices are in compliance with all applicable rules and substantially comply with all applicable policies and guidelines, including those of the Canadian Securities Administrators. A description of our corporate governance practices is set out below.

Various of our directors are also directors of one or more of our affiliates. The time commitment required for serving on those boards is not materially greater than the time commitment required for serving solely on our Board. All of the material information regarding our affiliates is provided to our directors, so that once a director has undertaken the review and preparation necessary to serve as a director of the Company, there is not substantial additional review or preparation required to serve as a director of our affiliates.

### ***Independent Directors***

The Board has affirmatively determined that all of our directors (other than Mr. Watsa, Mr. Ratnaswami, Mr. Maheshwari and Mr. Soundarajan) are independent in that each of them has no material relationship with us, that is, a relationship which could, in the Board’s view, be reasonably expected to interfere with the exercise of the member’s independent judgment. In making this determination, the Board considered, among other things, that none of those individuals (i) is, or has been since we were established in November 2014, an employee or member of management of us or our subsidiaries or related to any member of management, (ii) is related to our controlling shareholder, (iii) is associated with our auditor or has any family member that is associated with our auditor, (iv) receives any direct or indirect compensation (including to family members) from Fairfax India except in connection with Board related work, (v) works or has worked at a company for which any member of our management was a member of the compensation committee, or (vi) has (other than possibly as an insured under an insurance policy issued on usual commercial terms) any material business or other relationship with us, our subsidiaries or our controlling shareholder. Accordingly, all of our directors are independent except for Mr. Watsa, Mr. Ratnaswami, Mr. Maheshwari and Mr. Soundarajan. Shareholders and others may communicate with our non-management directors by addressing their concerns in writing to our Corporate Secretary or, marked “Private and Confidential”, to our Lead Director, at 95 Wellington Street West, Suite 800, Toronto, Canada M5J 2N7.

Our directors have an ongoing obligation to inform the Board of any material changes in their circumstances or relationships that may affect the Board’s determination as to their independence and, depending on the nature of the change, a director may be asked to resign as a result.

### ***Lead Director and Independent Functioning of the Board***

Our Chairman is also the Chief Executive Officer of Fairfax, our controlling shareholder. Accordingly, the Board has appointed Anthony Griffiths as the Lead Director of the Company. The Lead Director is responsible for ensuring the independent functioning of the Board, including establishing, in consultation with the CEO, the agenda for each Board meeting, acting as spokesperson for the independent directors collectively in communications with the Chairman and presiding over meetings of the independent directors.

The agenda for each Board meeting (and each committee meeting to which members of management have been invited) affords an opportunity for the independent directors to meet separately. All committees are composed solely of independent directors.

### ***Corporate Governance Guidelines (including Board Mandate)***

Our Corporate Governance Guidelines, which include our Board Mandate, set out the overall governance principles that apply to us. Our Corporate Governance Guidelines include (i) position descriptions for each of the Chairman, the Lead Director and the CEO, (ii) sole authority for the Board and each committee to appoint, at our expense, outside advisors in connection with the performance of its duties, including determining fees and other retention terms, (iii) a mechanism for shareholders and others to communicate with us, (iv) obligations of directors in respect of meeting preparation and

attendance, (v) accountability of the CEO to the Board for implementing and achieving our Guiding Principles and corporate objectives approved by the Board and (vi) the Board's adoption of and commitment to the Code of Business Conduct and Ethics, which is applicable to all of our directors, officers and employees.

In our Corporate Governance Guidelines, the Board has explicitly assumed responsibility for our stewardship and for supervising the management of our business and affairs. Our Board Mandate states:

The directors' primary responsibility is to act in good faith and to exercise their business judgment in what they reasonably believe to be the best interests of the Company. In fulfilling its responsibilities, the Board is, among other matters, responsible for the following:

- Appointing the CEO and other corporate officers;
- On an ongoing basis, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and the other executive officers create a culture of integrity throughout the Company;
- Monitoring and evaluating the performance of the CEO and the other executive officers against the approved Guiding Principles and corporate objectives;
- Succession planning;
- Approving, on an annual basis, the Company's Guiding Principles and corporate objectives;
- Satisfying itself that the Company is pursuing a sound strategic direction in accordance with the approved Guiding Principles and corporate objectives;
- Reviewing operating and financial performance results relative to established corporate objectives;
- Approving an annual fiscal plan;
- Ensuring that it understands the principal risks of the Company's business, and that appropriate systems to manage these risks are implemented;
- Ensuring that the materials and information provided by the Company to the Board and its committees are sufficient in their scope and content and in their timing to allow the Board and its committees to satisfy their duties and obligations;
- Reviewing and approving the Company's annual and interim financial statements and related management's discussion and analysis, annual information form, annual report and management proxy circular;
- Approving material acquisitions and divestitures;
- Confirming the integrity of the Company's internal control and management information systems;
- Approving any securities issuances and repurchases by the Company;
- Declaring dividends;
- Approving the nomination of directors;
- Approving the charters of the Board committees and approving the appointment of directors to Board committees and the appointment of the Chairs of those committees; and
- Adopting a communications policy for the Company (including ensuring the timeliness and integrity of communications to shareholders and establishing suitable mechanisms to receive shareholder views).

