

FAIRFAX *News Release*

TSX Stock Symbol: FFH and FFH.U

TORONTO, December 2, 2015

FAIRFAX ANNOUNCES RESET DIVIDEND RATE ON ITS SERIES I PREFERRED SHARES

Fairfax Financial Holdings Limited (“Fairfax”) (TSX: FFH and FFH.U) announces that it has determined the fixed dividend rate on its Cumulative 5-Year Rate Reset Preferred Shares, Series I (“Series I Shares”) (TSX: FFH.PR.I) for the five years commencing January 1, 2016 and ending December 31, 2020. The fixed quarterly dividends on the Series I Shares during that period, if and when declared, will be paid at an annual rate of 3.708% (Cdn.\$0.23175 per share per quarter).

Holder of Series I Shares have the right, at their option, exercisable not later than 5:00pm (Toronto time) on December 16, 2015, to convert all or part of their Series I Shares, on a one-for-one basis, into Cumulative Floating Rate Preferred Shares, Series J (the “Series J Shares”), effective December 31, 2015. The quarterly floating rate dividends on the Series J Shares will be paid at an annual rate, calculated for each quarter, of 2.85% over the annual yield on three month Government of Canada treasury bills. The actual quarterly dividend rate in respect of the January 1, 2016 to March 30, 2016 dividend period for the Series J Shares will be 0.82587% (3.34936% on an annualized basis) and the dividend for such dividend period, if and when declared, will be Cdn.\$0.20647 per share, payable on March 30, 2016.

Holder of Series I Shares are not required to elect to convert all or any part of their Series I Shares into Series J Shares.

As provided in the share conditions of the Series I Shares, (i) if Fairfax determines that there would be fewer than 1,000,000 Series I Shares outstanding after December 31, 2015, all remaining Series I Shares will be automatically converted into Series J Shares on a one-for-one basis effective December 31, 2015; and (ii) if Fairfax determines that there would be fewer than 1,000,000 Series J Shares outstanding after December 31, 2015, no Series I Shares will be permitted to be converted into Series J Shares. There are currently 12,000,000 Series I Shares outstanding.

The Toronto Stock Exchange (“TSX”) has conditionally approved the listing of the Series J Shares effective upon conversion. Listing of the Series J Shares is subject to Fairfax fulfilling all the listing requirements of the TSX and, upon approval, the Series J Shares will be listed on the TSX under the trading symbol “FFH.PR.J”.

Fairfax is a holding company which, through its subsidiaries, is engaged in property and casualty insurance and reinsurance and investment management.

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