

STEWART INFORMATION SERVICES CORP
Form DEFM14A
August 01, 2018

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Stewart Information Services Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
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(1) Amount Previously Paid:

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(4) Date Filed:

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PROPOSED MERGERS YOUR VOTE IS VERY IMPORTANT

Stewart Information Services Corporation

1980 Post Oak Boulevard, Suite 800
Houston, Texas 77056

August 1, 2018

Dear Stewart Stockholder:

On March 18, 2018, Stewart Information Services Corporation ("Stewart") entered into a definitive merger agreement (the "merger agreement") with Fidelity National Financial, Inc. ("FNF"), A Holdco Corp. ("Merger Sub I") and S Holdco LLC ("Merger Sub II" and, together with Merger Sub I, the "Merger Subs"). Pursuant to the terms of the merger agreement, Merger Sub I will merge with and into Stewart (the "merger"), with Stewart surviving the merger as a direct wholly-owned subsidiary of FNF. Immediately thereafter, Stewart will merge with and into Merger Sub II (the "second merger" and, together with merger, the "mergers"), with Merger Sub II surviving the second merger as a direct wholly-owned subsidiary of FNF.

If the mergers are completed, each share of Stewart common stock outstanding immediately prior to the effective time of the merger (other than shares owned by Stewart, its subsidiaries, FNF or the Merger Subs and shares in respect of which appraisal rights have been properly exercised and perfected under Delaware law) will be converted into, at the election of the holder of such share, subject to proration and adjustment (as described below), either (i) \$50.00 in cash (the "cash election consideration"), (ii) 1.2850 shares of FNF common stock (the "stock election consideration") or (iii) \$25.00 in cash and 0.6425 shares of FNF common stock (the "mixed election consideration"). Holders of Stewart common stock who do not make an election will receive the mixed election consideration. Your right to elect to receive the cash election consideration, the stock election consideration or the mixed election consideration is subject to proration as described in the section entitled "*The Mergers Procedures for Election Proration Procedures*".

The final amount of merger consideration that you will receive will not be known at the time you vote on the adoption of the merger agreement or make an election because it is dependent on whether or not the combined company is required to divest assets or businesses in order to receive required regulatory approvals, as described in the section entitled "*The Merger Agreement Efforts to Complete the Mergers*" beginning on page 122 of the accompanying proxy statement/prospectus. Under the terms of the merger agreement, if the combined company is required to divest assets or businesses with 2017 annual revenues in excess of \$75 million in order to receive required regulatory approvals (up to a cap of \$225 million of 2017 annual revenues), the merger consideration that you will receive will be adjusted downwards on a sliding scale between such amounts of divestitures up to a maximum reduction of \$4.50 in value in the event that businesses or assets with 2017 annual revenues of \$225 million are divested, with such adjustment to consist of (i) in the case shares of Stewart common stock with respect to which cash election consideration has been elected, a reduction of the amount of cash paid in respect of each share, (ii) in the case of shares of Stewart common stock with respect to which stock election consideration has been elected, a reduction in the number of shares of FNF common stock paid in respect of each share, and (iii) in the case of shares of Stewart common stock with respect to which mixed election consideration has been elected, a reduction in both the amount of cash and the number of shares of FNF common stock paid in respect of each share, with 50% of the aggregate value of such reduction to consist of a reduction of the cash consideration and 50% of the aggregate value of such reduction to consist of a reduction in the number of shares of FNF common stock. **There can be no assurance that divestitures of assets or businesses with 2017 annual revenues in excess of \$75 million will not occur, and accordingly there can be no assurance that the holders of Stewart common stock will receive the full amount of the cash election consideration, stock election consideration or mixed election consideration. See the sections entitled "*The Merger Agreement Merger Consideration*," "*The Mergers Procedures for Election Adjustment Procedures*" and "*The Merger Agreement Efforts to Complete the Mergers*."**

Based on certain representations, covenants and assumptions, all of which must continue to be true and accurate in all material respects as of the effective time of the mergers, it is the opinion of Davis Polk & Wardwell LLP that the mergers will qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). However, the completion of the mergers is not conditioned on the mergers qualifying for such treatment or upon the receipt of an opinion of counsel to that effect. Please see the discussion in the section entitled "*Summary Material U.S. Federal Income Tax Consequences of the Mergers*" beginning on page 17 of the accompanying proxy statement/prospectus.

