

BY-LAW NO. 1
of
CARA OPERATIONS LIMITED
(the "**Corporation**")

1. INTERPRETATION

1.1 Expressions used in this By-law but not defined herein or in the Shareholders Agreement (defined below) shall have the same meanings as corresponding expressions in the *Business Corporations Act* (Ontario) (the "**Act**").

1.2 In this By-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

1.2.1 "**Act**" has the meaning set out in Section 1.1;

1.2.2 "**Affiliate**" means an affiliate within the meaning of the Act and, in respect of a Shareholder, shall also include a trust in respect of which such Shareholder is the sole trustee, and, further, in respect of the Phelan Group Shareholders, shall also include the Persons specified in Section 3.3.1.3 of the Shareholders Agreement, and in respect of the Fairfax Group Shareholders, shall also include the Persons specified in Section 3.3.1.4 of the Shareholders Agreement;

1.2.3 "**Arrangements**" has the meaning set out in Section 11.5.1.5;

1.2.4 "**Articles**" means the articles of amalgamation of the Corporation, as may be amended or restated from time to time;

1.2.5 "**Board**" means the board of directors of the Corporation;

1.2.6 "**Chairman**" has the meaning set out in Section 5.2;

1.2.7 "**Committee**" has the meaning set out in Section 4.12;

1.2.8 "**Conditions**" has the meaning set out in Section 4.4.5;

1.2.9 "**Control**" means:

1.2.9.1. when applied to the relationship between a Person and a body corporate, the beneficial ownership by such Person at the relevant time of shares of such body corporate carrying more than the greater of (i) 50% of the voting rights ordinarily exercisable at meetings of shareholders of such body corporate and (ii) the percentage of voting rights ordinarily exercisable at meetings of shareholders of such body corporate that are sufficient to elect a majority of the directors of such body corporate; and

1.2.9.2. when applied to the relationship between a Person and a partnership, joint venture or trust, the beneficial ownership by such Person at the relevant time of more than 50% of the ownership interests of the partnership, joint venture or trust in circumstances where it can reasonably be expected that such Person directs the affairs of the partnership, joint venture or trust;

and the words “**Controlled by**”, “**Controlling**” and similar words have corresponding meanings; provided that a Person (the “**first-mentioned Person**”) who Controls a body corporate, partnership or joint venture (the “**second-mentioned Person**”) shall be deemed to Control a body corporate, partnership or joint venture which is Controlled by the second-mentioned Person and so on; and the words “**Control Directly**” and similar words mean Control otherwise than by reason of the application of the proviso above, and the words “**Control Indirectly**” and similar words mean Control by reason of the application of such proviso;

1.2.10 “**Controlled Entity**” means a Person Controlled by a another Person;

1.2.11 “**Corporation**” means Cara Operations Limited;

1.2.12 “**Deadlock**” has the meaning set out in Section 4.5;

1.2.13 “**Fairfax Group Shareholder**” means each of 7948883 Canada Inc., Northbridge General Insurance Corporation, Northbridge Commercial Insurance Corporation, Northbridge Indemnity Insurance Corporation, Federated Insurance Company of Canada, Odyssey Reinsurance Company, United States Fire Insurance Company, Fairfax (Barbados) International Corp., TIG Insurance Company and any Affiliate or Permitted Assign of the foregoing that beneficially owns one or more Multiple Voting Shares and “**Fairfax Group Shareholders**” means all of the foregoing Persons collectively, and for purposes of determining the number of Shares held by the Fairfax Group Shareholders, all such holdings shall be aggregated;

- 1.2.14 “**Fundamental Issue**” has the meaning set out in Section 4.5;
- 1.2.15 “**Multiple Voting Share**” means a multiple voting share of the Corporation;
- 1.2.16 “**Nominating Shareholder**” has the meaning set out in Section 11.2.3;
- 1.2.17 “**Nomination Letter**” has the meaning set out in Section 4.4.2;
- 1.2.18 “**Nomination Notice**” has the meaning set out in Section 4.5;
- 1.2.19 “**Notice Date**” has the meaning set out in Section 11.4.1;
- 1.2.20 “**Permitted Assign**” means any Person who owns Multiple Voting Shares following a Transfer of Multiple Voting Shares as permitted by the Shareholders Agreement;
- 1.2.21 “**Person**” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, body corporate with or without share capital, unincorporated association, trust, trustee, executor, administrator or other personal legal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- 1.2.22 “**Phelan Group Shareholder**” means each of Cara Holdings Limited and its Affiliates and Related Entities of one or more of Gail Regan, Rosemary Phelan and Holiday Phelan-Johnson and any Permitted Assign of the foregoing and “**Phelan Group Shareholders**” means all of the foregoing Persons collectively, and for purposes of determining the number of Shares held by the Phelan Group Shareholders, all such holdings shall be aggregated;
- 1.2.23 “**Proposed Nominee**” has the meaning set out in Section 11.5.1;
- 1.2.24 “**Related Entity**” means, in relation to a Person:
- 1.2.24.1. the person to whom such Person is legally married or with whom such Person is living in a conjugal relationship outside of marriage at the relevant time;
 - 1.2.24.2. the persons who are natural born or legally adopted children of such Person or are natural born or legally adopted descendants of such children;

