

FAIRFAX FINANCIAL HOLDINGS LTD/ CAN
Form F-10/A
December 11, 2018

Use these links to rapidly review the document

[Table of Contents](#)

As filed with the Securities and Exchange Commission on December 11, 2018

Registration No. 333-228518

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**Amendment No. 1 to
FORM F-10**

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Fairfax Financial Holdings Limited

(Exact Name of Registrant as Specified in its Charter)

Canada

(Province or Other Jurisdiction of Incorporation or Organization)

6331

(Primary Standard Industrial Classification Code Number)

Not Applicable

(I.R.S. Employee Identification No.)

**Suite 800, 95 Wellington Street West
Toronto, Ontario
M5J 2N7, Canada
Telephone: (416) 367-4941**

(Address, including postal code, and telephone number, including area code, of Registrant's principal executive offices)

**CT Corporation System
111 Eighth Avenue, 13th Floor
New York, NY 10011 U.S.A.
Telephone: (212) 894-8700**

(Name, Address (Including Zip Code) and Telephone Number (Including Area Code) of Agent for Service in the United States)

Copies to:

**Derek Bulas
Fairfax Financial Holdings Limited
Suite 800, 95 Wellington Street West
Toronto, Ontario**

**Mile T. Kurta
Torys LLP
1114 Avenue of the Americas
New York, New York 10036
(212) 880-6000**

Edgar Filing: FAIRFAX FINANCIAL HOLDINGS LTD/ CAN - Form F-10/A

M5J 2N7, Canada
(416) 367-4941

Approximate date of commencement of proposed sale of the securities to the public:
as soon as practicable after this registration statement becomes effective.

Province of Ontario, Canada

(Principal Jurisdiction Regulating this Form F-10 Offering)

It is proposed that this filing shall become effective (check appropriate box):

A. upon filing with the Commission, pursuant to Rule 467(a) (if in connection with an offering being made contemporaneously in the United States and Canada).

B. at some future date (check appropriate box below):

1. Pursuant to Rule 467(b) on () at () (designate a time not sooner than seven calendar days after filing).
2. Pursuant to Rule 467(b) on () at () (designate a time seven calendar days or sooner after filing) because the securities regulatory authority in the review jurisdiction has issued a receipt or notification of clearance on ().
3. Pursuant to Rule 467(b) as soon as practicable after notification of the Commission by the registrant or the Canadian securities regulatory authority of the review jurisdiction that a receipt or notification of clearance has been issued with respect hereto.
4. After the filing of the next amendment to this form (if preliminary material is being filed).

If any of the securities being registered on this Form F-10 are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box.

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities to be Registered | Amount to be Registered | Proposed Maximum Offering Price Per Unit ⁽¹⁾ | Proposed Maximum Aggregate Offering Price ⁽¹⁾ | Amount of Registration Fee ⁽¹⁾⁽²⁾ |
|---|-------------------------|---|--|--|
| 4.850% Senior Notes due 2028 of Fairfax Financial Holdings Limited. | US\$600,000,000 | N/A | US\$600,000,000 | US\$72,720.00 |

(1) The notes being registered are offered (i) in exchange for 4.850% Senior Notes due 2028 previously sold in a transaction exempt from registration under the Securities Act of 1933, as amended, and (ii) upon certain resales of the notes by broker-dealers. The registration fee has been computed based on the face value of the notes solely for the purpose of calculating the amount of the registration fee, pursuant to Rule 457 under the Securities Act of 1933, as amended.

(2) Previously paid.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registration statement shall become effective as provided in Rule 467 under the Securities Act of 1933 or on such date as the Commission, acting pursuant to Section 8(a) of the Act, may determine.

PART I
INFORMATION REQUIRED TO BE DELIVERED TO OFFEREES OR PURCHASERS

Table of Contents

A copy of this short form prospectus has been filed with the securities regulatory authorities in the province of Ontario, and with the U.S. Securities and Exchange Commission, but has not yet become effective for the purpose of the exchange offer referred to herein. No securities may be exchanged until a receipt for the short form prospectus is obtained from the securities regulatory authorities and the registration statement becomes effective.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada and filed with, or furnished to, the U.S. Securities and Exchange Commission. Copies of the documents incorporated herein by reference may be obtained on request without charge from the office of our Corporate Secretary at Suite 800, 95 Wellington Street West, Toronto, Ontario, Canada, M5J 2N7 (telephone: (416) 367-4941), and are also available electronically at www.sedar.com and at www.sec.gov.