We will hold a special meeting of our stockholders in connection with the proposed mergers on September 5, 2018 at 1980 Post Oak Boulevard, First Floor Conference Room 110.16, Houston, Texas 77056 at 8:30 a.m., local time (unless the special meeting is adjourned or postponed). At the special meeting (or any adjournment or postponement thereof), stockholders will be asked to vote on the proposal to approve and adopt the merger agreement. The affirmative vote of the holders of a majority of the outstanding shares of Stewart common stock entitled to vote thereon is required to approve and adopt the merger agreement.

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We cannot complete the mergers unless Stewart stockholders approve and adopt the merger agreement. **Your vote is very important, regardless of the number of shares you own. Whether or not you are able to attend the special meeting in person, please complete, sign and date the enclosed proxy card and return it in the envelope provided or by telephone (1-800-652-VOTE (8683)) or via the internet (at www.investorvote.com/STC) as promptly as possible so that your shares may be represented and voted at the special meeting (or any adjournment or postponement thereof).**

After careful consideration, the Stewart board of directors (the "Stewart board") has unanimously determined that the mergers and the other transactions contemplated by the merger agreement are advisable and fair to and in the best interests of Stewart stockholders and has unanimously approved the merger agreement. The Stewart board unanimously recommends that the Stewart stockholders vote "FOR" the proposal to approve and adopt the merger agreement.

In addition, the Securities and Exchange Commission has adopted rules that require us to seek a non-binding, advisory vote with respect to certain compensation that will or may be paid by Stewart to its named executive officers that is based on or otherwise relates to the acquisition. **The Stewart board unanimously recommends that Stewart stockholders vote "FOR" the named executive officer acquisition-related compensation advisory proposal described in the accompanying proxy statement/prospectus.**

The obligations of Stewart and FNF to complete the acquisition are subject to the satisfaction or waiver of certain conditions. The accompanying proxy statement/prospectus contains detailed information about Stewart, the special meeting, the merger agreement, the mergers and the other transactions contemplated by the merger agreement.

This proxy statement/prospectus is an important document containing answers to frequently asked questions and a summary description of the mergers and the merger agreement, followed by more detailed information about FNF, Stewart, the mergers, and the other matters to be voted upon by Stewart stockholders as part of the special meeting. **We urge you to read this document carefully and in its entirety. In particular, you should consider the matters discussed under "Risk Factors" beginning on page 29.**

Thank you for your consideration of this matter and your continued confidence in Stewart.

Sincerely,

Thomas G. Apel
Chairman of the Board of Directors

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE MERGERS, PASSED UPON THE MERITS OF THE MERGER AGREEMENT, THE MERGERS OR THE OTHER TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT OR DETERMINED IF THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The accompanying proxy statement/prospectus is dated August 1, 2018 and, together with the enclosed form of proxy, is first being mailed to Stewart stockholders on or about August 1, 2018.

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Stewart Information Services Corporation

**1980 Post Oak Boulevard, Suite 800
Houston, Texas 77056**

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

DATE & TIME September 5, 2018 at 8:30 a.m., local time.

PLACE 1980 Post Oak Boulevard
First Floor Conference Room 110.16
Houston, Texas 77056

ITEMS OF BUSINESS Consider and vote on:

A proposal to approve and adopt the Agreement and Plan of Merger, dated as of March 18, 2018, by and among Stewart Information Services Corporation ("Stewart"), Fidelity National Financial, Inc. ("FNF"), A Holdco Corp. and S Holdco LLC (the "merger agreement"), a copy of which is included as Annex A to the proxy statement/prospectus of which this notice forms a part, and pursuant to which Stewart will be acquired by FNF (the "mergers");

A proposal to approve, on a non-binding, advisory basis, certain compensation that will or may be paid by Stewart to its named executive officers that is based on or otherwise relates to the mergers; and

A proposal to approve an adjournment of the special meeting of stockholders of Stewart (the "special meeting"), including if necessary to solicit additional proxies in favor of the proposal to approve and adopt the merger agreement, if there are not sufficient votes at the time of such adjournment to approve and adopt the merger agreement.