1.2.24.3. any trust, all of the beneficiaries (other than any contingent beneficiary) of which are the children, grandchildren or great-grandchildren (including by adoption) or other direct lineal descendants of such Person or an Affiliate of such Person; and

1.2.24.4. any wholly-owned subsidiaries or other Controlled Entities of such Person or an Affiliate of such Person, or any Person related to, or affiliated with, such Person for purposes of the *Income Tax Act* (Canada);

1.2.25 “**Shareholder**” means a holder of Shares;

1.2.26 “**Shareholder Group**” means each of (i) the Fairfax Group Shareholders (collectively as one Shareholder Group); and (ii) the Phelan Group Shareholders (collectively as one Shareholder Group) and “**Shareholder Groups**” means both of them;

1.2.27 “**Shareholders Agreement**” means the shareholders agreement dated April 10, 2015 among 7948883 Canada Inc., Northbridge General Insurance Corporation, Northbridge Commercial Insurance Corporation, Northbridge Indemnity Insurance Corporation, Federated Insurance Company of Canada, Odyssey Reinsurance Company, United States Fire Insurance Company, Fairfax (Barbados) International Corp., TIG Insurance Company, Hamblin Watsa Investment Counsel Ltd., Cara Holdings Limited and the Corporation;

1.2.28 “**Shares**” means shares in the capital of the Corporation authorized for issuance by the Articles;

1.2.29 “**Subordinate Voting Share**” means a subordinate voting share of the Corporation; and

1.2.30 “**Transfer**” includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership passes from one Person to another, or to the same Person in a different capacity, directly or indirectly, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing; and the words “**Transferred**”, “**Transferring**” and similar words have corresponding meanings.

2. CORPORATE SEAL

2.1 The directors may, but need not, adopt a corporate seal, and may change a corporate seal that is adopted.

3. FINANCIAL YEAR

3.1 Until changed by the directors, the financial year of the Corporation shall end on the Sunday closest to December 31st in each year.

4. DIRECTORS

4.1 Number. The number of directors shall be a minimum of six (6), subject to Section 4.2 of this By-law and a maximum of (7) as set forth in the Articles. At each election of directors, the number elected shall be: (i) six (6), subject to Section 4.2 of this By-law and a maximum of seven (7), provided each Shareholder Group beneficially owns, directly or indirectly, no less than 50% of the number of Multiple Voting Shares held by such Shareholder Group as at the date of the initial public offering of Subordinate Voting Shares and (ii) the number of directors then in office unless the directors or the Shareholders otherwise determine provided that each Shareholder Group does not beneficially own, directly or indirectly, at least than 50% of the number of Multiple Voting Shares held by such Shareholder Group as at the date of the initial public offering of Subordinate Voting Shares.

4.2 Special Director. An additional seventh (7th) director shall be appointed pursuant to the special nomination right granted to the Fairfax Group Shareholder described below in Section 4.5 of this By-law, if such right is exercised.

4.3 Nomination of Directors. Each Shareholder Group is entitled to nominate three directors, subject to adjustment as described under Section 4.4 of this By-law. At least two of the directors nominated by the Phelan Group Shareholders shall be independent within the meaning of applicable securities laws, at least one of the directors nominated by the Fairfax Group Shareholders shall be independent within the meaning of applicable securities laws and one of the directors nominated by the Fairfax Group Shareholders shall be the Chief Executive Officer of the Corporation. If any vacancy occurs in the Board, for any reason, such vacancy shall be filled as soon as possible by a person nominated by the Shareholder Group originally entitled to nominate the vacating director.

4.4 Board Nomination Procedure.

4.4.1 Not less than ninety (90) days before each Directors Election Meeting, the Corporation will notify each Shareholder Group of the date on which such Directors Election Meeting is scheduled to be held.