SHORT FORM PROSPECTUS

New Issue

December 11, 2018

Fairfax Financial Holdings Limited

Exchange Offer for US\$600,000,000 of its 4.850% Senior Notes due 2028

The Company

Fairfax Financial Holdings Limited (the "**Company**") is a holding company which, through its subsidiaries, is principally engaged in property and casualty insurance and reinsurance and investment management. The Company and its subsidiaries ("**Fairfax**", "**we**", "**our**", "**us**") operate through a decentralized operating structure, with autonomous management teams applying a focused underwriting strategy to our markets. We seek to differentiate ourselves by combining disciplined underwriting with the investment of our assets on a total return basis, which we believe provides above-average returns over the long-term. We provide a full range of property and casualty products, maintaining a diversified portfolio of risks across classes of business, geographic regions, and types of insureds. We have been under current management since September 1985. Our head and registered office is located at Suite 800, 95 Wellington Street West, Toronto, Ontario, M5J 2N7, Canada. Our telephone number is (416) 367-4941.

The Exchange Offer

If all the conditions of the exchange offer (the "**Exchange Offer**") are satisfied, the Company will exchange up to US\$600,000,000 aggregate principal amount of its 4.850% Senior Notes due 2028 issued on April 17, 2018 (the "**Initial Notes**") that are validly tendered and not validly withdrawn for an equal principal amount of 4.850% Senior Notes due 2028 (the "**Exchange Notes**") that have been registered under the *United States Securities Act of 1933*, as amended (the "**Securities Act**").

You may withdraw your tender of Initial Notes at any time before the expiration of the Exchange Offer.

The Exchange Offer will expire at 5:00 p.m., New York City time, on January 11, 2019, unless the Company extends the Exchange Offer, in which case, the Exchange Offer will expire at 5:00 p.m., New York City time on the date to which the Exchange Offer is extended (the "**Expiration Date**").

The Exchange Notes

The terms of the Exchange Notes to be issued in the Exchange Offer are substantially identical to the Initial Notes except that, unlike the Initial Notes, the Exchange Notes will be freely tradable in the United States by persons not affiliated with us, will not bear legends restricting their transfer and will not contain the registration rights and additional interest provisions of the Initial Notes.

The Exchange Notes will be issued in United States dollars.

Table of Contents

The Exchange Notes will be issued in minimum denominations of US\$2,000 principal amount and integral multiples of US\$1,000 in excess thereof.

There is no market through which the Exchange Notes may be sold and purchasers may not be able to resell the Exchange Notes issued pursuant to the Exchange Offer. This may affect the pricing of the Exchange Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Exchange Notes, and the extent of regulation affecting the Company. See "Risk Factors" commencing on page 8.

Before participating in the Exchange Offer, please carefully read this short form prospectus, including the section entitled "Risk Factors" commencing on page 8.

For a more detailed description of the Exchange Notes, please refer to the section in this short form prospectus entitled "Description of the Notes" commencing on page 55.

This offering of the Exchange Notes is made by the Company, which is a foreign issuer in the United States and is permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare this short form prospectus in accordance with Canadian disclosure requirements. Prospective investors should be aware that such requirements are different from those in the United States. The financial statements incorporated herein by reference have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Thus, such financial statements may not be comparable to financial statements of United States companies.

Prospective investors should be aware that owning the Exchange Notes may subject you to tax consequences both in the United States and in Canada. This short form prospectus may not describe these tax consequences fully and such consequences for investors who are resident in, or citizens of, the United States may not be described fully herein. You should read the tax discussion in this short form prospectus. You should consult your own counsel, accountant or other advisors for legal, tax, business financial and related advice regarding the Exchange Offer.

