

New Account Application

For Individuals, Trusts, and Other Fiduciaries

FAIRHOLME

Use this application to open a non-retirement account by mail only. Please read the application carefully and complete all sections below. Alternatively, you can open a New Account online by visiting www.fairholmefunds.com and selecting MY ACCOUNT (with the exception of Trusts or Other Fiduciaries at this time).

If paying by wire, call **Shareholder Services** at (866) 202-2263 for instructions and to obtain an account number prior to sending funds.

Initial Investment

Check the appropriate Fund(s):

The Fairholme Fund

The Fairholme Focused Income Fund

Amount of initial investment

\$ _____

\$ _____

The minimum initial investment amount for The Fairholme Fund and The Fairholme Focused Income Fund is \$10,000.

Individual(s)

Owner

Name (First, Middle, Last)

Social Security # or Foreign Tax ID

Date of Birth (mm/dd/yyyy)

U.S. Citizen or Resident

Non-U.S. Citizen*

Country of Citizenship (if not U.S.): _____

**Non-U.S. Citizens must attach copy of unexpired government issued identification and Internal Revenue Service ("IRS") Form W-8 (download from www.irs.gov)*

Joint Owner

Must check one of the following for joint accounts. If no selection is made, default is "Joint Tenants with Right of Survivorship."

Tenants with Rights of Survivorship

Community Property

Tenants in Entirety

Tenants in Common

Name (First, Middle, Last)

Social Security # or Foreign Tax ID

Date of Birth (mm/dd/yyyy)

U.S. Citizen or Resident

Non-U.S. Citizen*

Country of Citizenship (if not U.S.): _____

** Non-U.S. Citizens must attach a copy of unexpired government issued identification and IRS Form W-8 (download from www.irs.gov)*

Gifts/Transfers to Minors

Custodian's Name (First, Middle, Last)

Social Security #

State of Residence

Date of Birth (mm/dd/yyyy)

Minor's Name (First, Middle, Last)

Social Security #

State of Residence

Date of Birth (mm/dd/yyyy)

** Not applicable for Non-U.S. Citizens*

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For Individuals, Trusts, and Other Fiduciaries

FAIRHOLME

Trusts or other Fiduciaries

Please include entire trust agreement or other official documents. Non-U.S. citizens must attach a copy of unexpired government issued identification.

Name of Trust/Estate

EIN/Tax ID or Social Security #

Date of Trust Instrument (mm/dd/yyyy)

Name of trustee or person authorized to act on behalf of this account (First, Middle, Last)

Social Security # or Foreign Tax ID

Date of Birth (mm/dd/yyyy)

Residential Address

City/State or Province

Zip or Postal Code

Country

Name of co-trustee or additional person authorized to act on behalf of this account (First, Middle, Last)

Social Security # or Foreign Tax ID

Date of Birth (mm/dd/yyyy)

Residential Address

City/State or Province

Zip or Postal Code

Country

Trusts or Other Fiduciaries Check the appropriate box:

Estate Trust Guardian

Other Entity (please list): _____

Contact Information

Mailing Address

City/State or Province

Zip or Postal Code

Country

Daytime Telephone #

Evening Telephone #

Email Address (required)

If an email address is not provided, applicant will be subject to rejection of the New Account Application.

Residency Address Information Check here if your legal address is the same as your mailing address above.

Legal Address (cannot be a Post Office Box)

City/State or Province

Zip or Postal Code

Country

If you are a Texas resident, please see the information on page 4 regarding designating an unclaimed property representative.

Cost Basis Election

The Fairholme Funds are responsible for tracking and reporting to the IRS your realized gains and losses on covered shares. In general, these are shares acquired on or after January 1, 2012.

Cost basis reporting does not apply to C-corporation or exempt organization accounts.

The Fairholme Funds' **default** tax lot identification method is Average Cost, which means shares are depleted on a first in/first out basis with the cost basis calculated by taking the shares redeemed multiplied by the average cost per share. You may elect an alternative method below.

Note: IRS Regulations do not permit the change of the method on a settled trade.

I elect the Funds' default method of Average Cost

I elect a method other than Average Cost:

First In, First Out - FI

High Cost, First Out - HI

Highest Cost Long Term, First Out - H1

Lowest Cost Long Term, First Out - L1

Specific Lot Depletion - SL

Last In, First Out - LI

Lowest Cost, First Out - LO

Highest Cost Short Term, First Out - H2

Lowest Cost Short Term, First Out - L2

For additional information regarding descriptions of cost basis elections, please visit www.fairholmefunds.com. If no option is selected above, your account will use the Funds' default of Average Cost. We strongly encourage that you consult your tax adviser if you have any questions about cost basis reporting options.

Signatures

I have received and understand the Prospectus of The Fairholme Fund and The Fairholme Focused Income Fund (the "Fund"), whichever applies to this application. I understand the Fund's investment objective, risks, and policies and agree to be bound by the terms of the Prospectus. I agree to notify the Fund of any errors or discrepancies within 45 days after the date of the statement confirming a transaction. The statement will be deemed to be correct, and the Fund and its transfer agent shall not be liable if I fail to notify the Fund within such time period. I certify that I am of legal age and have legal capacity to make this purchase. The Fund and its transfer agent, officers, directors, employees, or agents of these entities will not be responsible for banking system delays beyond their control. By completing the Automatic Investment Plan ("AIP") and/or Telephone and Online Options sections, I authorize my bank to honor all entries to my bank account initiated through Bank of New York Mellon, on behalf of the Fund. The Fund will not be liable for acting upon instructions believed to be genuine and in accordance with the procedures described in the Prospectus or the rules of the Automated Clearing House. When AIP or Telephone and Online Purchase transactions are initiated, sufficient funds must be in my account to pay them. I agree that my bank's treatment and rights to respect each entry shall be the same as if it were signed by me personally. I agree that if any such entries are dishonored with good or sufficient cause, my bank shall be under no liability whatsoever. I further agree that any such authorization, unless previously terminated by my bank in writing, is to remain in effect until the Fund's transfer agent receives and has had a reasonable amount of time to act upon a written notice of revocation.