4.4.2 Subject to Section 4.4.6, not less than seventy-five (75) days before each Directors Election Meeting, each Shareholder Group shall deliver to the Corporation, in writing, the name of its three proposed nominees together with the information regarding such proposed nominees (including the number of securities in the Corporation or its affiliates owned or controlled by each) that each Shareholder Group requests the Corporation include in the information circular of the Corporation to be sent to Shareholders in respect of such Directors Election Meeting and such other information, including a biography of each, that is consistent with the information the Corporation intends to publish about other nominees as directors of the Corporation in such information circular (the “**Nomination Letter**”).

4.4.3 If a Shareholder Group does not provide a Nomination Letter in accordance with Section 4.4.2, such Shareholder Group will be deemed to nominate its nominees that are directors immediately prior to the beginning of the Directors Election Meeting, subject to such individuals satisfying the Conditions for re-appointment to the Board and to the review of and approval by the Governance, Compensation and Nominating Committee in accordance with Section 4.4.7.

4.4.4 Each Shareholder Group shall also cause its nominees to complete any director and officer questionnaire that the Corporation requires of every nominee director.

4.4.5 Each Shareholder Group agrees that each individual it nominates in the Nomination Letter, in its good faith judgment, (i) possesses appropriate expertise and/or background knowledge of the business of the Corporation, and (ii) is otherwise qualified to serve as a member of the Board under applicable law and all policies, procedures, processes, codes, rules, standards and guidelines applicable to Board members, including any of the Corporation’s applicable policies. No nominee may be an individual who has been convicted of a felony or a crime involving moral turpitude or an individual who is not acceptable to any stock exchange on which the Subordinate Voting Shares are then listed or a securities regulatory authority having jurisdiction over the Corporation (each of the foregoing requirements in this Section 4.4.5, collectively, the “**Conditions**”). Such individual shall preserve the confidentiality of the Corporation’s business and information, including discussions of matters considered in meetings of the Board or the Committees.

4.4.6 Subject to Section 4.4.3, if either Shareholder Group fails to deliver the Nomination Letter to the Corporation at least seventy-five (75) days before the Directors Election Meeting for which the Corporation has provided notice under Section 4.4.1, the Corporation shall have no obligation to include any of such Shareholder Group's nominees as a nominee of the Board as a director in the information circular for the Directors Election Meeting for which such notice was provided or to nominate any individual designated or proposed by such Shareholder Group as director at such Directors Election Meeting.

4.4.7 If a Shareholder Group provides the Nomination Letter within the time prescribed therefor, the Governance, Compensation and Nominating Committee shall promptly review the individual's credentials and, in the case of any nominee not currently a director, shall promptly interview such individual and, subject to such Committee's and the Board's approval, which approval shall be based upon the same criteria the Governance, Compensation and Nominating Committee and the Board generally apply in their consideration of other nominees, such individual shall be included as a nominee of the Board as a director in the information circular for the Directors Election Meeting for which the Nomination Letter was provided; provided, however, that such approval of the Governance, Compensation and Nominating Committee and the Board shall not be unreasonably conditioned, withheld or delayed. In the event that the Governance, Compensation and Nominating Committee or the Board shall withhold approval of an individual so designated by the Shareholder Group as a nominee, which determination shall be communicated to such Shareholder Group no later than fifty (50) days prior to the Directors Election Meeting, such Shareholder Group shall have the right to designate an alternative individual for appointment as a replacement nominee in accordance with the provisions of this Section 4.4.2 by providing a further Nomination Letter, provided such further Nomination Letter shall be provided no later than the date which is forty (40) days before the Directors Election Meeting for which such Shareholder Group has provided such Nomination Letter (failing which, the provisions of Section 4.4.6 shall apply) and the Governance, Compensation and Nominating Committee will review that individual's credentials and shall promptly interview such individual and subject to such Committee's and the Board's approval, on the basis outlined above, such individual shall be included as a nominee of the Board as a director in the information circular for the Directors Election Meeting for which the Nomination Letter was provided. In the event that the Governance, Compensation and Nominating Committee or the Board shall withhold approval of an individual so designated by the Shareholder Group as a nominee, which determination shall be communicated to such Shareholder Group within ten (10) days of receipt of the Nomination

Letter, such Shareholder Group shall have the further right to designate an alternative individual for appointment as a replacement nominee in accordance with the provisions of this Section 4.4.3 in the manner described above until an individual who is satisfactory to the Governance, Compensation and Nominating Committee and the Board has been selected, and the Governance, Compensation and Nominating Committee will include that individual as a nominee of the Board as a director in the Corporation's management information circular for the Directors Election Meeting for which the Nomination Letter was provided. The Directors Election Meeting will be postponed if a nominee to the Board for which a Nomination Letter was provided has not been selected prior to the deadline for printing the management information circular until such time as a nominee for which a Nomination Letter is provided has been selected.