RECORD DATE Stockholders of record at the close of business on July 10, 2018 are entitled to notice of and may vote at the special meeting.

A list of these stockholders will be open for examination by any stockholders for any purpose germane to the special meeting for a period of ten days prior to the special meeting at the executive offices of Stewart.

VOTING BY PROXY The Stewart board is soliciting your proxy to assure that a quorum is present and that your shares are represented and voted at the special meeting. For information on submitting your proxy over the internet, by telephone or by mailing back the traditional proxy card (no extra postage is needed for the provided envelope if mailed in the United States), please see the attached proxy statement/prospectus and enclosed proxy card. If you later decide to vote in person at the special meeting, information on revoking your proxy prior to the special meeting is also provided.

RECOMMENDATIONS The Stewart board unanimously recommends that you vote:

"**FOR**" the proposal to approve and adopt the merger agreement;

"**FOR**" the proposal to approve, by a non-binding, advisory vote, certain compensation that may be paid or become payable to Stewart's named executive officers that is based on or otherwise relates to the mergers; and

"FOR" the proposal to authorize the adjournment of the special meeting by Stewart to permit further solicitation of proxies, if necessary or appropriate, if sufficient votes are not represented at the Stewart special meeting to approve and adopt the merger agreement.

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APPRAISAL RIGHTS

Stockholders of Stewart who do not vote in favor of the approval and adoption of the merger agreement will have the right to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery if the mergers are completed, but only if they submit a written demand for appraisal to Stewart before the vote is taken on the merger agreement and they comply with all requirements of Section 262 of the Delaware General Corporation Law as in effect on March 18, 2018, the date of the parties' entry into the merger agreement, the text of which section can be found in Annex C to the accompanying proxy statement/prospectus and the requirements of which section are summarized in the accompanying proxy statement/prospectus beginning on page C-1. Stockholders who do not vote in favor of the merger agreement proposal who submit a written demand for such an appraisal prior to the vote on the merger agreement proposal and who comply with the other procedures set forth in Section 262 of the Delaware General Corporation Law will not receive the merger consideration.

YOUR VOTE IS VERY IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING IN PERSON, PLEASE VOTE OVER THE INTERNET OR BY TELEPHONE PURSUANT TO THE INSTRUCTIONS CONTAINED IN THESE MATERIALS, OR BY MAIL BY COMPLETING, DATING, SIGNING AND RETURNING A PROXY CARD AS PROMPTLY AS POSSIBLE. IF YOU ATTEND THE SPECIAL MEETING AND WISH TO VOTE YOUR SHARES PERSONALLY, YOU MAY DO SO AT ANY TIME BEFORE THE PROXY IS EXERCISED.

Your proxy may be revoked at any time before the vote at the special meeting, or any adjournment or postponement thereof, by following the procedures outlined in the accompanying proxy statement/prospectus.

Please note that we intend to limit attendance at the special meeting to stockholders as of the record date (or their authorized representatives). If your shares are held by a broker, bank or other nominee, please bring to the special meeting your account statement evidencing your beneficial ownership of Stewart common stock as of the record date. All stockholders should also bring photo identification.

The proxy statement/prospectus of which this notice forms a part provides a detailed description of the merger agreement, the mergers and the other transactions contemplated by the merger agreement. We urge you to read the proxy statement/prospectus, including any documents incorporated by reference, and its annexes carefully and in their entirety. If you have any questions concerning the mergers or the proxy statement/prospectus, would like additional copies of the proxy statement/prospectus or need help voting your shares of Stewart common stock, please contact Stewart's proxy solicitor:

Innisfree M&A Incorporated
501 Madison Avenue, 20th Floor
New York, New York 10022
Stockholders May Call Toll-Free: (888)750-5834
Banks and Brokers Call Collect: (212) 750-5833

By Order of the Board of Directors of Stewart Information
Services Corporation,

Thomas G. Apel
Chairman of the Board of Directors

Houston, Texas
August 1, 2018

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ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Stewart from documents that are not included in or delivered with this proxy statement/prospectus. **This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this proxy statement/prospectus free of charge by visiting FNF's website (www.fnf.com) or Stewart's website (www.stewart.com) or requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:**

**Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
(904) 854-8100
Attention: Corporate Secretary**

**Stewart Information Services Corporation
1980 Post Oak Blvd. Houston,
Texas 77056
(713) 625-8100
Attention: Corporate Secretary**

In addition, if you have questions about the mergers or the Stewart special meeting, or if you need to obtain copies of the accompanying proxy statement/prospectus, proxy card or other documents incorporated by reference in the proxy statement/prospectus, you may contact Innisfree, Stewart's proxy solicitor, at the address, telephone number and email listed below. You will not be charged for any of the documents you request.

