

CLARKE

CLARKE INC. ANNOUNCES DIVIDEND OF ITS SHARES OF TERRAVEST INDUSTRIES INC. TO SHAREHOLDERS

Halifax, Nova Scotia; March 3, 2020 – Clarke Inc. (“Clarke”) Clarke announces that its Board of Directors has declared a dividend-in-kind (the “Dividend”) on its common shares (the “Clarke Shares”) in the form of a pro rata distribution of the 5,386,440 shares of Terravest Industries Inc. (“Terravest”) that Clarke owns.

The Dividend will be paid on March 25, 2020 (the “Payment Date”) to shareholders of Clarke of record at the close of business on March 18, 2020 (the “Record Date”).

No fractional shares or cash in lieu thereof (or any other form of payment) will be payable under the Dividend. Any fractional interests in the Terravest shares under the Dividend will be rounded down to the nearest whole number of Terravest shares. Based upon the number of Clarke Shares currently outstanding, and without taking into effect the exercise of any options or conversion of any debentures currently outstanding or the effect of rounding for fractional interests, approximately 0.33 Terravest shares will be distributed under the Dividend for every one Clarke Share held on the Record Date.

It is expected that certificates evidencing the Terravest shares distributed under the Dividend will be mailed to the Clarke shareholders of record shortly after the Payment Date.

Due Bill Trading

As the amount of the Dividend represents a distribution greater than 25% of Clarke’s market value at the Dividend declaration date, the Dividend will be subject to the due bill trading requirements of the Toronto Stock Exchange (the “TSX”). The TSX requires that the Clarke Shares trade on a due bill basis from the opening of trading on March 17, 2020 until the close of trading on the Payment Date of March 25, 2020. This means that sellers who sell Clarke Shares during the due bill period shall also sell their entitlement to the Dividend to the respective purchasers of such Clarke Shares. The Clarke Shares will commence trading on an ex-distribution basis (without an attached due bill entitlement to the Dividend) from the opening of trading on March 26, 2020 (the next trading day after the Payment Date). The due bills will be redeemed on March 27, 2020, once all trades with attached due bills entered during the due bill period have settled.

Tax Matters

The Dividend is considered an “eligible dividend” for Canadian income tax purposes. Clarke shareholders that receive the Dividend may be subject to tax consequences in Canada and/or their jurisdiction of residence. Clarke shareholders are urged to consult their tax advisors or contact their local office of the Canada Revenue Agency and, where applicable, the provincial taxation authorities regarding the tax treatment of the Dividend.

In order to comply with its statutory withholding obligations, Clarke will, with respect to shareholders of record having a registered address outside of Canada on the Record Date, withhold and retain all

interest, right and title to that number of Terravest shares required to meet Clarke's withholding obligations with respect to such shareholders (the "Withheld Shares") and remit to the Canada Revenue Agency, in cash, the equivalent of the fair market value of the Withheld Shares. The Board of Directors of Clarke has determined the fair market value of the Dividend to be \$5.49 per Clarke Share (the "Dividend Adjustment Value"), being equal to (i) the value of Clarke's Terravest shares using the volume-weighted average trading price of the Terravest shares on the TSX since February 11, 2020, being the date Terravest released its financial results for the period ending December 31, 2019, divided by (ii) the number of Clarke Shares outstanding.

Adjustments to Debentures and Stock Options

In accordance with the Fourth Amended and Restated Trust Indenture dated as of September 30, 2019 governing Clarke's unsecured subordinated convertible debentures (the "Debentures"), the Board of Directors of Clarke has determined to adjust the conversion price of the Debentures to reflect the Dividend based on the Dividend Adjustment Value. Accordingly, assuming 0.33 Terravest shares are distributed under the Dividend for every one Clarke Share held on the Record Date, the current conversion price of the Debentures of \$19.23 will be reduced by \$5.49 to \$13.74 per Clarke Share and such new conversion price will be effective on the next trading day after the Payment Date.

Clarke also intends to reduce the strike price of all outstanding options based on the Dividend Adjustment Value, effective on the next trading day after the Payment Date. Accordingly, assuming 0.33 Terravest shares are distributed under the Dividend for every one Clarke Share held on the Record Date, the strike price of all outstanding options will be reduced by \$5.49.

Other

Clarke does not expect to pay tax on the distribution of its Terravest shares. Following the distribution of its Terravest shares, Clarke will own its hotel and ferry operating businesses, a portfolio of office properties located in Houston, TX, its 13% interest in Trican Well Services Inc. and will continue to administer two pension plans for current and former employees of Clarke, which have a surplus of \$29 million.

About Clarke Inc.

Clarke invests in public businesses, private businesses and real estate and participates actively in such investments to enhance their performance and maximize its return. Clarke's shares and debentures trade on the Toronto Stock Exchange under the symbols "CKI" and "CKI.DB". For more information about Clarke Inc., please visit our website at www.clarkeinc.com.

Forward-Looking Statements

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", "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 Record Date and the Payment Date, the number of Terravest shares issuable under the Dividend, the tax consequences of the Dividend to Clarke shareholders and the specific adjustments to the exercise price of the outstanding stock options and the conversion price of the convertible debentures.

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. Such risks and uncertainties include, among others, Clarke's investment strategy, legal and regulatory risks, general market risk, potential lack of diversification in Clarke's investments, interest rates, foreign currency fluctuations, the sale of Clarke 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.

Although Clarke 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, 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.

For further information, please contact:

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