4.4.8 In the event of the resignation, death or incapacity of a director that is serving on the Board, or in the event that a director that is serving on the Board at any time ceases to satisfy any Condition, the Shareholder Group that nominated such director shall be entitled to designate an individual satisfying each of the Conditions to replace such director to serve on the Board by delivery of a written notice to the Corporation within forty-five (45) days after the director resigns, dies or becomes incapacitated, or ceases to satisfy any Condition, as applicable. Such individual's credentials may be reviewed, and he or she shall be promptly interviewed, by the Governance, Compensation and Nominating Committee and, subject to such Committee's and the Board's approval, such individual shall be promptly appointed to the Board to serve until the next Directors Election Meeting or until his or her successor is elected or appointed; provided, however, that such approval of the Governance, Compensation and Nominating Committee and the Board shall be based upon the same criteria the Governance, Compensation and Nominating Committee and the Board generally applies in its consideration of other nominees and shall not otherwise be unreasonably conditioned, withheld or delayed. In the event that the Governance, Compensation and Nominating Committee or the Board shall withhold approval of an individual so designated by the applicable Shareholder Group to replace its nominee who has resigned, died, become incapacitated or ceases to satisfy any Condition, such Shareholder Group shall have the right to designate an alternative individual for appointment as its nominee in accordance with the provisions of this Section 4.4.8 until a nominee who is satisfactory to the Governance, Compensation and Nominating Committee and the Board has been selected and such person will be promptly appointed to the Board, subject to such person satisfying each of the Conditions for appointment to the Board and review and approval by the Governance, Compensation and Nominating Committee and the Board (as described above).

4.5 Special Nomination Right. The Fairfax Group Shareholders have the right to appoint one (1) additional director in circumstances where the directors are unable to reach a decision at a meeting by the required vote on any of the following matters (each a “**Fundamental Issue**”) because an equal number of directors vote for and against the resolution (a “**Deadlock**”) in accordance with Section 2.1.7 of the Shareholders Agreement:

- 4.5.1 any change in the number of directors on the Board;
- 4.5.2 any merger, acquisition or sale transaction;
- 4.5.3 any issuance of equity or debt securities of the Corporation, including preferred, common or voting stock or securities convertible into preferred, common or voting stock, except where such issuance of equity or debt securities is being done in connection with (i) the grant or exercise of options as contemplated in the Corporation’s share-based compensation arrangements, or (ii) the conversion of Multiple Voting Shares into Subordinate Voting Shares in accordance with the terms of the Shareholders Agreement and the Articles;
- 4.5.4 any purchase, redemption or other acquisition by the Corporation of any Multiple Voting Shares or Subordinate Voting Shares or other securities issued by the Corporation, except pursuant to a normal course issuer bid;
- 4.5.5 any material change in the Corporation’s share capital structure;
- 4.5.6 the appointment, removal or replacement of the Chief Executive Officer; or
- 4.5.7 any amendment to or modification of the Corporation’s dividend policy.

Not less than five (5) business days and not more than fifteen (15) business days following the Deadlock, the Fairfax Group Shareholders may give to the Phelan Group Shareholders’ representative notice of the intention to nominate an additional director (the “**Nomination Notice**”). The nominee will be required to provide the biographical and other information, and will be subject to the review process, that is applied to Board nominees generally, as set out above, and an alternative nominee may be proposed if approval of the Governance, Compensation and Nominating Committee is not obtained. If the Fairfax Group Shareholders provide the Nomination Notice within the time prescribed, subject to the review of such individual’s credentials and the promptly held interview of such individual by the Governance, Compensation and Nominating Committee, such individual shall be promptly appointed to the Board by the Governance, Compensation and Nominating Committee to serve as the Fairfax Special Nominee; provided, however, that such approval of the Governance, Compensation and Nominating Committee shall be based upon the same criteria the Governance, Compensation and Nominating Committee and the

Board generally applies in its consideration of other nominees and shall not otherwise be unreasonably conditioned, withheld or delayed. In the event that the Governance, Compensation and Nominating Committee shall withhold approval of an individual so designated by the Fairfax Group Shareholders to be the Fairfax Special Nominee, the Fairfax Group Shareholders shall have the right to designate an alternative individual for appointment as the Fairfax Special Nominee in accordance with the provisions hereof such person will be promptly appointed to the Board, provided, however, that such approval of the Governance, Compensation and Nominating Committee shall be based upon the same criteria the Governance, Compensation and Nominating Committee and the Board generally applies in its consideration of other nominees and shall not otherwise be unreasonably conditioned, withheld or delayed. A Fairfax Special Nominee duly elected in accordance with this provision will remain a director until the end of the first Directors Election Meeting held after the date the Fairfax Special Nominee is appointed after the Board has resolved the Deadlock.

