

ALLIED WORLD ASSURANCE COMPANY HOLDINGS, GMBH
SIGNIFICANT EVENT REPORT
(AS OF AUGUST 17, 2017)

Overview

References in this report to the terms “Allied World”, “we,” “our,” the “company” or other similar terms mean Allied World Assurance Company Holdings, GmbH and its subsidiaries (collectively, the “Allied World Group”), including Allied World Assurance Company, Ltd (“Allied World Bermuda”) and Allied World Assurance Company, AG – Bermuda Branch (“Allied World AG”). References to the term “Holdings” mean Allied World Assurance Company Holdings, GmbH.

This Significant Event Report has been compiled in accordance with the Insurance (Group Supervision) Rules 2011, as amended, of Bermuda.

We will make available, free of charge through our website (www.awac.com), this Significant Event Report as of August 31, 2017. A printed version is also available for any person who sends a request to Allied World Assurance Company, Ltd, 27 Richmond Road, Pembroke HM 08, Bermuda, Attention: Legal & Compliance Department.

1. Ownership Details

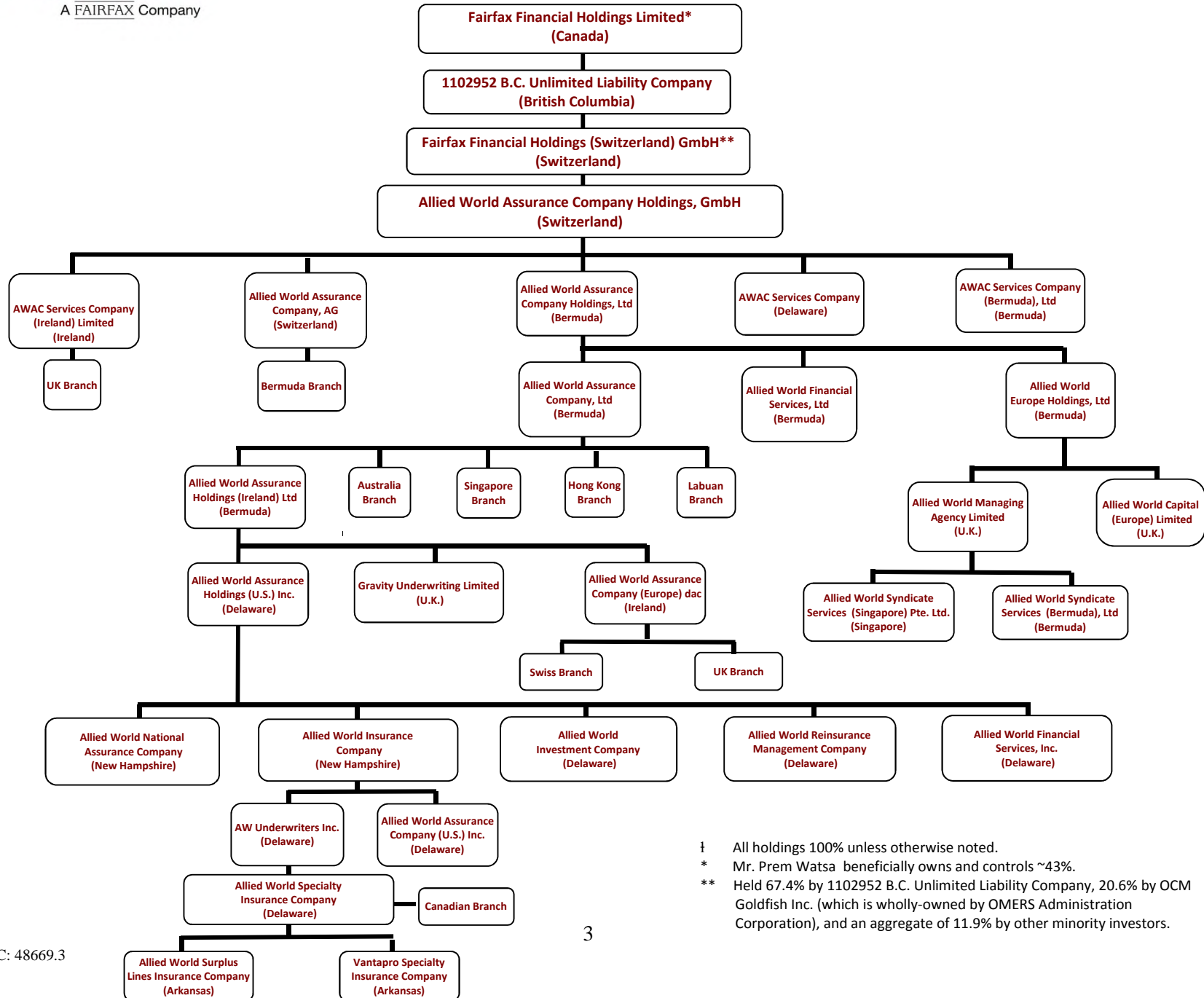
Effective as of August 17, 2017, Fairfax (Switzerland) GmbH, a company incorporated under the laws of Switzerland and a subsidiary of Fairfax Financial Holdings Limited, a corporation existing under the laws of Canada (TSX: FFH and FFH.U) (“Fairfax”), merged with Allied World Assurance Company Holdings, AG, with Fairfax (Switzerland) GmbH being the surviving entity and thereafter renamed “Allied World Assurance Company Holdings, GmbH” (the “Merger”).