Our Board has delegated to management responsibility for our day to day operations, including for all matters not specifically assigned to the Board or any committee of the Board.

### ***Audit Committee***

The members of our Audit Committee are Alan Horn (Chair), Anthony Griffiths and Christopher Hodgson, all of whom are independent and financially literate. Mr. Horn has accounting or related financial management expertise and is a former partner of an accounting firm, was for many years the Chief Financial Officer of a public company listed on the TSX and has considerable experience on boards of directors and audit committees of public companies. Mr. Griffiths received an MBA from Harvard University, has extensive experience as an audit committee member and director of a number of public companies and has a sound understanding of accounting principles, including those used in the preparation of our financial statements. Mr. Hodgson has significant experience with financial statement disclosure as the former Lead Director for the Brick Ltd. and as a member of the audit committees of Fairfax Africa Holdings Corporation and Recipe Unlimited Corporation. For additional information concerning Messrs. Horn, Griffiths and Hodgson, please see the information above under “Election of Directors”.

Our Corporate Governance Guidelines prohibit a member of the Audit Committee from serving on the Audit Committees of more than two other public companies (with the exception of our affiliates or subsidiaries) except with the prior approval of the Board, including a determination by the Board that such service would not impair the ability of the director to effectively serve on the Audit Committee. No member of our Audit Committee serves on the audit committees of more than two other public companies.

The responsibilities of the Audit Committee include (i) recommending to the Board the auditor to be nominated for approval by shareholders, (ii) approving the compensation of the auditor, (iii) overseeing the work of the auditor and management with respect to the preparation of financial statements and audit related matters and communicating regularly with the auditor and management in that regard, (iv) ensuring that suitable internal control and audit systems are in place, (v) reviewing annual and interim financial information, including MD&A, prior to its release and (vi) reviewing annual and interim conclusions about the effectiveness of our disclosure controls and procedures and internal controls and procedures. The text of our Audit Committee Charter can be found on our website ([www.fairfaxindia.ca](http://www.fairfaxindia.ca)) or in our Annual Information Form under the heading “Audit Committee”, which is available on SEDAR ([www.sedar.com](http://www.sedar.com)). Our Annual Information Form also contains information concerning fees paid to our external auditors for services they have rendered to us in the prior fiscal year.

In order to ensure the independence of our external auditor, the Audit Committee has adopted a Policy on Review and Approval of Auditor’s Fees requiring Audit Committee approval of all audit and non-audit services provided by the auditor and, among other things, requiring the Chief Financial Officer and the auditor to report to the Audit Committee quarterly on the status of projects previously pre-approved.

### ***Governance, Compensation and Nominating Committee***

The members of our Governance, Compensation and Nominating Committee are Anthony Griffiths (Chair), Alan Horn and Christopher Hodgson, all of whom are independent and have the necessary skills and experience to enable them to make decisions on the suitability of our compensation policies and practices. Mr. Griffiths has experience in executive compensation as a former Chief Executive Officer and Chairman of Mitel Corporation, where he was directly involved in executive compensation decision-making, as the former Chairman of Novadaq Technologies Inc., and from having served on several other public company boards of directors. Mr. Horn is the President and Chief Executive Officer of Rogers Telecommunications Limited and was the Chairman of Rogers Communications Inc. from March 2006 to December 2017 and has extensive experience in compensation matters. Mr. Hodgson is the President of the Ontario Mining Association and has extensive experience in compensation matters, including his previous experience as Chair of the Compensation Committee for The Brick Ltd., Chair of the Governance, Compensation and Nominating Committee of Fairfax Africa Holdings Corporation, Chairman of the Management Board of Cabinet and Commissioner of the Board of Internal Economy of the Province of Ontario. Each of Mr. Griffiths, Mr. Horn and Mr. Hodgson also brings to our Governance, Compensation and Nominating Committee the benefit of the knowledge and experience derived from exercising the risk management function of our Audit Committee, of which they are each a member. The Governance, Compensation and Nominating Committee is responsible for our overall approach to corporate governance establishing the compensation of directors and approving the compensation of the executive officers. In establishing the compensation of the directors, the