The enforcement by investors of civil liabilities under U.S. federal or state securities laws or other laws of the United States may be affected adversely by the fact that the Company is formed outside the United States, that most of the Company's directors and officers, as well as certain of the experts named in this short form prospectus, reside outside of the United States, and that many of the assets of the Company and the assets of such persons are located outside the United States.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY CANADIAN SECURITIES REGULATORY AUTHORITY, NOR HAS THE SEC OR ANY CANADIAN SECURITIES REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS SHORT FORM PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Prospective investors should be aware that, during the period of the Exchange Offer, the Company or its affiliates, directly or indirectly, may bid for or make purchases of the securities to be distributed or to be exchanged, or certain related securities, as permitted by applicable laws or regulations of Canada or its provinces or territories.

No underwriter has been involved in the preparation of this short form prospectus or performed any review of the contents of this short form prospectus.

Each broker-dealer that receives Exchange Notes for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale or transfer of such Exchange Notes in the United States. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This short form prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales or transfers of Exchange Notes in the United States received in exchange for Initial Notes where such Initial Notes were acquired by such broker-dealer as a result of market-making or other trading activities. The Company has agreed that it will make this short form prospectus available to any broker-dealer for use in connection with any such resale or transfer for a period that ends the earlier of (i) 180 days after the date on which the registration statement that includes this short form prospectus is declared effective by the SEC, and (ii) the date on which participating broker-dealers are no longer required to deliver a prospectus in connection with market-making or other trading activities. See "Plan of Distribution".

Table of Contents

Table of Contents

| | Page |
|--|-------------|
| <u>ABOUT THIS PROSPECTUS</u> | <u>iv</u> |
| <u>PRESENTATION OF FINANCIAL INFORMATION</u> | <u>v</u> |
| <u>DOCUMENTS INCORPORATED BY REFERENCE AND WHERE YOU CAN FIND MORE INFORMATION</u> | <u>vi</u> |
| <u>ENFORCEABILITY OF CIVIL LIABILITIES AGAINST FOREIGN PERSONS</u> | <u>viii</u> |
| <u>FORWARD-LOOKING INFORMATION</u> | <u>ix</u> |
| <u>EXCHANGE RATE DATA</u> | <u>xi</u> |
| <u>SUMMARY TERMS OF THE EXCHANGE OFFER AND THE EXCHANGE NOTES</u> | <u>1</u> |
| <u>DESCRIPTION OF THE BUSINESS</u> | <u>5</u> |
| <u>RISK FACTORS</u> | <u>8</u> |
| <u>USE OF PROCEEDS</u> | <u>26</u> |
| <u>CONSOLIDATED CAPITALIZATION</u> | <u>27</u> |
| <u>EARNINGS COVERAGE RATIOS</u> | <u>28</u> |
| <u>DESCRIPTION OF MATERIAL INDEBTEDNESS AND OTHER COMMITMENTS</u> | <u>30</u> |
| <u>THE EXCHANGE OFFER</u> | <u>31</u> |
| <u>INSURANCE REGULATORY MATTERS</u> | <u>39</u> |
| <u>DESCRIPTION OF THE NOTES</u> | <u>54</u> |
| <u>PRIOR SALES</u> | <u>63</u> |
| <u>CERTAIN ERISA CONSIDERATIONS</u> | <u>64</u> |
| <u>CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS</u> | <u>66</u> |
| <u>PLAN OF DISTRIBUTION</u> | <u>67</u> |
| <u>LEGAL MATTERS</u> | <u>68</u> |
| <u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS</u> | <u>69</u> |
| <u>AGENT FOR SERVICE OF PROCESS</u> | <u>70</u> |
| <u>DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT</u> | <u>71</u> |
| <u>CERTIFICATE OF THE COMPANY</u> | <u>C-1</u> |

Table of Contents

ABOUT THIS PROSPECTUS

You should rely only on the information contained in or incorporated by reference in this short form prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information provided by this short form prospectus is accurate as of any date other than the date on the front of this short form prospectus. Our business, financial condition, results of operations and prospects may have changed since the date on the front of this short form prospectus. The Exchange Notes are being offered only in jurisdictions in which offers and sales are permitted.

Table of Contents

PRESENTATION OF FINANCIAL INFORMATION

As the majority of our operations are in the United States or conducted in U.S. dollars, we report our consolidated financial statements in U.S. dollars in order to provide more meaningful information to users of our financial statements. In this short form prospectus except where otherwise indicated, all dollar amounts are expressed in U.S. dollars, references to "\$", "US\$" and "dollars" are to U.S. dollars and references to "Cdn\$" are to Canadian dollars.

