

### **BY-LAW NO. 3**

A by-law relating generally to  
the transaction of the business  
and affairs of

**FARMERS EDGE INC.  
(the "Corporation")**

#### **DIRECTORS**

1. **Calling of and notice of meetings** Meetings of the board of directors will be held on such day and at such time and place as the Chief Executive Officer or Corporate Secretary of the Corporation or any two directors may determine. Notice of meetings of the board will be given to each director not less than 48 hours before the time when the meeting is to be held. The notice may be in writing and delivered or mailed or may be given by telephone, telegraph, facsimile or email and need not specify the purpose of business to be transacted at the meeting. A meeting of the board may be held and duly constituted at any time without notice if all the directors are present or, if any be absent, those absent have waived notice or signified their consent in writing to the meeting being held in their absence. Each newly elected board may without notice hold its first meeting for the purposes of organization and the appointment of officers immediately following the meeting of shareholders at which such board was elected.
2. **Quorum** A majority of the directors in office constitutes a quorum at any meeting of directors.
3. **Meetings by telephonic or electronic means** A director may participate in a meeting of directors or of a committee of directors by means of a telephonic, electronic or other communication facility that permits all participants in the meeting to communicate adequately with each other, and a director participating in the meeting by that means is deemed, for the purposes of the *Canada Business Corporations Act* to be present at the meeting.
4. **Votes to govern** At all meetings of the board every question will be decided by a majority of the votes cast on the question; and in case of an equality of votes the chair of the meeting will be entitled to a second or casting vote.
5. **Voting while participating by telephonic or electronic means** Any person participating in a meeting of directors and entitled to vote at that meeting may vote by means of the telephonic, electronic or other communication facility that the corporation has made available for that purpose.
6. **Interest of directors and officers generally in contracts** No director or officer will be disqualified by his or her office from contracting with the Corporation nor will any contract or arrangement entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor will any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director or officer holding that office or of the fiduciary relationship thereby established provided that, in each case, the director or officer has complied with the provisions of the *Canada Business Corporations Act*.

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## SHAREHOLDERS' MEETINGS

7. Quorum At any meeting of shareholders a quorum will be two persons present in person or by telephonic or electronic means and each entitled to vote at the meeting and holding or representing by proxy not less than 25% of the votes entitled to be cast at the meeting.

8. Meetings by telephonic or electronic means A person entitled to attend a meeting of shareholders may participate in the meeting by means of a telephonic, electronic or other communication facility that permits all participants in the meeting to communicate adequately with each other, and a shareholder participating in the meeting by that means is deemed, for the purposes of the *Canada Business Corporations Act*, to be present at the meeting.

9. Voting while participating by telephonic or electronic means Any person participating in a meeting of shareholders and entitled to vote at that meeting may vote by means of the telephonic, electronic or other communication facility that the corporation has made available for that purpose.

10. Postponement or cancellation of meetings A meeting of shareholders may be postponed or cancelled by the board at any time prior to the date of the meeting.

11. Procedures at meetings The board may determine the procedures to be followed at any meeting of shareholders including, without limitation, the rules of order. Subject to the foregoing, the chair of a meeting may determine the procedures of the meeting in all respects.

### 12. Advance Notice Provisions

The purpose of this Section 12 is to provide shareholders, directors and management of the Corporation with a transparent, fair and structured framework under which shareholders may submit director nominations, by fixing a deadline by which such nominations must be submitted by a shareholder prior to any annual or special meeting of shareholders of the Corporation. This Section 12 sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form and other procedures to be followed, in respect of director nominations, in order to:

- a) facilitate an orderly and efficient annual or, where the need arises, special meeting process;
- b) ensure that all shareholders, including those voting by proxy, receive adequate notice of director nominations and sufficient information with respect to all director nominees; and
- c) allow shareholders to cast an informed vote with respect to the election of directors.

The provisions of this Section 12 will be subject to periodic review and, subject to the *Canada Business Corporations Act*, may be amended for the purposes of, among other things, complying with the requirements of applicable securities regulatory authorities or stock exchanges, or to meet evolving industry standards.

For purposes of this Section 12:

**“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](http://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.

- (a) Subject only to the *Canada Business Corporations Act*, and for so long as the Corporation is a distributing corporation, only persons who are nominated in accordance with the following procedures will be eligible for election as directors of the Corporation. Nominations of persons for election to the board 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,
  - (i) by or at the direction of the board, including pursuant to a notice of meeting;
  - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Canada Business Corporations Act* or a requisition of the shareholders made in accordance with the provisions of the *Canada Business Corporations Act*; or
  - (iii) by any person (a **“Nominating Shareholder”**):
    - A. who, at the close of business on the date of the giving of the notice provided for below in this Section 12 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
    - B. who complies with the notice procedures set forth below in this Section 12.
- (b) 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 12(c) below) in proper written form to the board (in accordance with Section 12(d) below).
- (c) To be timely, a Nominating Shareholder’s notice to the board must be made:

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- (i) in the case of an annual meeting of shareholders (which includes an annual and special meeting), not less than 30 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 day following the Notice Date; and
- (ii) 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 15<sup>th</sup> 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,

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described in Section 12(c)(i) or Section 12(c)(ii), and the Notice Date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40<sup>th</sup> day before the applicable meeting. In the event of any adjournment or postponement of an annual meeting of shareholders or 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) or the announcement thereof, a new time period will commence for the giving of a Nominating Shareholder’s notice as described in Section 12(c)(i) or Section 12(c)(ii), as applicable.