In Accordance with Section 2.1.7.2.8 of the Shareholders Agreement, if the Fairfax Group Shareholders fail to deliver the Nomination Notice to the Phelan Group Shareholder Representative in accordance with Section 2.1.7.2 of the Shareholders Agreement and this Section 4.5, the Fairfax Group Shareholders' right to nominate a Fairfax Special Nominee with respect to the Fundamental Issue in respect of which the Deadlock occurred will be null and void.

4.6 Quorum. A quorum at a meeting of the Board consists of a majority of the directors then holding office, including at least one director nominated by each Shareholder Group. If a meeting of directors is adjourned for lack of quorum, it will be reconvened one week later (or at such other date, time and place as the directors in attendance determine), and the directors then present at the reconvened meeting will constitute a quorum.

4.7 Calling of Meetings. Meetings of the directors shall be held at such time and place as the Chairman of the Board, the Chief Executive Officer or any two directors may determine.

4.8 Notice of Meetings. Notice of the time and place of each meeting of directors shall be given to each director not less than 48 hours before the time of the meeting, provided that the first meeting immediately following a meeting of Shareholders at which directors are elected may be held without notice if a quorum is present. Meetings may be held without notice if the directors at any time waive or are deemed to waive notice.

4.9 Meeting by Telephonic or Electronic Facility. If all the directors of the Corporation consent, a meeting of directors or of a committee of directors may be held by means of a telephonic, electronic or other communication facility that permits all persons participating in the meeting to communicate adequately with each other, and a director participating in a meeting by such means is deemed to (a) consent to such meeting format and (b) be present at that meeting.

4.10 Chair. The Chairman of the Board, or in the Chairman's absence the Chief Executive Officer if a director, or in the Chief Executive Officer's absence or if the Chief Executive Officer is not a director, a director chosen by the directors at the meeting, shall be chair of any meeting of directors.

4.11 Voting at Meetings. At meetings of directors each director shall have one vote and questions shall be decided by a majority vote, or by a written instrument signed by all directors, subject to the nomination of an additional director in the event of a Deadlock described in Section 4.4 of this By-law. The Chairman will not have a casting vote at meetings of directors.

4.12 Committees. The procedures governing each Committee shall be determined by the Board, provided each committee of directors will include at least one (1) director nominated by each Shareholder Group and quorum at committee meetings will consist of a majority of the committee's members, including at least one director nominated by each Shareholder Group. All members of the Board are permitted to attend meetings of the Committees as guests. The following committees of the Board (each, a "**Committee**") shall be established to advise and report to the Board on the matters delegated to such Committees by the Board:

4.12.1 Audit Committee; and

4.12.2 Governance, Compensation and Nominating Committee.

The Audit Committee shall include at least two (2) independent directors nominated by the Phelan Group Shareholders and one (1) independent director nominated by the Fairfax Group Shareholders, and the Governance, Compensation and Nominating Committee shall include at least two (2) directors nominated by the Fairfax Group Shareholders. Meetings of each Committee may take place immediately before or immediately after each regular Board meeting, except where the meeting of a Committee has been convened outside the regular Board meeting to consider special business.

5. OFFICERS

5.1 General. The directors may from time to time appoint a Chairman, a President, Chief Executive Officer, Chief Financial Officer, one or more Vice-Presidents, a Secretary, a Treasurer and such other officers as the directors may determine.

5.2 Chair of the Board. The Board shall have a chairman (the “**Chairman**”) who shall be appointed and replaced from time to time by the Board, provided that the Shareholder Groups shall, acting together, be entitled to cause the Chairman to resign his or her position as Chairman, and upon the resignation or removal of a Chairman, the Shareholder Groups shall agree, acting reasonably, on a director to be appointed as Chairman. The Chairman shall have general supervision of the Board’s business and affairs, shall, when present, be chair of the meetings of directors and Shareholders and shall have such other powers and duties as the directors may determine.

5.3 Other Officers. Any other officer shall have such powers and duties as the directors or the Chief Executive Officer may determine from time to time.

5.4 Assistants. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant unless the directors or the Chief Executive Officer otherwise direct.

5.5 Variation of Duties. The directors may, from time to time, vary, add to or limit the powers and duties of any officer.

5.6 Term of Office. Each officer shall hold office until the officer’s successor is elected or appointed, provided that the directors may at any time remove any officer from office but such removal shall not affect the rights of such officer under any contract of employment with the Corporation.