We have prepared our audited consolidated financial statements as at and for the years ended December 31, 2017 and 2016 in accordance with IFRS as issued by the IASB. We have prepared our unaudited interim consolidated financial statements as at September 30, 2018 and for the three and nine months ended September 30, 2018 and 2017 in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements including IAS 34, *Interim Financial Reporting*.

Table of Contents

DOCUMENTS INCORPORATED BY REFERENCE AND WHERE YOU CAN FIND MORE INFORMATION

The following documents filed by us with the securities commission or similar authority in each of the provinces and territories of Canada are specifically incorporated by reference in this short form prospectus:

- (a) our annual information form for the year ended December 31, 2017, dated March 9, 2018;
- (b) our audited consolidated financial statements and the notes thereto, including consolidated balance sheets as at December 31, 2017 and 2016 and consolidated statements of earnings, comprehensive income, changes in equity and cash flows for each of the two years in the period ended December 31, 2017, and management's report on internal control over financial reporting set out on page 28 of our 2017 Annual Report, together with the report dated March 9, 2018 of our independent registered public accounting firm on these consolidated financial statements and on the effectiveness of internal control over financial reporting as of December 31, 2017;
- (c) management's discussion and analysis of financial condition and results of operations for the annual consolidated financial statements as at and for the periods referred to in paragraph (b);
- (d) our management proxy circular dated March 9, 2018 in connection with the annual meeting of shareholders held on April 26, 2018;
- (e) our unaudited interim consolidated financial statements and the notes thereto, including the consolidated balance sheets as at September 30, 2018 and December 31, 2017, the consolidated statements of earnings, comprehensive income and cash flows for the three and nine months ended September 30, 2018 and 2017 and the consolidated statements of changes in equity for the nine months ended September 30, 2018 and 2017;
- (f) management's discussion and analysis of financial condition and results of operations for the unaudited interim consolidated financial statements as at and for the periods referred to in paragraph (e); and
- (g) our business acquisition report dated August 2, 2017 in respect of the acquisition of Allied World (as defined herein) (the "**Allied World BAR**").

Any documents of the types referred to in paragraphs (a) to (g) above (excluding confidential material change reports) filed by us with the securities regulatory authorities in Canada after the date of this short form prospectus and prior to the termination of this distribution shall be deemed to be incorporated by reference herein.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this short form prospectus shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained in this short form prospectus, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada and the United States. Copies of the documents incorporated by reference herein and the Indenture may be obtained without charge by writing to the Company at Suite 800, 95 Wellington Street West, Toronto, Ontario, M5J 2N7. Attention: Corporate Secretary. Our telephone number at that address is (416) 367-4941.

Edgar Filing: FAIRFAX FINANCIAL HOLDINGS LTD/ CAN - Form F-10/A

The Company has filed a registration statement on Form F-10 with the SEC regarding the Exchange Notes, which includes this short form prospectus as part of such registration statement. For further information about us and the Exchange Notes, you should refer to the registration statement and its exhibits. This short form

Table of Contents

prospectus summarizes material provisions of agreements and other documents to which we refer you. Copies of these agreements and documents have been included as exhibits to the registration statement and you are encouraged to read these in their entirety.

The Company is currently subject to the periodic reporting and other informational requirements of the *U.S. Securities Exchange Act of 1934*, as amended (the "**Exchange Act**") and in accordance therewith files reports and other information with the SEC. However, the Company is a "foreign private issuer" as defined in Rule 405 of the Securities Act and therefore is not required to comply with Exchange Act provisions regarding the furnishing and content of proxy statements, and its officers and directors are exempt from the reporting and short swing profit recovery provisions contained in Section 16 of the Exchange Act. Additionally, under a multijurisdictional disclosure system adopted by the United States and Canada, public reporting documents and other information (including financial information) may be prepared in accordance with the disclosure requirements of the provincial and territorial securities regulatory authorities of Canada, which differ from those in the United States.

