

## Clarke Inc. Announces Special Dividend and Adopts New Dividend Policy

HALIFAX, June 10, 2016 /CNW/ - Clarke Inc. ("Clarke" or the "Company") (TSX: CKI) announces that it has adopted a new dividend policy.

### Regular Dividend

In August 2012, Clarke introduced a quarterly dividend of \$0.06 per share and subsequently increased its quarterly dividend to \$0.08 per share and then \$0.10 per share. Clarke's quarterly dividend has remained at \$0.10 per share since September 2013, implying an annualized dividend of \$0.40 per share. Since the introduction of the dividend, Clarke has returned a total of \$25.4 million to shareholders by way of dividends (inclusive of the previously declared July 15, 2016 dividend payment).

During much of the period Clarke has paid a dividend, Clarke funded such dividend through internally generated cash flows, including from its former Freight Transportation business. In recent quarters, Clarke has elected to deploy capital in several investments that do not generate recurring cash flow and has also elected to retain a considerable amount of capital in the form of cash pending more attractive investment opportunities. As a result of these investment allocation decisions, Clarke's internally generated cash flow has been insufficient to fully fund recent dividend payments with the result that a portion of Clarke's dividend payments have been funded from Clarke's cash balances.

Clarke's board of directors has, therefore, determined to cease paying a regular quarterly dividend. The previously announced first quarter dividend payment (declared on May 5, 2016 and to be paid on July 15, 2016) will be Clarke's last regular quarterly dividend payment.

### Special Dividend

Following the sale of various investments in 2013 and 2014, Clarke has held a considerable amount of cash on hand pending the identification of more attractive investment opportunities. The Company continues to see limited investment opportunities outside of the energy industry. Moreover, the Company does not wish to materially increase its investment exposure to the energy industry at this time.

Clarke's board of directors has, therefore, declared a special dividend in the amount of \$2.00 per share, payable on June 27, 2016 to shareholders of record at the end of business on June 16, 2016. The aggregate amount of this dividend is approximately \$31.3 million and represents approximately 85% of Clarke's current cash on hand.

Clarke's board of directors intends to review the Company's dividend policy on a regular basis and may re-institute a regular dividend or declare one or more special dividends in the future.

### **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). 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, Clarke's expectations, intentions, plans and beliefs with respect to Clarke. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "does not expect", "is expected", "budget", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or equivalents or variations, including negative 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 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 Clarke to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. 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 and interest rates and foreign currency fluctuations. Although Clarke has attempted to identify important factors that could cause actual actions, events or results or cause actions, events or results not to be 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, Clarke 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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