Each of 1102952 B.C. Unlimited Liability Company (“1102952”), Fairfax Financial Holdings (Switzerland) GmbH (“FFH Switzerland”) and Fairfax (Switzerland) GmbH (“Fairfax Switzerland”) is a holding company subsidiary of Fairfax that was incorporated for the purpose of the acquisition of Allied World. 1102952, a British Columbia unlimited liability company, is a wholly-owned subsidiary of Fairfax. FFH Switzerland, a Swiss limited liability company, is owned approximately 67.1% by 1102952, approximately 21% by OCM Goldfish Inc. (“OCM”) and approximately 11.9% by other minority investors. Fairfax Switzerland, a Swiss limited liability company, is a wholly-owned subsidiary of FFH Switzerland.

Mr. Vivian Prem Watsa has been the Chairman and Chief Executive Officer of Fairfax since 1985. He beneficially owns and controls approximately 43% of the shares in Fairfax, and therefore holds an indirect control interest of approximately 29% in Allied World.

Please refer to the post-Merger Group Structure Chart below.

2. Group Structure[†] (as of August 17, 2017)



† All holdings 100% unless otherwise noted.

* Mr. Prem Watsa beneficially owns and controls ~43%.

** Held 67.4% by 1102952 B.C. Unlimited Liability Company, 20.6% by OCM Goldfish Inc. (which is wholly-owned by OMERS Administration Corporation), and an aggregate of 11.9% by other minority investors.

3. Board of Directors, Senior Executives

i. Holdings' Board of Directors

As a result of the Merger, the following individuals ceased to be directors of Holdings, effective as of August 17, 2017:

Barbara T. Alexander
Scott A. Carmilani
Bart Friedman
Patricia L. Guinn
Fiona E. Luck
Patrick de Saint-Aignan
Eric S. Schwartz
Samuel J. Weinhoff

As a result of the Merger, the following individuals are directors of Holdings, effective as of August 17, 2017:

Name	Position
G. Albrecht Langhart	Managing Officer (Director)
Stefan P. Wehrenberg	Managing Officer (Director)
Ronald Schokking	Managing Officer (Director)

G. Albrecht Langhart is a Partner with Blum&Grob Attorneys at Law Ltd. in Zurich, Switzerland where he is Head of the Working Group for Financial Services. Between 2005–2008, Dr. Langhart was Partner and Head of the Working Group for Financial Services at BLUM Attorneys at Law, Zurich. Between 1989-2005, he was an Associate and Partner with various business law firms in Zurich. Dr. Langhart has been an Arbitrator with the Swiss Association of Asset Managers since 2003. He was admitted to the Bar in Switzerland in 1988.

Stefan P. Wehrenberg is a Partner with Blum&Grob Attorneys at Law Ltd. in Zurich, Switzerland where he is the Responsible Partner and Head of Working Groups for Constitutional and Administrative Law (including Regulatory and FINMA, Supervisory Law, etc.); Criminal and Criminal Procedural Law (including Compliance and Corporate Governance). Between 2005–2008, Mr. Wehrenberg was Partner and Head of Working Groups for Constitutional and Administrative Law, as well as Criminal and Criminal Procedural Law, at BLUM Attorneys at Law, Zurich. From August 2003 to December 2004, he was a Senior Associate and Head of Section for Constitutional and Administrative Law, as well as Criminal and Criminal Procedural Law, at von Meiss Blum & Partner, Attorneys at Law, Zurich. From October 2002 to July 2003, Mr. Wehrenberg was an Associate with the Prosecutor's Office for the Special Court for Sierra Leone in Freetown. Prior to 2002, Mr. Wehrenberg served in various legal roles in Zurich. He was admitted to the Bar in Switzerland in 2000.