The registration statement (including the attached exhibits) and any other statements and information the Company files with the SEC will be available for inspection at the public reference room at the SEC's office located at 100 F Street, N.E., Washington, D.C. 20549. Copies may also be obtained by mail, upon payment of the SEC's customary charges, by writing to its principal office at 100 F Street, N.E., Washington, D.C. 20549. Information can also be obtained by calling the SEC at 1-800-732-0330. The SEC also maintains an Internet website that contains reports and other information about issuers who file reports with the SEC. The address of that website is www.sec.gov.

The Company also files information, such as periodic reports and financial information, with the Canadian Securities Administrators, which may be accessed at www.sedar.com.

Table of Contents

ENFORCEABILITY OF CIVIL LIABILITIES AGAINST FOREIGN PERSONS

The Company is a corporation organized under the laws of Canada and some of its assets are located in, and most of its directors and officers are residents of, Canada. As a result, it may be difficult for investors outside of Canada to effect service of process outside of Canada upon the Company's directors or officers, or to realize outside of Canada upon judgments of non-Canadian courts predicated upon civil liability of such directors or officers under non-Canadian securities laws. See "Agent for Service of Process".

We have been advised by Torys LLP, counsel to the Company, that a monetary judgment of a U.S. court predicated solely upon civil liability provisions of U.S. federal securities laws would likely be enforceable in Canada if the U.S. court in which judgment was obtained had a basis for jurisdiction that was recognized by a Canadian court for such purposes. We have also been advised by our counsel that it is less certain that an original action could be commenced in Canada on the basis of liability predicated solely upon such laws.

The Company has irrevocably appointed CT Corporation System, 111 Eighth Avenue, New York, New York 10011, as its authorized agent for service of process in any legal action or proceeding arising out of or relating to the Indenture (as defined below) and the Exchange Notes for actions brought under United States federal or state securities laws or for actions brought by either trustee or for any actions arising out of or related to the Indenture or the Exchange Notes in any New York Court, and has irrevocably submitted to the jurisdiction of the New York Courts for such purposes.

Table of Contents

FORWARD-LOOKING INFORMATION

This short form prospectus contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") within the meaning of applicable Canadian and United States securities legislation. Any statements made by us or on our behalf may include forward-looking information that reflect our current views with respect to future events and financial performance. The words "believe," "anticipate," "project," "expect," "plan," "intend," "predict," "estimate," "will likely result," "will seek to" or "will continue" and similar expressions identify forward-looking information. This forward-looking information relates to, among other things, our plans and objectives for future operations and underwriting profits. We caution readers not to place undue reliance on this forward-looking information, which speak only as of their dates. We are under no obligation to update or alter such forward-looking information as a result of new information, future events or otherwise, except as may be required by applicable securities laws. This forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. These uncertainties and other factors, which we describe in more detail elsewhere in this short form prospectus, or in documents incorporated by reference herein, include, but are not limited to:

our ability to refinance and/or repay certain of our outstanding debt or other corporate obligations on terms acceptable to us;

a reduction in net earnings if our loss reserves are insufficient;

underwriting losses on the risks we insure that are higher than expected;

the occurrence of catastrophic events with a frequency or severity exceeding our estimates;

changes in market variables, including interest rates, foreign exchange rates, equity prices and credit spreads, which could negatively affect our investment portfolio;

the cycles of the insurance market and general economic conditions, which can substantially influence our and our competitors' premium rates and capacity to write new business;

insufficient reserves for asbestos, environmental and other latent claims;

exposure to credit risk in the event our reinsurers fail to make payments to us under our reinsurance arrangements;

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

our inability to maintain our long term debt ratings, the inability of our subsidiaries to maintain financial or claims paying ability ratings and the impact of a downgrade of such ratings on derivative transactions that we and our subsidiaries have entered into;

risks associated with implementing our business strategies;

the timing of claims payments being sooner or the receipt of reinsurance recoverables being later than anticipated by us;

risks associated with any use we may make of derivative instruments;

the failure of any hedging methods we may employ to achieve their desired risk management objective;

a decrease in the level of demand for insurance or reinsurance products, or increased competition in the insurance industry;

the impact of emerging claim and coverage issues or the failure of any of the loss limitation methods we employ;

our inability to access cash of our subsidiaries;