Governance, Compensation and Nominating Committee will examine the time commitment, responsibilities and risks associated with being a director and compensation paid by companies similar to us. In approving the compensation of the executive officers, the important factors for evaluating performance are our Guiding Principles and corporate objectives, as more fully described above under “Compensation Discussion and Analysis”. The Governance, Compensation and Nominating Committee recommends nominations to the Board each year and recommends the directors it considers qualified for appointment to each Board committee and as Chair of each committee. The Governance, Compensation and Nominating Committee is also responsible for annually evaluating and reporting to the Board on the performance and effectiveness of the Board, each of its committees and each of its directors. In conducting that evaluation, the Governance, Compensation and Nominating Committee considers the Corporate Governance Guidelines, applicable committee charters and position descriptions, and the contributions individual members are expected to make. The Governance, Compensation and Nominating Committee also monitors changes in the area of corporate governance and recommends any changes it considers appropriate.

### ***Selection of Directors and Diversity***

We seek as directors committed individuals who have a high degree of integrity, sound practical and commercial judgment, and an interest in the long term best interests of us and our shareholders. With this goal in mind, each year the Board determines what competencies and skills the Board as a whole should possess (taking into account our particular business and what competencies and skills each existing director possesses). The Board makes these determinations at a time suitable for the Governance, Compensation and Nominating Committee to reflect them in its recommendations for nominees to the Board. In making its recommendations, the Governance, Compensation and Nominating Committee also considers the competencies and skills any new nominee may possess, the independence requirements and the requirements for any distinctive expertise.

The qualities which we seek in our directors as well as in our senior management severely restricts the availability of suitable individuals, as does our experience that a director or member of senior management should be an individual with whom we have had sufficient experience that we can be confident of our mutual compatibility. Given these limiting paramount considerations, the achievement of diversity of race, ethnicity, gender, national origin, sexual orientation, abilities or similar categorizations is not generally a factor in our choice of directors or senior management, and we do not have any formal policy on gender or other diversity on our Board or in senior management or on the identification and nomination of female directors, do not have fixed percentages or targets for any selection criteria, and are not considering establishing any measurable objectives in that regard.

Recent amendments to the CBCA (the “**CBCA Diversity Amendments**”) require public companies governed by the CBCA to disclose in their management information circulars the representation on the board of directors and in senior management of members of “designated groups”. For the purposes of the CBCA Diversity Amendments, “designated groups” is defined in the *Employment Equity Act* to include women, Aboriginal peoples, persons with disabilities and members of visible minorities.

In accordance with the CBCA Diversity Amendments, we disclose that, to our knowledge, the representation on our Board (currently and if all nominee directors for this year are elected) and in our senior management of members of designated groups is as follows: (i) women — one of nine directors on the Board (11.1%) and two of six members of senior management (33.3%); (ii) Aboriginal peoples and persons with disabilities — no directors on the Board (0%) and no members of senior management (0%); (iii) members of visible minorities — five of nine directors on the Board (55.6%) and two of six members of senior management (33.3%).

### ***Orientation and Continuing Education of Directors***

Each new director receives a comprehensive orientation from our Chairman, including an overview of the role of the Board, the Board committees and each individual member, the nature and operation of our business and the contribution and time commitment the new director is expected to make. The orientation will include access to our senior management and facilities. The Lead Director will also meet with each new director to orient that director on the

independent operation and functioning of the Board. Our directors are invited to ask questions at any time of any officer or director of the Company or its subsidiaries.

The Board is responsible for considering from time to time appropriate continuing education for directors, which may include presentations from management, site visits and presentations from industry experts. Each director is expected to maintain the necessary level of expertise to perform his or her responsibilities as a director and, as discussed in more detail below, is subject to an annual evaluation.

### ***Board Performance Evaluation***

Each year a confidential annual review process is completed to assess the overall effectiveness of the Board, the individual directors and each committee. As part of this process, each director completes a Board Effectiveness Survey and a Confidential Director Self-Evaluation Form. The Board Effectiveness Survey reviews Board responsibilities, operation and effectiveness. The Director Self-Evaluation Form asks directors to consider their participation on and contributions to the Board and its committees and their goals and objectives in serving as a director of our company. The Chair of the Governance, Compensation and Nominating Committee collates the results of the survey and meets with individual directors to discuss evaluations at a director's request (or as required to address a specific issue) and reports to the Governance and Nominating Committee and to the Board on evaluation results.

### ***Ethical Business Conduct***

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 India 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, Compensation and Nominating Committee also reviews all proposed significant related party transactions involving directors, executive officers or a controlling shareholder.