6. SHAREHOLDERS

6.1 Annual Meeting. Subject to the Act, the annual meeting of the Shareholders shall be convened on such day in each year and at such time as the Board may by resolution determine.

6.2 Special Meetings. The Board shall have the power to call a special meeting of Shareholders at any time.

6.3 Quorum. A quorum for the transaction of business at a meeting of Shareholders shall be two persons present and each entitled to vote at the meeting who together hold or represent by proxy not less than 15% of the votes attached to the outstanding voting Shares entitled to vote at the meeting.

6.4 Casting Vote. In case of an equality of votes at a meeting of Shareholders, the chair of the meeting shall have a second or casting vote.

6.5 Scrutineers. The chair at any meeting of Shareholders may appoint one or more persons (who need not be Shareholders) to act as scrutineer or scrutineers at the meeting.

6.6 Certificates for Shares. The Shares shall be represented by certificates, or shall be uncertificated Shares that may be evidenced by a book-entry system (including a non-certificated inventory system (e.g. Direct Registration System)) maintained by the registrar of such Shares, or a combination of both. To the extent that Shares are represented by certificates, such certificates shall be in such form as shall be approved by the Board. The certificates representing Shares of stock of each class shall be signed by, or in the name of, the Corporation by the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, or any director. Any or all such signatures may be facsimiles. Although any officer, transfer agent or registrar whose manual or facsimile signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue.

The stock ledger and blank Share certificates shall be kept by the Secretary or by a transfer agent or by a registrar or by any other officer or agent designated by the Board.

6.7 Replacement of Share Certificates. Where the owner of a Share certificate claims that the Share certificate has been lost, apparently destroyed or wrongfully taken, the Corporation shall issue or cause to be issued a new certificate in place of the original certificate if the owner (i) so requests before the Corporation has notice that the Share certificate has been acquired by a *bona fide* purchaser; (ii) files with the Corporation an indemnity bond (unless not required to do so by the Corporation) sufficient in the Corporation's opinion to protect the Corporation and any transfer agent, registrar or other agent of the Corporation from any loss that it or any of them may suffer by complying with the request to issue a new Share certificate; and (iii) satisfies any other reasonable requirements imposed from time to time by the Corporation.

7. DIVIDENDS AND RIGHTS

7.1 Declaration of Dividends. Subject to the Act, the directors may from time to time declare dividends payable to the Shareholders according to their respective rights and interests in the Corporation.

7.2 Wire Transfer or Cheques. A dividend payable in money shall be paid, at the Corporation's option, directly or indirectly, by (a) wire transfer or (b) cheque to the order of each registered holder of Shares of the class or series in respect of which it has been declared, and (i) sent, if by wire transfer, to such registered holder as per the wire instructions provided by such holder in the Corporation's securities register, or (ii) mailed by prepaid ordinary mail, if by cheque, to such registered holder at the address of such holder in the Corporation's securities register, unless such holder otherwise directs. In the case of joint holders, the wire transfer or cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and transferred to them as per the wire instructions, or mailed to them at their address, in the Corporation's securities register. The issuance of the wire transfer or mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

7.3 Non-Receipt of Wire Transfer or Cheques. In the event of non-receipt of any dividend wire transfer or cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a wire transfer or a cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the directors may from time to time prescribe, whether generally or in any particular case.

7.4 Unclaimed Dividends. To the extent permitted by applicable law, any dividends unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

8. EXECUTION OF INSTRUMENTS

8.1 Deeds, transfers, assignments, agreements, proxies and other instruments may be signed on behalf of the Corporation by the Chairman, the Chief Executive Officer or any other officer or any director, or in such other manner as the directors may determine.

9. INDEMNIFICATION AND INSURANCE

9.1 Indemnification of Directors and Officers. The Corporation shall indemnify a director or officer, a former director or officer or a person who acts or acted at the Corporation's request as a director or officer, or in a similar capacity of another entity, and the heirs and legal representatives of such a person except as prohibited by the Act.

9.2 Insurance. The Corporation may purchase and maintain insurance for the benefit of any person referred to in the preceding section to the extent permitted by the Act.

10. NOTICE

10.1 General. A notice mailed to a shareholder, director, auditor or member of a committee shall be deemed to have been received at the time it would be delivered in the ordinary course of mail unless there are reasonable grounds for believing that the shareholder or director did not receive the notice or the document at that time or at all.

10.2 Electronic Delivery. The Corporation may satisfy the requirement to send any notice or document referred to in Section 10.1 by creating and providing an electronic document in compliance with the Act and the regulations under the Act and in accordance with the *Electronic Commerce Act* (Ontario) where applicable. An electronic document is deemed to have been received when it enters the information system designated by the addressee or, if the document is posted on or made available through a generally accessible electronic source, when the addressee receives notice in writing of the availability and location of that electronic document, or, if such notice is sent electronically, when it enters the information system designated by the addressee.