Ronald Schokking is Vice President and Treasurer with Fairfax. Mr. Schokking has been employed with Fairfax since 1989 and, in addition to his current role, serves as a director on a number of Fairfax subsidiaries. Mr. Schokking is a Chartered Professional Accountant.

ii. Holdings' Committee Membership

In connection with the Merger and the delisting of Holdings' shares from the New York Stock Exchange, which became effective as of August 17, 2017, the following committees of the Board were dissolved: Audit Committee, Compensation Committee, Enterprise Risk Committee, Executive Committee, Investment Committee and Nominating & Corporate Governance Committee. Due to the fact that Holdings is no longer a publicly traded company, various responsibilities of certain of these committees were no longer relevant. The responsibilities of these committees that continue to be relevant (*e.g.*, risk oversight, internal and external audit matters, investment matters, etc.) have been assumed by the Board.

iii. Holdings' Senior Executives

In connection with the acquisition of Allied World by Fairfax, Allied World's Chief Financial Officer, Thomas A. Bradley, and Chief Actuary, Marshall Grossack, both retired, effective as of July 31, 2017. The Chief Financial Officer was replaced by Allied World's then Chief Accounting Officer, Kent W. Ziegler, and the Chief Actuary was replaced by Allied World's then North American Chief Actuary, Dave B. Gelinne.

In addition, as a result of a management reorganization, the following reporting changes were made:

- Effective as of July 25, 2017, John J. McElroy no longer serves in the capacity as Chief Operating Officer and has been succeeded in this role by Thomas Kelly. Mr. Kelly's responsibilities include the oversight of real estate and administration, information technology, ceded reinsurance purchasing and project management on a global basis. John J. McElroy is now Executive Vice President, Global Insurance and oversees Marketing and Communications, Insurance Operations and Chief Underwriting Officers.
- Louis P. Iglesias was appointed Chief Executive Officer, Global Insurance (his previous title was President, North America) and has assumed oversight for all direct Chief Underwriting Officers and all insurance operations globally.
- Wesley D. Dupont was appointed Chief Executive Officer, Global Legal & Strategy (his previous title was Executive Vice President & General Counsel). He continues to oversee Legal, Human Resources, Tax & Government Affairs and Claims and now also oversees Strategy & Internal Audit.

- John R. Bender was appointed Chief Executive Officer, Global Reinsurance (his previous title was Chief Executive Officer, Reinsurance, Allied World Reinsurance Management Company) and, in addition to continuing to oversee reinsurance operations globally, assumed oversight of Ceded Re, IT and the Allied World portion of CAT Modeling.

The following are the current senior executives of Holdings:

Name	Position
Scott A. Carmilani	President & Chief Executive Officer
John R. Bender	Chief Executive Officer, Global Reinsurance
Wesley D. Dupont	Chief Executive Officer, Global Legal & Strategy
Frank N. D’Orazio	President, Underwriting and Global Risk
Dave B. Gelinne	Senior Vice President, Chief Actuary
Louis P. Iglesias	Chief Executive Officer, Global Insurance
Thomas P. Kelly	Chief Operating Officer
Christoph Murg	Vice President, Finance & Assistant Treasurer
Marie-Laure Queneuder	Senior Vice President, Chief Underwriting Officer
Kent W. Ziegler	Senior Vice President, Chief Financial Officer

iv. Senior Executives’ Biographies

Dave B. Gelinne was appointed Senior Vice President, Chief Actuary effective as of August 1, 2017. Prior to assuming this role, Mr. Gelinne served as our North American Chief Actuary since his arrival at Allied World in September of 2014. Mr. Gelinne came to Allied World after a 31 year career at AIG. He started his career as a profit center Actuary performing both pricing and reserving functions for the professional liability area of National Union. He became Chief Actuary of National Union after that and then spent approximately 15 years in the Risk Management area responsible for both pricing and reserving for large casualty lead programs for Commercial, Energy, Construction and other industry segments. Mr. Gelinne was the Americas Senior Vice President and Chief Actuary the last two years at AIG. In that role he was the Appointed Actuary for the US pool companies.

Thomas P. Kelly was appointed Chief Operating Officer effective as of July 25, 2017. Prior to assuming this role, Mr. Kelly served as Chief Underwriting Officer and Chief Operating Officer of Allied World Re from May 2008 through July 2017. Prior to joining Allied World in May of 2008, Mr. Kelly’s last role was Chief Underwriting Officer - Casualty for Platinum Underwriters Reinsurance, Inc. where he was employed from September 2001 through May 2008. He began his career with St. Paul Fire & Marine Insurance Company where he focused on underwriting property, casualty and professional coverages for financial institutions. Additional experience thereafter included employment with Financial Software Systems, Constitution Re, Zurich Financial Services and Guy Carpenter. He graduated from Rutgers College/Rutgers

School of Business with a bachelor’s degree in Finance. In addition, he has the CPCU, RPLU and ARE insurance industry designations.