Table of Contents

our inability to obtain required levels of capital on favourable terms, if at all;

the loss of key employees;

our inability to obtain reinsurance coverage in sufficient amounts, at reasonable prices or on terms that adequately protect us;

the passage of legislation subjecting our businesses to additional supervision or regulation, including additional tax regulation, in the United States, Canada or other jurisdictions in which we operate;

risks associated with government investigations of, and litigation and negative publicity related to, insurance industry practice or any other conduct;

risks associated with political and other developments in foreign jurisdictions in which we operate;

risks associated with legal or regulatory proceedings or significant litigation;

failures or security breaches of our computer and data processing systems;

disruptions of our information technology systems;

the influence exercisable by our significant shareholder;

adverse fluctuations in foreign currency exchange rates;

our dependence on independent brokers over whom we exercise little control;

an impairment in the carrying value of our goodwill and indefinite-lived intangible assets;

our failure to realize deferred income tax assets;

technological or other change which adversely impacts demand, or the premiums payable, for the insurance coverages we offer; and

assessments and shared market mechanisms which may adversely affect our insurance subsidiaries.

See the "Risk Factors" section of this short form prospectus and the section entitled "Issues and Risks" on pages 189 to 199 of our 2017 Annual Report for a further discussion of these risks and uncertainties.

Edgar Filing: FAIRFAX FINANCIAL HOLDINGS LTD/ CAN - Form F-10/A

Should one or more risk, uncertainty, contingency or other factor materialize or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information. Accordingly, you should not place undue reliance on forward-looking information. We do not assume any obligation to update or revise any forward-looking information after the date of this short form prospectus or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

x

Table of Contents**EXCHANGE RATE DATA**

The following table sets forth, for each period indicated, the low and high exchange rates for Canadian dollars expressed in United States dollars, the exchange rate at the end of such period and the average of such exchange rates for each day during such period, based on the rate of exchange as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars:

| | Year Ended December 31, | | | | Nine Months Ended September 30, | |
|------------|-------------------------|--------|--------|--------|------------------------------------|--------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2017 |
| Low | 0.8589 | 0.7148 | 0.6854 | 0.7276 | 0.7513 | 0.7276 |
| High | 0.9422 | 0.8527 | 0.7972 | 0.8245 | 0.8138 | 0.8245 |
| Period End | 0.8620 | 0.7225 | 0.7448 | 0.7971 | 0.7725 | 0.8013 |
| Average | 0.9058 | 0.7833 | 0.7555 | 0.7708 | 0.7769 | 0.7657 |

On December 10, 2018, the buying rate (as reported by the Bank of Canada) was Cdn\$1.00 = US\$0.7474.

Table of Contents

SUMMARY TERMS OF THE EXCHANGE OFFER AND THE EXCHANGE NOTES

We are able to incorporate by reference information into this short form prospectus, which means we can disclose important information to you in documents outside this short form prospectus. This summary is qualified in its entirety by and should be read in conjunction with the detailed information and financial statements incorporated by reference into this short form prospectus. This summary and the "Description of the Business" section that follows highlight selected information contained elsewhere in, or incorporated by reference into, this short form prospectus. You should read the entire short form prospectus and the information incorporated herein closely.

The Company is offering to exchange up to US\$600,000,000 aggregate principal amount of Initial Notes for an equal principal amount of Exchange Notes. In order to exchange your Initial Notes, you must validly tender them, as instructed herein and in the letter of transmittal. The Company will exchange all outstanding Initial Notes that are validly tendered and not validly withdrawn. The Company will issue the Exchange Notes as promptly as practicable after the expiration of the Exchange Offer.

Exchange Offer:

The Company will exchange your Initial Notes for an equal aggregate principal amount of Exchange Notes.