**Innisfree M&A Incorporated
501 Madison Avenue, 20th Floor
New York, New York 10022
Stockholders May Call Toll-Free:
(888)750-5834
Banks and Brokers Call Collect:
(212) 750-5833**

If you would like to request any documents, please do so by 11:59 p.m. Eastern time, on August 29, 2018 in order to receive them before the Stewart special meeting.

For a more detailed description of the information incorporated by reference in this proxy statement/prospectus and how you may obtain it, see "*Where You Can Find More Information*".

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ABOUT THIS PROXY STATEMENT/PROSPECTUS

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (referred to as the "SEC") by FNF, constitutes a prospectus of FNF under the Securities Act of 1933, as amended (referred to as the "Securities Act"), with respect to the shares of FNF Group common stock (referred to as the "FNF common stock") to be issued to Stewart stockholders pursuant to the merger. This proxy statement/prospectus also constitutes a proxy statement for Stewart under Section 14(a) of the Securities Exchange Act of 1934, as amended (referred to as the "Exchange Act"). It also constitutes a notice of meeting with respect to the special meeting of Stewart stockholders.

FNF has supplied all information contained in this proxy statement/prospectus relating to FNF, and Stewart has supplied all information contained herein or incorporated by reference into this proxy statement/prospectus relating to Stewart. FNF and Stewart have both contributed information relating to the transactions. You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated August 1, 2018, and you should assume that the information contained in this proxy statement/prospectus is accurate only as of such date. You should assume that the information incorporated by reference into this proxy statement/prospectus is only accurate as of the date of such information. Neither the mailing of this proxy statement/prospectus to Stewart stockholders nor the issuance by FNF of shares of FNF common stock pursuant to the merger will create any implication to the contrary.

This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this proxy statement/prospectus regarding Stewart has been provided by Stewart and information contained in this proxy statement/prospectus regarding FNF has been provided by FNF.

Unless otherwise indicated or as the context otherwise requires, all references in this proxy statement/prospectus to:

"adjournment proposal" refers to the proposal to authorize the adjournment of the Stewart special meeting by Stewart to permit further solicitation of proxies, if necessary or appropriate, if sufficient votes are not represented at the Stewart special meeting to approve the merger agreement proposal;

"cash electing share" means each share of Stewart common stock with respect to which a cash election has been properly made and not revoked;

"cash election" means the election by a Stewart stockholder to receive cash as merger consideration in respect of a share of Stewart common stock;

"cash election consideration" refers to the merger consideration received in respect of a share of Stewart common stock as a result of the holder of such share of Stewart common stock electing to receive merger consideration in cash, subject to pro rata reductions to the extent such election is oversubscribed;

"closing" refers to the closing of the mergers;

"combined company" refers collectively to FNF and Stewart, following completion of the mergers;

"Davis Polk" refers to Davis Polk & Wardwell LLP;

"DGCL" refers to the General Corporation Law of the State of Delaware;

"**DLLCA**" refers to the Limited Liability Company Act of the State of Delaware;

"**effective time**" refers to the effective time of the merger;

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"Exchange Act" means the Securities Exchange Act of 1934, as amended;

"exchange agent" means Continental Stock Transfer & Trust Company;

"exchange ratio" refers to the quotient (rounded to the nearest four decimal places) obtained by dividing (a) the per share price (as defined below) by (b) the FNF common stock share price, which, if the per share price equals \$50.00, the parties agree shall be 1.2850, subject to further adjustment as set forth in the merger agreement;

"per share price" means an amount in cash, without interest, equal to an amount the greater of (i) (x) \$50.00 minus the per share cash reduction amount (as defined below) and (ii) \$45.50;

"per share cash reduction amount" means an amount in cash equal to the lesser of (i) \$4.50, multiplied by a fraction (x) the numerator of which is the amount by which the 2017 annual revenues generated by businesses or assets that are required to be divested by the combined company in order to receive required regulatory approvals to complete the mergers exceed \$75,000,000 and (y) the denominator of which is \$150,000,000 and (ii) \$4.50.