- (d) To be in proper written form, a Nominating Shareholder’s notice to the board must:
  - (i) set forth, as to each person whom the Nominating Shareholder proposes to nominate for election as a director (each, a “**Proposed Nominee**”):
    - A. the name, age, business address and residential address of the person;
    - B. the principal occupation, business or employment of the person, both present and for the past five years;
    - C. the status of such person as a “**resident Canadian**” (as such term is defined in the *Canada Business Corporations Act*);
    - D. the class or series and number of shares which are controlled or which are owned beneficially or of record by the person;
    - E. full particulars regarding any contract, agreement, arrangement, understanding or relationship (collectively, “**Arrangements**”),

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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;

- F. whether the Proposed Nominee is party to any existing or proposed relationship, agreement, arrangement or understanding with any competitor of the Corporation or its affiliates or any other third party which may give rise to a real or perceived conflict of interest between the interests of the Corporation and the interests of the Proposed Nominee;
  - G. whether the Proposed Nominee is eligible for consideration as an independent director under the relevant standards contemplated by Applicable Securities Laws or any stock exchange rules that may be applicable to the Corporation; and
  - H. 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 *Canada Business Corporations Act* and Applicable Securities Laws.
- (ii) set forth, as to each Nominating Shareholder giving the notice and each beneficial owner, if any, on whose behalf the nomination is made:
- A. the name, business address and, if applicable, residential address of such person;
  - B. the class or series and number of shares in the capital of the Corporation which are controlled, or over which control or direction is exercised, directly or indirectly, by such person and its Representatives (and for each such person any options or other rights to acquire shares in the capital of the Corporation, any derivatives or other securities, instruments or arrangements for which the price or value or delivery, payment or settlement obligations are derived from, referenced to, or based on any such shares, and any hedging transactions, short positions and borrowing or lending arrangements relating to such shares);
  - C. 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 of the Corporation, and (2) any other Arrangement of such person or any of its Representatives relating to the voting of any shares of the Corporation or the nomination of any person(s) to the board;
  - D. 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

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Representatives in a security of the Corporation or the economic exposure of any such person or any of its Representatives to the Corporation;

- E. 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 of the Corporation in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Corporation in support of such nomination; and
  - F. 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 *Canada Business Corporations Act* and Applicable Securities Laws.
- (iii) be accompanied by a written consent duly signed by each Proposed Nominee to being named as a nominee for election to the board and to serve as a director of the Corporation, if elected.

Reference to "Nominating Shareholder" throughout this Section 12 will be deemed to refer to each shareholder that nominates a person for election as a director in the case of a nomination where more than one shareholder is involved in making such nomination proposal.

The Corporation may require any Proposed Nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility, under the various rules and standards (including any stock exchange requirements) applicable to the Corporation, of such Proposed Nominee to serve as an independent director of the Corporation and/or a member of any committee of the board, in the same manner as would be required and disclosed by the Corporation's other directors.

In addition to the provisions of this by-law, a Nominating Shareholder and any Proposed Nominee will also comply with all of the applicable requirements of the *Canada Business Corporations Act*, Applicable Securities Laws and applicable stock exchange rules regarding the matters set forth herein.

- (e) All information to be provided in a timely notice pursuant to Section 12(d) above will be provided as of the record date for determining shareholders entitled to vote at the meeting (if such date will then have been publicly announced) and as of the date of such notice. The Nominating Shareholder will update such information forthwith if there are any material changes in the information previously disclosed.
- (f) For the avoidance of doubt, Section 12(a) above will be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders of the Corporation. No person will be eligible for election as a director of the Corporation unless such person has been nominated in accordance with the provisions of this Section 12; provided, however, that nothing in this Section

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12 will 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 *Canada Business Corporations Act*. The chair of the meeting will 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 will be disregarded.

- (g) Notwithstanding any other provision of this Section 12 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 12 may only be given by personal delivery or by email (at the email address set out in the Corporation's issuer profile on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com)), and will 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 or emailed (to the address as aforesaid) (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 will be deemed to have been made on the next following day that is a business day.
- (h) Notwithstanding the foregoing, the board may, in its sole discretion, waive all or any of the requirements in this Section 12.