Kent W. Ziegler was appointed Senior Vice President, Chief Financial Officer, effective as of August 1, 2017. Mr. Ziegler joined Allied World as Senior Vice President, Finance and Chief Accounting Officer in February 2013. Prior to joining us, from January 2010 through January 2013, Mr. Ziegler served as the Senior Vice President and Chief Financial Officer of the Retail Real Estate Division of JPMorgan Chase & Co. From 2005 to 2009, Mr. Ziegler served in JPMorgan Chase’s Business Banking Division, most recently as the Senior Vice President and Chief Financial Officer. From 1989 to 2004, Mr. Ziegler served in various financial and operational positions at Gulf Insurance Group, including as the Executive Vice President, Chief Financial Officer and Chief Administrative Officer. He began his career in public accounting at Ernst & Young.

v. Allied World Bermuda’s Board of Directors

In connection with his retirement, Thomas A. Bradley resigned as a director of Allied World Bermuda effective as of July 31, 2017.

Following are the current directors of Allied World Bermuda:

Name	Position
Scott A. Carmilani	Director
Wesley D. Dupont	Director
Michael McCrimmon	Director
Scott Hunter	Director (independent non-executive)

vi. Allied World Bermuda’s Senior Executives

The following individuals tendered their resignations and are no longer senior executives of Allied World Bermuda:

- Jonathan Lee, Senior Vice President, Finance, effective as of August 1, 2017; and
- Barry C. Zurbuchen, Senior Vice President & Chief Risk Officer, effective as of August 9, 2017.

Following are the current senior executives of Allied World Bermuda:

Name	Position
Michael McCrimmon	President, North American Property & Bermuda Branch Manager
Thomas McKevitt	Executive Vice President, Bermuda Reinsurance

Michael Hoffmann
Johann Hunter

Global Chief Underwriting Officer, Insurance
Vice President, Bermuda Controller

Johann Hunter was appointed Vice President, Bermuda Controller of Allied World Bermuda, effective as of August 1, 2017. Mr. Hunter joined Allied World Bermuda in 2008. Prior to joining Allied World, Mr. Hunter held various managerial audit roles at both PricewaterhouseCoopers Ltd. in Bermuda and RSM International in South Africa. Mr. Hunter holds a Bachelor of Commerce (Accounting) Degree and a Postgraduate Diploma in Accounting from the University of Johannesburg in South Africa. Mr. Hunter is also a member of the Chartered Professional Accountants of Bermuda and the South African Institute of Chartered Accountants.

vii. Allied World AG's Board of Directors

In connection with their retirement, Thomas A. Bradley and Marshall Grossack resigned as directors effective as of July 31, 2017.

Following are the current directors of Allied World AG:

Name	Position
Scott A. Carmilani	Director
Wesley D. Dupont	Director
Martin Frey	Director (independent non-executive)

viii. Allied World AG's Senior Executives

Effective as of August 1, 2017, Jonathan Lee resigned as Senior Vice President, Finance, of the Bermuda Branch of Allied World AG.

In addition, due to management reorganization within the Allied World Group, effective as of July 25, 2017, Todd Germano no longer serves in the capacity of Managing Director, Head of Global Products and Services of Allied World AG.

The following are the current senior executives of Allied World AG:

Name	Position
Marie-Laure Queneuder	Managing Director, Chief Underwriting Officer and Chief Claims Officer
Christoph Murg	Vice President, Finance & Treasurer
Michael McCrimmon*	President, North American Property & Bermuda Branch Manager

* Bermuda Branch officer.

4. Allied World Group Operations

Except for the changes to the directors and senior executives described above, there have been no material changes to the operations of Holdings, Allied World Bermuda, Allied World AG or the Allied World Group as a result of the Merger.

The Allied World Group will continue to operate under its current Allied World brand as a separate, decentralized group of companies within Fairfax's existing portfolio of insurance and reinsurance companies. Fairfax does not contemplate becoming involved in the day-to-day management of the Allied World Group. Consistent with such decentralized operating model, Fairfax intends to keep the Allied World Group intact and for Allied World to continue to operate under its current business plans and strategies.



Declaration on Significant Event Report

We declare that to the best of our knowledge and belief, as of August 31, 2017, this Significant Event Report fairly represents the financial condition of the insurance group in all material respects.

ALLIED WORLD ASSURANCE COMPANY HOLDINGS, GMBH

Scott Carmilani
President & Chief Executive Officer

Frank D'Orazio
President, Underwriting and Global Risk