"FNF" refers to Fidelity National Financial, Inc., a Delaware corporation;

"FNF board" refers to the board of directors of FNF;

"FNF charter" means the Fifth Amended and Restated Certificate of Incorporation of FNF;

"FNF common stock" refers to the FNF Group common stock, par value \$0.0001 per share;

"FNF stockholders" refers to holders of FNF common stock;

"HSR Act" refers to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;

"merger" refers to the merger through which Merger Sub I merges with and into Stewart, with Stewart surviving the merger as a direct wholly-owned subsidiary of FNF;

"merger agreement" refers to the Agreement and Plan of Merger, dated as of March 18, 2018, as it may be amended from time to time, by and among FNF, Stewart, Merger Sub I and Merger Sub II;

"merger agreement proposal" refers to the proposal to approve and adopt the merger agreement;

"merger consideration" refers to the right of holders of Stewart common stock as of the record date for the Stewart special meeting to receive either the mixed election consideration, the cash election consideration or the stock election consideration, in each case, in accordance with the merger agreement;

"**Merger Sub I**" refers to A Holdco Corp., a Delaware corporation and a direct wholly-owned subsidiary of FNF;

"**Merger Sub II**" refers to S Holdco LLC, a Delaware limited liability company and a direct wholly-owned subsidiary of FNF;

"**Merger Subs**" refers collectively to Merger Sub I and Merger Sub II;

"**mergers**" refers collectively to the merger and the second merger;

"**mixed consideration electing share**" means each share of Stewart common stock with respect to which a mixed election has been properly made and not revoked;

"**mixed election**" means the election by a Stewart stockholder to receive 50% cash and 50% FNF common stock as merger consideration in respect of a share of Stewart common stock;

"**mixed election consideration**" refers to the merger consideration received in respect of a share of Stewart common stock as a result of the holder of such share of Stewart common stock electing to receive merger consideration 50% cash and 50% FNF common stock;

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"non-binding compensation advisory proposal" refers to the proposal to approve, by a non-binding advisory vote, certain compensation that may be paid or become payable to Stewart's named executive officers that is based on or otherwise relates to the mergers;

"NYSE" refers to the New York Stock Exchange;

"parent share price" means an amount equal to the average of the daily volume weighted average prices of a share of FNF common stock for each of the 20 trading days prior to the date of the merger agreement, on the NYSE, as reported by Bloomberg, or \$38.91.

"Required Antitrust Regulatory Filings/Approvals" means the expiration or termination of the waiting period under the HSR Act and the filings, consents, approvals, authorizations, clearances or other actions under any other applicable competition law set forth in the merger agreement;

"Required Insurance Regulatory Filings/Approvals" means the insurance regulatory filings and approvals set forth in the merger agreement;

"Sarbanes-Oxley Act" means the Sarbanes-Oxley Act of 2002;

"SEC" refers to the U.S. Securities and Exchange Commission;

"second merger" refers to the merger through which Stewart merges with and into Merger Sub II, with Merger Sub II surviving the merger as a direct wholly-owned subsidiary of FNF;

"Securities Act" means the Securities Act of 1933, as amended;

"Stewart" refers to Stewart Information Services Corporation, a Delaware corporation;

"Stewart board" refers to the board of directors of Stewart;

"Stewart common stock" refers to the common stock, par value \$1.00 per share, of Stewart;

"Stewart financial advisor" refers to Citigroup Global Markets Inc., or "Citi";

"Stewart stockholder approval" refers to the adoption of the merger agreement at the Stewart special meeting by the affirmative vote of the holders of a majority of all outstanding shares of Stewart common stock as of the record date for the Stewart special meeting;

"Stewart stockholders" refers to the holders of Stewart common stock as of the record date for the Stewart special meeting;

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"Stewart special meeting" refers to the special meeting of Stewart stockholders held in order to receive the Stewart stockholder approval;

"stock electing share" means each share of Stewart common stock with respect to which a stock election has been properly made and not revoked;

"stock election" means the election by a Stewart stockholder to receive FNF common stock as merger consideration in respect of a share of Stewart common stock;

"stock election consideration" refers to the merger consideration received in respect of a share of Stewart common stock as a result of the holder of such share of Stewart common stock electing to receive merger consideration in FNF common stock, subject to pro rata reductions to the extent such election is oversubscribed;

"subsequent effective time" refers to the effective time of the second merger;

"transaction" refers to the mergers and the other transactions contemplated by the merger agreement and described in this proxy statement/prospectus;

"we", "our" and "us" refer to Stewart and FNF, collectively; and

"Weil" refers to Weil, Gotshal & Manges LLP.