10.3 Omissions and Errors. Accidental omission to give any notice to any shareholder, director, auditor or member of a committee or non-receipt of any notice or any error in a notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice.

11. ADVANCE NOTICE PROVISIONS

11.1 For purposes of this Section 11:

“**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms

made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada;

“**public announcement**” means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and

“**Representatives**” of a person means the affiliates and associates of such person, all persons acting jointly or in concert with any of the foregoing, and the affiliates and associates of any of such persons acting jointly or in concert, and “**Representative**” means anyone of them.

11.2 Subject only to the Act, Section 4 of this By-law and the Shareholders Agreement, and for so long as the Corporation is a distributing corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation may be made at any annual meeting of Shareholders, or at any special meeting of Shareholders if one of the purposes for which the special meeting was called was the election of directors,

11.2.1 by or at the direction of the Board, including pursuant to a notice of meeting;

11.2.2 by or at the direction or request of one or more Shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the Shareholders made in accordance with the provisions of the Act; or

11.2.3 by any person (a “**Nominating Shareholder**”):

11.2.3.1. who, at the close of business on the date of the giving of the notice provided for below in this Section 11 and at the close of business on the record date for notice of such meeting of Shareholders, is entered in the securities register of the Corporation 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

11.2.3.2. who complies with the notice procedures set forth below in this Section 11.

11.3 In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof (in accordance with Section 11.4 below) in proper written form to the Board (in accordance with Section 11.5 below).

11.4 To be timely, a Nominating Shareholder's notice to the Board must be made:

11.4.1 in in the case of an annual meeting of Shareholders (which includes an annual and special meeting), 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 called for 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 (10th) day following the Notice Date; and

11.4.2 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 as well), not later than the close of business on the fifteenth (15th) 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.

11.4.3 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.

11.5 To be in proper written form, a Nominating Shareholder's notice to the Board must:

11.5.1 set forth, as to each person whom the Nominating Shareholder proposes to nominate for election as a director (each, a "**Proposed Nominee**"):

11.5.1.1. the name, age, business address and residential address of the person;

- 11.5.1.2. the principal occupation or employment of the person for the past five years;
- 11.5.1.3. the status of such person as a “**resident Canadian**” (as such term is defined in the Act);
- 11.5.1.4. 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;
- 11.5.1.5. full particulars regarding any contract, agreement, arrangement, understanding or relationship (collectively, “**Arrangements**”), including without limitation financial, compensation and indemnity related Arrangements, between the Proposed Nominee or any associate or affiliate of the Proposed Nominee and any Nominating Shareholder or any of its Representatives; and
- 11.5.1.6. any other information relating to the Proposed Nominee or his or her associates or affiliates 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 the Act and Applicable Securities Laws.

11.5.2 set forth, as to each Nominating Shareholder giving the notice and each beneficial owner, if any, on whose behalf the nomination is made:

- 11.5.2.1. the name, age, business address and, if applicable, residential address of such person;
- 11.5.2.2. their direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number of principal amount and the date(s) on which such securities were acquired;
- 11.5.2.3. full particulars regarding (1) any proxy or other Arrangement pursuant to which such person or any of its Representatives has a right to vote or

direct the voting of any Shares, and (2) any other Arrangement of such person or any of its Representatives relating to the voting of any Shares or the nomination of any person(s) to the Board;

- 11.5.2.4. full particulars regarding any Arrangement of such person or any of its Representatives, the purpose or effect of which is to alter, directly or indirectly, the economic interest of such person or any of its Representatives in a security of the Corporation or the economic exposure of any such person or any of its Representatives to the Corporation;
- 11.5.2.5. full particulars regarding any Arrangement, including without limitation financial, compensation and indemnity related Arrangements, between the Proposed Nominee or any associate or affiliate of the Proposed Nominee and such person or any of its Representatives;
- 11.5.2.6. a representation and proof that the Nominating Shareholder is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at such meeting and intends to appear in person or by proxy at the applicable Shareholders' meeting to propose such nomination;
- 11.5.2.7. a representation as to whether such person or any of its Representatives intends to deliver a proxy circular and/or form of proxy to any Shareholder in connection with such nomination or otherwise solicit proxies or votes from Shareholders in support of such nomination; and
- 11.5.2.8. any other information relating to such person or any of its Representatives 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 the Act and Applicable Securities Laws.