### ***Term Limits***

We do not impose term limits on our directors, believing that this arbitrary mechanism for removing directors can result in valuable, experienced directors being forced to leave the Board and that the nomination and voting process will only produce directors who are able to make a meaningful contribution.

### ***Succession Planning***

Pursuant to the Investment Advisory Agreement, Fairfax is required to provide a Chief Executive Officer, Chief Financial Officer and a Corporate Secretary to the Company. Please see "Investment Advisory Agreement". All Board members are personally familiar with the individuals who constitute our senior management, by virtue of senior management's contacts, in the ordinary course of their duties, with the Board members, and of senior management's attendance as invitees at Board meetings, and as a result of discussions, communications and meetings pursuant to our policies and practices whereby any director is free at any time to communicate with any member of management.

### ***Risk Management***

The primary goals of our risk management are to ensure that the outcomes of activities involving elements of risk are consistent with our objectives and risk tolerance, while maintaining an appropriate balance between risk and reward and protecting our consolidated balance sheet from factors that have the potential to materially impair our financial strength.



Our risk management objectives are achieved by detailed risk management processes and procedures provided by our Portfolio Advisor, through the Investment Advisory Agreement, by the Company itself and by our primary operating subsidiaries, FIH Mauritius and FIH Private.

### **Investment Advisory Agreement**

Pursuant to the Investment Advisory Agreement, dated January 30, 2015, as amended from time to time (the “**Investment Advisory Agreement**”) made among us, Fairfax and the Portfolio Advisor and our subsidiaries as part of our IPO, Fairfax is required to provide a Chief Executive Officer, Chief Financial Officer and Corporate Secretary to us. For so long as the Investment Advisory Agreement remains in effect, all compensation paid to our Chief Executive Officer, Chief Financial Officer and Corporate Secretary will be borne by Fairfax.

In providing its advice and recommendations, the Portfolio Advisor first determines which entity, as between us and our subsidiaries, is best-suited to make such an investment. In the event that the Portfolio Advisor determines that we are best-suited to make an investment, the Portfolio Advisor will have discretionary authority to negotiate and complete the investment on our behalf. If the Portfolio Advisor determines that one of our subsidiaries is best-suited to make the investment, the Portfolio Advisor will provide advice and recommendations relating to such investment to the applicable Board of our subsidiary, at which point the ultimate investment analysis and decision will be made by such Board. In connection with the Portfolio Advisor’s advice and recommendations to the Board of our subsidiary with respect to a particular investment, the Portfolio Advisor will also provide advice relating to appropriate levels of leverage in respect of such investments.

The Portfolio Advisor, and any agent to whom the Portfolio Advisor has validly delegated any of its duties, is required to exercise its powers and discharge the duties of its office honestly and in good faith and to exercise the care, diligence and skill that a reasonably prudent investment advisor would exercise in comparable circumstances. The Investment Advisory Agreement provides that the Portfolio Advisor will not be liable in any way for any losses suffered by us or our subsidiaries as a result of an error in implementing investment advice unless caused by the gross negligence, wilful misconduct or fraud of the Portfolio Advisor or its agents.

The Portfolio Advisor provides investment advice to us and our subsidiaries in accordance with our investment objective. The services performed by the Portfolio Advisor are conducted only by officers and employees who have appropriate experience and qualifications.

As compensation for the provision of portfolio administration and investment advisory services to be provided by Fairfax and the Portfolio Advisor, we shall pay the Administration and Advisory Fee (as defined below) and, if applicable, the Performance Fee (as defined below), in each case, together with any applicable sales taxes thereon to Fairfax (which shall be responsible for paying any portion of such fees to which the Portfolio Advisor is entitled to).

The administration and advisory fee (the “**Administration and Advisory Fee**”) is calculated and payable quarterly as 0.5% of the value of undeployed capital and 1.5% of the Company’s common shareholders’ equity less the value of undeployed capital. For the year ended December 31, 2019, we have determined that the majority of our assets were invested in Indian Investments (as defined in our IPO Prospectus), which are considered deployed capital. The Administration and Advisory Fee for the year ended December 31, 2019 was \$27.5 million.

The performance fee (the “**Performance Fee**”) is paid for the period from January 30, 2015 to December 31, 2017 and for each consecutive three-year period thereafter, and is calculated, on a cumulative basis, as 20% of any increase in common shareholder equity per share (including distributions) above a 5% per annum increase. The Performance Fee for the period from January 30, 2015 to December 31, 2017 was \$114.4 million (which was settled on March 9, 2018 through the issuance to Fairfax of subordinate voting shares of the Company). The Company has determined that a Performance Fee of \$47.9 million should be accrued as at December 31, 2019.