Resale of Exchange Notes:

Based on an interpretation by the staff of the SEC set forth in no-action letters issued to third parties, you may offer the Exchange Notes for resale, resell and otherwise transfer them without compliance with the registration or prospectus delivery provisions of the Securities Act if:

you are acquiring the Exchange Notes in the ordinary course of your business;

you are not participating, do not intend to participate and have no arrangement or understanding with any person to participate, in the distribution of the Exchange Notes issued to you; and

you are not an affiliate, under Rule 405 of the Securities Act, of the Company. Each broker-dealer that receives Exchange Notes for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes in the United States. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. The letter of transmittal also includes an acknowledgment that each person participating in the Exchange Offer does not intend to engage in a distribution of the Exchange Notes. In addition, the letter of transmittal includes an acknowledgment for each person that is a broker-dealer in connection with resales of Exchange Notes received in exchange for Initial Notes where such Initial Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities that such broker-dealer will satisfy any prospectus delivery requirements in connection with any resale of Exchange Notes received pursuant to the Exchange Offer. This short form prospectus, as it may be amended or supplemented from time to time, may be used by such broker-dealers for such prospectus delivery requirements. We have agreed that, for a period of 180 days after the Expiration Date (as defined herein), we will make this short form prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

Table of Contents

Any holder of Initial Notes who is our affiliate, does not acquire Exchange Notes in the ordinary course of its business, or tenders its Initial Notes in the Exchange Offer with the intention to participate, or for the purpose of participating, in a distribution of Exchange Notes, cannot rely on the position of the staff of the SEC enunciated in Morgan Stanley & Co. Incorporated (available June 5, 1991) and Exxon Capital Holdings Corporation (available May 13, 1988), as interpreted in Shearman & Sterling (available July 2, 1993), or similar no-action letters and, in the absence of an exemption therefrom, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the Exchange Notes in the United States.

You should read the discussion under the heading "Exchange Offer" for further information regarding the Exchange Offer and resale of the Exchange Notes.

Registration Rights Agreement:

The Company has undertaken this Exchange Offer pursuant to the terms of a registration rights agreement entered into with the initial purchasers of the Initial Notes (the "**Registration Rights Agreement**"). See "The Exchange Offer".

Consequences of Failure to Exchange Initial Notes:

You will continue to hold the Initial Notes that remain subject to their existing transfer restrictions if:

you do not tender your Initial Notes; or

you tender your Initial Notes and they are not accepted for exchange.

Subject to certain limited exceptions, the Company will have no obligation to register the Initial Notes after it consummates the Exchange Offer. See "The Exchange Offer Terms of the Exchange Offer Consequences of Failure to Exchange" and "The Exchange Offer Terms of the Exchange Offer Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes".

Expiration Date:

The Expiration Date for the Exchange Offer is 5:00 p.m., New York City time, on January 11, 2019, unless the Company extends it, in which case "Expiration Date" means 5:00 p.m. on the date to which the Exchange Offer is extended.

Conditions to the Exchange Offer:

The Exchange Offer is subject to certain customary conditions, which the Company may waive. See "The Exchange Offer Terms of the Exchange Offer Conditions".

Procedures for Tendering Initial Notes:

If you wish to accept the Exchange Offer, you must submit the required documentation and effect a tender of Initial Notes pursuant to the procedures for book-entry transfer (or other applicable procedures), all in accordance with the instructions described in this short form prospectus and in the relevant letter of transmittal. See "The Exchange Offer Terms of the Exchange Offer Procedures for Tendering", "The Exchange Offer Terms of the Exchange Offer Book Entry Transfer", "The Exchange Offer Terms of the Exchange Offer Exchanging Book-Entry Notes" and "The Exchange Offer Terms of the Exchange Offer Guaranteed Delivery Procedures".

Guaranteed Delivery Procedures:

If you wish to tender your Initial Notes, but cannot properly do so prior to the Expiration Date, you may tender your Initial Notes in accordance with the guaranteed delivery procedures described in "The Exchange Offer Terms of the Exchange Offer Guaranteed Delivery Procedures".