The IRS requires Form W-9 in order to certify a shareholder's taxpayer identification number related to their mutual fund account. If a shareholder does not furnish a completed Form W-9 to Bank of New York Mellon, the account will be subject to backup withholding at a rate of 28% on all tax reportable distributions; e.g. dividends, capital gains, redemptions, and exchanges (*Form W-9 may be downloaded from www.irs.gov*).

Required by Federal tax law to avoid backup withholding:

I certify under penalties of perjury that:

1. The number shown on this form is my correct taxpayer identification number and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding or (b) I have not been notified by the IRS that I am subject to backup withholding as a result of failure to report all interest or dividends or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (**including a U.S. resident alien**)
4. I am exempt from Foreign Account Tax Compliance Act ("FATCA") reporting. If you are exempt from FATCA reporting, please select the appropriate FATCA Exemption Code(s) from the list below and enter them here _____.

The following codes identify payees that are exempt from FATCA backup withholding:

- 1 - An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2 - The United States or any of its agencies or instrumentalities
- 3 - A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- 4 - A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5 - A corporation
- 6 - A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States
- 7 - A futures commission merchant registered with the Commodity Futures Trading Commission
- 8 - A real estate investment trust
- 9 - An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10 - A common trust fund operated by a bank under section 584(a)
- 11 - A financial institution
- 12 - A middleman known in the investment community as a nominee or custodian
- 13 - A trust exempt from tax under section 664 or described in section 4947

Certification Instructions: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

If you are a non-U.S. citizen please check here and include an IRS Form W-8 (BEN, IMY, or EXP) with this application to ensure applicable backup withholding for your country or residency (*Form W-8 may be downloaded from www.irs.gov*).

Notice Regarding Unclaimed Property: If no activity occurs in your account within the time period specified by the applicable law, your property may be transferred to the appropriate state. If you are a Texas resident and owner of mutual fund shares, you have the right to designate a representative for the purpose of receiving the abandoned property notices required under Texas law. The designated representative will not have any rights or access to your mutual fund shares and will only receive notice if your property is deemed abandoned. To take advantage of your right to designate a representative, please complete the Designation of Representative for Notice Request form which can be downloaded at <https://claimit.texas.org/docs/98-1036.pdf> and send to us using the mailing addresses listed on page 5.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

As requested on the account application (the "Application"), you must supply your full name, date of birth, social security number or taxpayer identification number, and permanent street address. Mailing addresses containing only a P.O. Box will not be accepted. For certain entities opening an account, such as trusts, estates, or other organizations, identifying documentation is required. If you need additional assistance when completing your Application, please call (866) 202-2263 and a representative from *Shareholder Services* will help you.

The Fund may accept or reject an account without explanation. If the Fund has questions about your identity or the identity of any entity seeking to open an account, it may disallow transactions for the account until confirming information is received. The Fund reserves the right to close any account within five business days if requested information/documentation is not received or if your identity is not verified. The Fund will not be responsible for any losses or damages (*including but not limited to lost opportunities*) resulting from any restriction placed upon your account or for closing your account. By opening an account you signify you agree to these procedures and accept responsibility for any losses or damages resulting from their implementation.

| | | |
|----------------------|------------|-------------------|
| Signer Authorization | Print Name | Date (mm/dd/yyyy) |
|----------------------|------------|-------------------|

| | | |
|-------------------------|------------|-------------------|
| Co-signer Authorization | Print Name | Date (mm/dd/yyyy) |
|-------------------------|------------|-------------------|

Investment Instructions

The minimum investment to open an account is \$10,000.

Payment by CHECK Payment by WIRE

Check Instructions: Make check payable to The Fairholme Fund, The Fairholme Focused Income Fund, or The Fairholme Allocation Fund.

Wire Instructions: If paying by wire, please call Shareholder Services at (866) 202-2263 for instructions and to obtain an account number prior to sending funds. We accept bank to bank transfers only - not Western Union or other moneygrams.

Mailing Addresses

Mail completed application (along with a check, if applicable) to:

First Class Mail

Fairholme Funds, Inc.
P.O. Box 534443
Pittsburgh, PA 15253-4443

Overnight/Express Mail

Fairholme Funds, Inc.
Attention: 534443
500 Ross Street, 154-0520
Pittsburgh, PA 15262
(866) 202-2263

Checklist

- I am a Non-U.S. Investor and have included proof of identity and IRS Form W-8.
- I am a U.S. Investor and have included IRS Form W-9.
- I have included my email address.
- I have included the Entire Trust Agreement, and any other official documents, if applicable.
- I have reviewed the additional cost basis information found on www.fairholmefunds.com.
- I have included a VOIDED check, if applicable.
- All authorized signers have signed and dated the application.