For a detailed description of the Performance Fee, please see “Summary of Fees and Expenses” and “Calculation of Total Assets and Net Asset Value” in our Annual Information Form filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and Note 12 to our financial statements in our 2019 Annual Report filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

## **Solicitation of Proxies**

**Our management is soliciting the enclosed proxy for use at the Annual Meeting of Shareholders to be held on April 16, 2020 and at any adjournment or postponement thereof.** We will bear the cost of soliciting proxies. We will reimburse brokers, custodians, nominees and other fiduciaries for their reasonable charges and expenses incurred in forwarding proxy material to beneficial owners of shares. In addition to solicitation by mail, certain of our officers and employees may solicit proxies personally or by a means of telecommunication. These persons will receive no compensation beyond their regular salaries for so doing.

The information contained in this Management Proxy Circular is given as at March 6, 2020, except where otherwise noted.

## **Provisions Relating to Proxies**

A properly executed proxy delivered to our transfer agent, Computershare Trust Company of Canada, at Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Canada M5J 2Y1 (if delivered by mail or by hand); at (416) 263-9524 or 1-866-249-7775 (if delivered by fax); or by telephone at 1-866-732-VOTE (8683); or online at [www.investorvote.com](http://www.investorvote.com), so that it is received before 5:00 p.m. (Toronto time) on April 14, 2020 (or, in the event of an adjournment or postponement, the second last business day prior to the adjourned or postponed meeting); or to the chairman or secretary of the meeting for which the proxy is given before the time of voting, will be voted or withheld from voting, as appropriate, at the meeting and, if a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the direction given. In the absence of such direction, such proxy will be voted with respect to the election of directors and appointment of auditors as described above.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of matters identified in the notice of meeting and with respect to other matters which may properly come before the meeting. At the date of this Management Proxy Circular, our management knows of no such amendments, variations or other matters.

The persons named in the enclosed proxy are our Chairman and Chief Executive Officer. **If you wish to appoint some other person to represent you at the meeting, you may do so either by inserting such other person's name in the blank space provided in the enclosed proxy or by completing another form of proxy.** Such other person need not be a shareholder.

Under governing law, only registered holders of our subordinate voting and multiple voting shares, or the persons they appoint as their proxies, are permitted to attend and vote at the meeting. However, in many cases, our subordinate voting shares beneficially owned by a holder (a "**Non-Registered Holder**") are registered either:

- (a) in the name of an intermediary that the Non-Registered Holder deals with in respect of the shares, such as, among others, banks, trust companies, securities dealers, brokers, or trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a depository (such as CDS Clearing and Depository Services Inc. or Depository Trust Company).

In accordance with Canadian securities law, we are distributing copies of the notice of meeting, this Management Proxy Circular, the form of proxy and the 2019 Annual Report (which includes management's discussion and analysis) (collectively, the "meeting materials") to the depositories and intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, intermediaries will use service companies to forward the meeting materials to Non-Registered Holders. Non-Registered Holders who have not waived the right to receive meeting materials will:

- A. be given a proxy which has already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the

Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it as described above; or

- B. more typically, receive, as part of the meeting materials, a voting instruction form which must be completed, signed and delivered by the Non-Registered Holder in accordance with the directions on the voting instruction form (which may in some cases permit the completion of the voting instruction form by telephone or online).

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares they beneficially own. Should a Non-Registered Holder who receives either a proxy or a voting instruction form wish to attend and vote at the meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their intermediaries and their service companies.**

If you have given a proxy, you may revoke it by an instrument in writing executed by you or by your attorney authorized in writing or, if you are a corporation, under your corporate seal or by an officer or attorney duly authorized, and deposited either at our head office at any time up to and including the last business day preceding the day of the meeting, or any adjournment or postponement thereof, at which the proxy is to be used or with the chairman or secretary of the meeting on the day of the meeting or any adjournment or postponement thereof.

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive meeting materials and to vote given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not required to act on a revocation of voting instruction form or of a waiver of the right to receive materials and to vote that is not received by the intermediary at least seven days prior to the meeting.

#### **Approval**

Our Board of Directors has approved the contents of this Management Proxy Circular and the sending thereof to our shareholders.

By Order of the Board,

Dated March 6, 2020

Keir Hunt  
General Counsel and Corporate Secretary

**Fairfax India Holdings Corporation**  
95 Wellington Street West, Suite 800, Toronto, Canada M5J 2N7

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FAIRFAX INDIA  
HOLDINGS CORPORATION

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