The Corporation may require any Proposed Nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such Proposed Nominee to serve as a director of the Corporation or a member of any committee of the Board, including with respect to independence or any other relevant criteria for eligibility (including any stock exchange requirements) or that could be

material to a reasonable Shareholder's understanding of the independence or eligibility, or lack thereof, of such Proposed Nominee.

11.6 All information to be provided in a timely notice pursuant to Section 11.5 above shall be provided as of the record date for determining Shareholders entitled to vote at the meeting (if such date shall then have been publicly announced) and as of the date of such notice. The Nominating Shareholder shall update such information forthwith if there are any material changes in the information previously disclosed.

11.7 For the avoidance of doubt, except for the Shareholders Agreement and Section 4 of this By-law, Section 11.2 above shall be the exclusive means for any person to bring nominations for election to the Board before any annual or special meeting of Shareholders. No person shall be eligible for election as a director of the Corporation unless such person has been nominated in accordance with the provisions of the Shareholders Agreement, Section 4 of this By-law or this Section 11; provided, however, that nothing in this Section 11 shall be deemed to preclude discussion by a Shareholder (as distinct from the nomination of directors) at a meeting of Shareholders of any matter in respect of which such Shareholder would have been entitled to submit a proposal pursuant to the Act. The chair 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, to declare that such defective nomination shall be disregarded.

11.8 Notwithstanding any other provision of this Section 11 or any other by-law of the Corporation, any notice or other document or information required to be given to the Board pursuant to this Section 11 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Board for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Board at the address of the principal executive offices of the Corporation, emailed (to the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

11.9 Notwithstanding the foregoing, the Board may, in its sole discretion, waive all or any of the requirements in this Section.

11.10 Nothing in this Section shall obligate the Corporation or the Board to include in any proxy statement or other Shareholder communication distributed by or on behalf of the Corporation or the Board any information with respect to any proposed nomination or any Nominating Shareholder or Proposed Nominee.

RESOLVED THAT the foregoing by-law is made a by-law of the Corporation by the signatures hereto of all the directors of the Corporation pursuant to the Act, this 8th day of April, 2015.

“William D. Gregson”

William D. Gregson

“Stephen K. Gunn”

Stephen K. Gunn

“Michael J. Norris”

Michael J. Norris

“John A. Rothschild”

John A. Rothschild

RESOLVED THAT the foregoing by-law is confirmed as a by-law of the Corporation by the signature hereto of the shareholders of the Corporation pursuant to the Act, this 8th day of April, 2015.

NORTHBRIDGE GENERAL INSURANCE CORPORATION, by its investment manager Hamblin Watsa Investment Counsel Ltd.

by: "Paul Rivett"
Name: Paul Rivett
Title: Chief Operating Officer

NORTHBRIDGE COMMERCIAL INSURANCE CORPORATION, by its investment manager Hamblin Watsa Investment Counsel Ltd.

by: "Paul Rivett"
Name: Paul Rivett
Title: Chief Operating Officer

**FEDERATED INSURANCE COMPANY OF
CANADA, by its investment manager Hamblin
Watsa Investment Counsel Ltd.**

by: "Paul Rivett"

Name: Paul Rivett

Title: Chief Operating Officer

**ODYSSEY REINSURANCE COMPANY
(CANADA BRANCH), by its investment manager
Hamblin Watsa Investment Counsel Ltd.**

by: "Paul Rivett"

Name: Paul Rivett

Title: Chief Operating Officer

**FAIRFAX (BARBADOS) INTERNATIONAL
CORP., by its investment manager Hamblin Watsa
Investment Counsel Ltd.**

by: "Paul Rivett"

Name: Paul Rivett

Title: Chief Operating Officer

**TIG INSURANCE COMPANY (CANADA
BRANCH), by its investment manager Hamblin
Watsa Investment Counsel Ltd.**

by: "Paul Rivett"

Name: Paul Rivett

Title: Chief Operating Officer

FAIRFAX FINANCIAL HOLDINGS LIMITED

by: "Paul Rivett"

Name: Paul Rivett

Title: President

CARA HOLDINGS LIMITED

by: "Sean Regan"

Name: Sean Regan

Title: President

2088403 ONTARIO INC.

by: "Don Robinson"

Name: Don Robinson

Title: President

"Don Robinson"

DON ROBINSON

“Nicholas M. Perpick”
NICHOLAS M. PERPICK

“Grant Cobb”
GRANT COBB

ROTHSCHILD HOLDINGS LIMITED

by: “John A. Rothschild”
Name: John A. Rothschild
Title: President

CARA OPERATIONS LIMITED

by: “William Douglas Gregson”
Name: William Douglas Gregson
Title: Chief Executive Officer