

FAIRFAX FINANCIAL HOLDINGS LIMITED

MAJORITY VOTING POLICY

**Approved by the Board of Directors on March 3, 2015, with Revisions Approved by the
Board of Directors effective August 31, 2015**

FAIRFAX FINANCIAL HOLDINGS LIMITED

MAJORITY VOTING POLICY

In compliance with current regulatory requirements, the board has unanimously adopted this majority voting policy, and future nominees for election to the board will be required to confirm that they will abide by this policy.

Forms of proxy for the election of directors will permit a shareholder to vote in favour of, or to withhold from voting, separately for each director nominee. The Chairman of the board will ensure that the number of shares voted in favour or withheld from voting for each director nominee is recorded and promptly made public after the meeting. If the vote was by a show of hands, we will disclose the number of shares voted by proxy in favour or withheld for each director. In addition, any report of voting results that is publicly-filed pursuant to section 11.3 of National Instrument 51-102 – *Continuous Disclosure Obligations* will disclose (i) the aggregate number of votes attached to all subordinate voting shares and multiple voting shares, voting together, voted “for” and “withheld” from voting in respect of each director nominee, and (ii) of the total number of votes in (i), the total number of votes attached to the multiple voting shares, as a class, voted “for” and “withheld” from voting in respect of each director nominee.

In an uncontested election of directors, any nominee for director who is not elected by at least a majority (50% + 1 vote) of the votes cast with respect to his or her election (a “Majority Withheld Vote”) will immediately tender his or her resignation to the Chairman of the board following our annual meeting. In this policy, an “uncontested election” means an election where the number of nominees for director are equal to the number of directors to be elected.

The Governance and Nominating Committee will consider the resignation offer and recommend to the board whether or not to accept it. The board will accept the resignation absent exceptional circumstances which would warrant the applicable director continuing to serve on the board. The board will determine whether or not to accept the resignation within 90 days following the applicable annual meeting.

Following the board’s decision on the resignation, we will promptly disclose, via press release, the board’s decision whether or not to accept the director’s resignation offer, including the reasons for rejecting the resignation offer, if applicable. We will also provide a copy of such press release to the Toronto Stock Exchange. The director’s resignation will be effective when accepted by the board. If a resignation is accepted, the board may, subject to any corporate law restrictions, (i) leave a vacancy in the board unfilled until the next annual general meeting, (ii) fill the vacancy by appointing a new director whom the board considers to merit the confidence of the shareholders, (iii) call a special meeting of shareholders to consider new board nominee(s) to fill the vacant position(s), or (iv) reduce the size of the board.

Any director who tenders his or her resignation pursuant to this policy will not participate in any meeting of the Governance and Nominating Committee, if he or she is a member of that committee, or the board to consider whether his or her resignation will be accepted. However, if each member of the Governance and Nominating Committee received a Majority Withheld Vote in the same election, or a sufficient number of committee members such that the committee no longer has a quorum, then the independent directors will appoint a committee amongst themselves to consider the resignation offers and recommend to the board whether to accept them.

In the event that any director who received a Majority Withheld Vote does not tender his or her resignation in accordance with this policy, he or she will not be re-nominated by the board.

When considering the nomination of an independent director for re-election to the board at any annual meeting, the Governance and Nominating Committee will take into account, among other things, whether or not a majority of the “for” or “withhold” votes cast with respect to such director at the previous annual meeting, excluding such votes attached to the multiple voting shares, were votes “for” the election of such director.

The Governance and Nominating Committee may adopt such procedures as it sees fit to assist it in its determinations with respect to this policy.

This policy does not apply where an election involves a proxy battle (i.e., where proxy material is circulated in support of one or more nominees who are not part of the director nominees supported by the board).