Table of Contents

| | |
|--|--|
| Withdrawal Rights: | Tenders of Initial Notes may be withdrawn at any time prior to the Expiration Date. To withdraw a tender of Initial Notes, a written or facsimile transmission notice of withdrawal must be received by the exchange agent at its address set forth in the letter of transmittal prior to the Expiration Date. |
| Acceptance of Initial Notes and Delivery of Exchange Notes: | Subject to certain conditions, any and all Initial Notes that are validly tendered in the Exchange Offer prior to the Expiration Date will be accepted for exchange. The Exchange Notes issued pursuant to the Exchange Offer will be delivered promptly following the Expiration Date. See "The Exchange Offer Terms of the Exchange Offer Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes". |
| U.S. Federal Income Tax Considerations: | The exchange of the Initial Notes for the Exchange Notes will not constitute a taxable exchange for U.S. federal income tax purposes. See "Certain U.S. Federal Income Tax Considerations". |
| Use of Proceeds: | The Company will not receive any proceeds from the issuance of the Exchange Notes. The Company is offering the Exchange Notes solely to satisfy its obligations under the Registration Rights Agreement. Initial Notes that are validly tendered (and not validly withdrawn) and exchanged will be retired and cancelled and cannot be reissued. See "Use of Proceeds". |
| Exchange Agent: | The Bank of New York Mellon is serving as the exchange agent. |
| Summary of Terms of the Exchange Notes: | The terms of the Exchange Notes are substantially identical to the terms of the Initial Notes except that the Exchange Notes: |

will be registered under the Securities Act, and therefore will not contain restrictions on transfer;

will not contain provisions relating to additional interest;

will bear a different CUSIP number from the Initial Notes;

will not entitle their holders to registration rights; and

will carry the same features as, and be fungible with, the Initial Notes that have been exchanged.

| | |
|--------------------------------|--|
| Issuer: | Fairfax Financial Holdings Limited |
| Exchange Notes Offered: | Up to US\$600,000,000 aggregate principal amount of 4.850% Senior Notes due 2028. |
| Maturity Date: | April 17, 2028. |
| Interest: | 4.850%. Interest is payable in semi-annual installments in arrears on each April 17 and October 17, commencing April 17, 2019. |
| Ranking: | The Exchange Notes will be direct, unsecured obligations of the Company. The Exchange Notes will rank equally and ratably with all of the Company's unsecured indebtedness. The Exchange Notes will be effectively subordinated to any secured indebtedness of the Company to the extent of the assets securing such indebtedness. The Exchange Notes will also be structurally subordinated to all obligations of the Company's subsidiaries. See "Risk Factors Risk Factors Relating to the Exchange Notes". |

Table of Contents

| | |
|---|---|
| Payment of Additional Amounts: | Any payments made by the Company with respect to the Exchange Notes will be made without withholding or deduction for Canadian taxes unless required by law. Subject to certain exclusions, if the Company is required by law to withhold or deduct for Canadian taxes with respect to a payment to the holders of the Exchange Notes, the Company will pay the additional amount necessary so that the net amount received by the holders of the Exchange Notes after the withholding or deduction is not less than the amount that they would have received in the absence of the withholding or deduction. See "Description of the Notes Payment of Additional Amounts". |
| Optional Redemption: | Prior to January 17, 2028 (the " Par Call Date "), the Company may redeem, in whole at any time or in part from time to time, the Exchange Notes at 100% of their principal amount, plus a "make whole" premium as described under the heading "Description of the Notes Optional Redemption," together with accrued and unpaid interest, if any, to, but excluding, the date of redemption. On or after the Par Call Date, the Company may redeem, in whole at any time or in part from time to time, the Exchange Notes at 100% of their principal amount together with accrued and unpaid interest, if any, to, the date of redemption. |
| Redemption for Tax Reasons: | The Company may redeem, in whole, but not in part, the Exchange Notes in the event of certain changes in the tax laws of Canada that could require the Company to pay additional amounts as described under "Description of the Notes Payment of Additional Amounts." The redemption price would be equal to 100% of the principal amount of the Exchange Notes, together with accrued and unpaid interest on the Exchange Notes to be redeemed to the date of redemption. See "Description of the Notes Redemption for Tax Reasons". |
| Restrictive Covenants: | The Indenture governing the Exchange Notes contains covenants that, among other things, limit our ability to: create liens on the capital stock of certain of the Company's subsidiaries; and enter into specific mergers or consolidations or convey, transfer or lease our properties and assets substantially as an entirety. See "Description of the Notes Certain Covenants". |
| Absence of Public Market for the Exchange Notes: | There is currently no established trading market for the Exchange Notes. The Company does not intend to apply for a listing of the Exchange Notes on any securities exchange or an automated dealer quotation system. Accordingly, there can be no assurance as to the development or liquidity of any market for the Exchange Notes and this may affect the pricing, transparency and availability of trading prices of the Exchange Notes. |