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QUESTIONS AND ANSWERS

The following are some questions that you, as a stockholder of Stewart, may have regarding the mergers, the consideration to be received in the transaction and the matters being considered at the Stewart special meeting as well as the answers to those questions. Stewart urges you to carefully read the remainder of this proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the mergers and the other matters being considered at the Stewart special meeting. Additional important information is also contained in the Annexes to and the documents incorporated by reference into this proxy statement/prospectus, as well as the registration statement to which this proxy statement/prospectus relates, including the exhibits to the registration statement.

Q:
Why am I receiving this proxy statement/prospectus?

A:
You are receiving this proxy statement/prospectus because FNF, Stewart, Merger Sub I and Merger Sub II have entered into a merger agreement pursuant to which, on the terms and subject to the conditions set forth in the merger agreement, FNF has agreed to acquire Stewart by means of a merger of Merger Sub I with and into Stewart, with Stewart surviving the merger as a wholly owned subsidiary of FNF, and your vote is required in connection with the merger. The merger agreement, which governs the terms of the merger, is attached to this proxy statement/prospectus as Annex A.

The merger agreement must be adopted by the holders of shares of Stewart common stock in accordance with the DGCL in order for the mergers to be consummated. At the Stewart special meeting, the Stewart stockholders will consider and vote on a proposal to adopt the merger agreement, along with certain other matters described in this proxy statement/prospectus.

If the mergers are completed, the surviving corporation will become a wholly owned subsidiary of FNF, and Stewart will no longer be a publicly traded company.

Q:
What will I receive in the mergers?

A:
At the effective time, each share of Stewart common stock issued and outstanding immediately prior to the effective time (other than shares owned by Stewart, its subsidiaries, FNF or the Merger Subs and dissenting shares in respect of which appraisal rights have been properly exercised and perfected under Delaware law) will be converted into the right to receive, at your election but subject to the adjustment and proration procedures described in further detail in the sections entitled "The Merger Agreement Merger Consideration," "The Mergers Procedures for Election Adjustment Procedures" and "The Mergers Procedures for Election Proration Procedures", either:

- (1) \$50.00 in cash, referred to as the cash election consideration;
- (2) 1.2850 shares of FNF common stock, referred to as the stock election consideration; or
- (3) \$25.00 in cash and 0.6425 shares of FNF common stock, referred to as the mixed election consideration.

Under the terms of the merger agreement, if the combined company is required to divest assets or businesses with 2017 annual revenues in excess of \$75 million in order to receive required regulatory approvals (up to a cap of \$225 million of 2017 annual revenues), the merger consideration that you will receive will be adjusted downwards on a sliding scale between such amounts of divestitures up to a maximum reduction of \$4.50 in value in the event that businesses or assets with 2017 annual revenues of \$225 million are divested, with such adjustment to consist of (i) in the case shares of Stewart common stock with respect to which cash election consideration

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has been elected, a reduction of the amount of cash paid in respect of each share, (ii) in the case of shares of Stewart common stock with respect to which stock election consideration has been elected, a reduction in the number of shares of FNF common stock paid in respect of each share, and (iii) in the case of shares of Stewart common stock with respect to which mixed election consideration has been elected, a reduction in both the amount of cash and the number of shares of FNF common stock paid in respect of each share, with 50% of the aggregate value of such reduction to consist of a reduction of the cash consideration and 50% of the aggregate value of such reduction to consist of a reduction in the number of shares of FNF common stock.

There can be no assurance that divestitures of assets or businesses with 2017 annual revenues in excess of \$75 million will not occur, and accordingly there can be no assurance that the holders of Stewart common stock will receive the full amount of the cash election consideration, stock election consideration or mixed election consideration.