#### INDEMNIFICATION

13. Indemnification of directors and officers The Corporation will indemnify any director or officer of the Corporation, any former director or officer of the Corporation or any individual who acts or acted at the Corporation's request as a director or officer, or in a similar capacity, of another entity, and his or her heirs and legal representatives to the extent permitted by the *Canada Business Corporations Act*.

14. Indemnity of others Except as otherwise required by the *Canada Business Corporations Act* and subject to Section 13, the Corporation may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as an employee, agent of or participant in another entity, against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which he or she served at the Corporation's request and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction will not, of itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Corporation or other entity and,

with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his or her conduct was lawful.

15. Right of indemnity not exclusive The provisions for indemnification contained in the by-laws of the Corporation will not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in his or her official capacity and as to action in another capacity, and will continue as to a person who has ceased to be a director, officer, employee or agent and will inure to the benefit of that person's heirs and legal representatives.

16. No liability of directors or officers for certain matters To the extent permitted by law, no director or officer for the time being of the Corporation will be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation will be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or body corporate with whom or which any moneys, securities or other assets belonging to the Corporation will be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his or her respective office or trust or in relation thereto unless the same will happen by or through his or her failure to act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If any director or officer of the Corporation is employed by or performs services for the Corporation otherwise than as a director or officer or is a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact that the person is a director or officer of the Corporation will not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

#### BANKING ARRANGEMENTS, CONTRACTS, ETC.

17. Banking arrangements The banking business of the Corporation, or any part thereof, will be transacted with such banks, trust companies or other financial institutions as the board may designate, appoint or authorize from time to time and all such banking business, or any part thereof, will be transacted on the Corporation's behalf by one or more officers or other persons as the board may designate, direct or authorize from time to time.

18. Execution of instruments Contracts, documents or instruments in writing requiring execution by the Corporation will be signed by hand by any one officer or director of the Corporation (whether under the corporate seal of the Corporation, if any, or otherwise) and all contracts, documents or instruments in writing so signed will be binding upon the Corporation without any further authorization or formality. The board is authorized from time to time by resolution

- (a) to appoint any officer or any other person on behalf of the Corporation to sign by hand (whether under the corporate seal of the Corporation, if any, or otherwise) and deliver either contracts, documents or instruments in writing generally or to sign

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either by hand or by electronic transmission or mechanical signature or otherwise (whether under the corporate seal of the Corporation, if any, or otherwise) and deliver specific contracts, documents or instruments in writing, and

- (b) to delegate to any two officers of the Corporation the powers to designate, direct or authorize from time to time in writing one or more officers or other persons on the Corporation's behalf to sign either by hand or by electronic transmission or mechanical signature or otherwise (whether under the corporate seal of the Corporation, if any, or otherwise) and deliver contracts, documents or instruments in writing of such type and on such terms and conditions as such two officers see fit.

Contracts, documents or instruments in writing that are to be signed by hand may be signed electronically. The term "contracts, documents or instruments in writing" as used in this by-law includes without limitation deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds (including specifically but without limitation transfers and assignments of shares, warrants, bonds, debentures or other securities), proxies for shares or other securities and all paper writings.

#### MISCELLANEOUS

19. Invalidity of any provisions of this by-law The invalidity or unenforceability of any provision of this by-law will not affect the validity or enforceability of the remaining provisions of this by-law.

20. Omissions and errors The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting its substance will not invalidate any action taken at any meeting to which the notice related or otherwise founded on the notice.

#### INTERPRETATION

21. Interpretation In this by-law and all other by-laws of the Corporation words importing the singular number only include the plural and *vice versa*; words importing any gender include all genders; words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities; "board" means the board of directors of the Corporation; "**Canada Business Corporations Act**" means means *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 as from time to time amended, re-enacted or replaced; terms that are not otherwise defined in this by-law have the meanings attributed to them in the *Canada Business Corporations Act*; and "meeting of shareholders" means an annual meeting of shareholders or a special meeting of shareholders.

22. Investor Rights Agreement All of the provisions of this by-law will be subject to the terms and provisions of the investor rights agreement dated March 3, 2021 between the Corporation, certain subsidiaries of Fairfax Financial Holdings Limited and Osmington Inc. for so long as such agreement remains in force and effect.

REPEAL

23. Repeal By-law No. 2 of the Corporation is repealed as of the coming into force of this by-law provided that such repeal will not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under or the validity of any contract or agreement made pursuant to any such by-law prior to its repeal. All officers and persons acting under any by-law so repealed will continue to act as if appointed by the directors under the provisions of this by-law or the *Canada Business Corporations Act* until their successors are appointed.

Made on the 15<sup>th</sup> day of August, 2022.

**FARMERS EDGE INC.**

By: (signed) "Laura Workman"  
Name: Laura Workman  
Title: Corporate Secretary