

## CLARKE ANNOUNCES SPECIAL MEETING TO CONSIDER PROPOSED SHARE RESTRUCTURING

August 31, 2020 – *Halifax, Nova Scotia* – Clarke Inc. ("**Clarke**" or the "**Company**") (TSX:CKI)(TSX:CKI.DB), announced today that it has called a special meeting of Clarke's shareholders (the "**Meeting**") to be held on October 15, 2020 to approve a proposed consolidation and subsequent share split of its common shares ("**Common Shares**") in order to eliminate a large number of small and odd-lot shareholdings ("**Share Restructuring Plan**").

Clarke currently has 15,749,124 Common Shares outstanding. Approximately 410,617 Common Shares, or approximately 2.6% of the total number of outstanding Common Shares, are held by approximately 1,772 shareholders, each holding fewer than 1,000 Common Shares. Many of these small and odd-lot holdings were acquired at various times in the past. The Company incurs administrative costs through the dissemination of interim statements, annual statements and associated continuous disclosure materials to these small shareholders. Additionally, shareholders with small or odd-lot holdings have had no cost effective option to dispose of their shares. The consolidation proposal provides a cost effective liquidity option for small shareholders to sell their holdings and liquidate their investment on favorable terms, relative to current and recent market trading prices without payment of brokerage fees that in many cases would be more than their sale proceeds.

The basis of the proposed consolidation of Common Shares is one post-consolidated Common Share for each 1,000 pre-consolidated Common Shares (the "**Consolidation**"). Holders of fewer than 1,000 Common Shares who do not increase their holdings to 1,000 or more Common Shares prior to the determination date for the Consolidation (the "**Determination Date**"), which shall be set as soon as possible following receipt of requisite approvals, will cease to hold Common Shares and will be entitled to be paid cash consideration equal to that number of pre-Consolidation Common Shares held by the holder multiplied by an amount equal to the volume weighted average trading price of the Common Shares for the twenty trading days preceding the Consolidation, rounded to the nearest whole cent. Immediately following the Consolidation, the remaining Common Shares will be split on the basis of 1,000 post-split Common Shares for each 1 post-Consolidation Common Share. The end result will mean those shareholders who held 1,000 or more shares prior to the restructuring will retain the same number of shares after the restructuring.

The materials to be sent to shareholders with the Meeting materials will contain instructions to be followed by shareholders if the Share Restructuring Plan is approved at the Meeting. Registered shareholders will be required to complete a letter of transmittal, surrender their certificates or DRS advices and receive (i) cash (in the case of shareholders who hold fewer than 1,000 Common Shares) or (ii) new DRS advices representing the same number of Common Shares that they held prior to the Determination Date (in the case of shareholders who own 1,000 or more Common Shares). Any certificates or DRS advices representing fewer than 1,000 Common Shares immediately prior to the Determination Date which have not been surrendered in accordance with the letter of transmittal on or prior to the sixth anniversary date of the effective date of the Consolidation will cease to represent a claim or interest of any kind or nature against the Company.

Non-registered shareholders (those who own Common Shares beneficially (a) through an intermediary (including, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans), or (b) in the name of a clearing agency (such as CDS)), are not required to submit a letter of transmittal. The intermediary or the clearing agency will take the appropriate steps to ensure that the non-registered shareholders' accounts are adjusted (i) for cash (in

the case of shareholders who hold fewer than 1,000 Common Shares) or (ii) in the case of shareholders who own 1,000 or more Common Shares, to reflect the new CUSIP number issued on the Share Restructuring Plan and they will continue to hold the same number of Common Shares as they did before the Share Restructuring Plan.

The Share Restructuring Plan is subject to prior approval of the TSX.

### **About Clarke**

Halifax-based Clarke invests in a variety of private and publicly-traded businesses and participates actively where necessary to enhance the performance of such businesses and increase its return. Clarke's securities trade on the Toronto Stock Exchange (CKI, CKI.DB); for more information about Clarke Inc., please visit our website at [www.clarkeinc.com](http://www.clarkeinc.com).

### **Note on Forward-Looking Statements and Risks**

This press release may contain or refer to certain forward-looking statements relating, but not limited, to receipt of shareholder approval of the Share Restructuring Plan, completion of the Share Restructuring Plan and the realization of the perceived benefits of the Share Restructuring Plan. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "does not expect", "is expected", "budgets", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or equivalents or variations of such words and phrases, or state that certain actions, events or results, "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements include, without limitation, those with respect to the future or expected performance of the Company's investee companies, the future price and value of securities held by the Company, changes in these securities holdings, the future price of oil and value of securities held in the Company's energy basket, changes to the Company's hedging practices, currency fluctuations and requirements for additional capital. Forward-looking statements rely on certain underlying assumptions that, if not realized, can result in such forward-looking statements not being achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others, the Company's investment strategy, legal and regulatory risks, general market risk, potential lack of diversification in the Company's investments, interest rates, foreign currency fluctuations, the sale of Company investments, the fact that dividends from investee companies are not guaranteed, reliance on key executives, commodity market risk, risks associated with investment in derivative instruments and other factors. With respect to the Company's investment in a ferry operation, such risks and uncertainties include, among others, weather conditions, safety, claims and insurance, labour relations, and other factors.

Although the Company has attempted to identify important factors that could cause actions, events or results not to be as estimated or intended, there can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Other than as required by applicable Canadian securities laws, the Company does not update or revise any such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements.

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