



## **DUNDEE CORPORATION ANNOUNCES PROPOSED EXCHANGE OF SERIES 4 PREFERRED SHARES FOR SERIES 5 PREFERRED SHARES PURSUANT TO A PLAN OF ARRANGEMENT**

Toronto, Ontario – November 23, 2015 – Dundee Corporation (DC.A, DC.PR.C) (“**Dundee**” or the “**Company**”) today announced that it is proposing a preferred share exchange transaction pursuant to which each of its First Preference Shares, Series 4 par value \$17.84 (the “**Series 4 Preferred Shares**”) would be exchanged for 0.7136 of a First Preference Share, Series 5 par value \$25.00 (the “**Series 5 Preferred Shares**”) pursuant to a statutory plan of arrangement under the *Business Corporations Act* (Ontario) (the “**Arrangement**” or the “**Transaction**”).

The Company has called a special meeting (the “**Meeting**”) of the holders of Series 4 Preferred Shares (the “**Series 4 Preferred Shareholders**”) to consider the Arrangement for 9:00 a.m. (Toronto time) on January 7, 2016, at the offices of Dundee Corporation, 1 Adelaide St. East, Suite 2100, Toronto, Ontario, Canada, M5C 2V9. The Management Information Circular of the Company (the “**Circular**”) for the Meeting will be mailed to the Series 4 Preferred Shareholders and filed on SEDAR in due course.

The Company has engaged GMP Securities L.P. (“**GMP**”) as its financial advisor and dealer manager, and Shorecrest Group Ltd. as its proxy advisor and paying agent in connection with the Transaction.

The board of directors of Dundee (the “**Board of Directors**”) has unanimously determined that the Arrangement is fair to the Series 4 Preferred Shareholders (as well as to the holders of all other classes and series of shares) and is in the best interests of Dundee, and unanimously recommends that the Series 4 Preferred Shareholders vote FOR the Arrangement Resolution (as defined below). The determination of the Board of Directors is based on various factors, including a fairness opinion of GMP.

The Company has received substantial support for the Arrangement based on confidential consultations with representatives of significant holders of the Series 4 Preferred Shares. To be effective, the Arrangement must be approved by a resolution (the “**Arrangement Resolution**”) passed at the Meeting by not less than two-thirds (66<sup>2/3</sup>%) of the votes validly cast by the Series 4 Preferred Shareholders present in person or represented by proxy.

The completion of the Arrangement is conditional on, among other things, the holders of the Series 4 Preferred Shares approving the Arrangement, the approval of the Toronto Stock Exchange, dissent rights not having been exercised with respect to more than 10% of the issued and outstanding Series 4 Preferred Shares, any required lender approvals and other customary conditions.

**Series 4 Preferred Shareholders who vote in favour of the Arrangement and their brokers may be entitled to certain consent payments, depending on when their vote is received among other things.** See “Consent Payments” below. Series 4 Preferred Shareholders are encouraged to vote regardless of how many Series 4 Preferred Shares they own. Series 4 Preferred Shareholders should follow the instructions provided on the voting instruction form to be provided by their broker, investment dealer, bank, trust company or other intermediary to ensure their vote is counted at the Meeting.

## **Details of the Transaction**

### ***Reasons for the Arrangement***

By recommending the Arrangement Resolution to the Series 4 Preferred Shareholders, the Board of Directors believes the Arrangement Resolution provides a number of anticipated benefits to the Series 4 Preferred Shareholders, including, without limitation, the following:

- (a) the Series 5 Preferred Shares will have a dividend rate of 6% per annum, which is greater than the current dividend rate on the Series 4 Preferred Shares of 5% per annum;
- (b) each Series 4 Preferred Share (each having a par value and redemption price of \$17.84 per Series 4 Preferred Share) will be exchanged for 0.7136 of a Series 5 Preferred Share, which will adjust the par value and redemption price to \$25.00 per Series 5 Preferred Share, aligning with standard market convention;
- (c) the Series 5 Preferred Shares will be redeemable by the Company at its option by the payment of an amount in cash for each Series 5 Preferred Share so redeemed as outlined below. Currently, the Series 4 Preferred Shares are redeemable by the Company at its option at par, together with any accrued and unpaid dividends to but excluding the redemption date. As a result, until June 30, 2019, the Company will not be able to redeem the Series 5 Preferred Shares at its option unless it pays a redemption premium over par, and the Series 5 Preferred Shares will not be callable at the par value of \$25.00 per share until the date at which the holder of a Series 5 Preferred Share may require the Company to redeem such share at \$25.00 per share; and
- (d) the Series 4 Preferred Shareholders will have the opportunity to receive the Consent Payments outlined below.

The Board of Directors also believes that the Arrangement Resolution provides a number of anticipated benefits to the Company and indirect benefits to the holders of the other classes (and series) of shares of the Company as follows:

- (a) by extending the retraction date of the Series 4 Preferred Shares through the issuance of the Series 5 Preferred Shares from June 30, 2016 to June 30, 2019, the Company can repurpose up to \$107,040,000 that would have been needed should the holders have required the Company to redeem the Series 4 Preferred Shares on or after June 30, 2016 at the par price of \$17.84 per Series 4 Preferred Share;
- (b) the Company will maintain financial flexibility for future opportunistic business developments; and
- (c) the Series 5 Preferred Shares will continue to be serviceable at an attractive cost of capital.

### ***Series 5 Preferred Shares***

The rights, privileges, restrictions and conditions of the Series 5 Preferred Shares will be similar to those of the Series 4 Preferred Shares, except that:

- the cumulative dividend rate will be 6% per annum, being an annual dividend of \$1.50 per Series 5 Preferred Share, or a quarterly dividend of \$0.3750 per Series 5 Preferred Share. This is greater than the current cumulative dividend rate on the Series 4 Preferred Shares of 5% per annum;

- the Series 5 Preferred Shares will be redeemable by Dundee by the payment of an amount in cash for each Series 5 Preferred Share so redeemed of (i) \$25.75 per share if redeemed prior to June 30, 2017, (ii) \$25.50 per share if redeemed on or after June 30, 2017 and prior to June 30, 2018, (iii) \$25.25 per share if redeemed on or after June 30, 2018 and prior to June 30, 2019, and (iv) \$25.00 per share if redeemed on or after June 30, 2019, plus, in each case, an amount equal to all accrued and unpaid dividends thereon to but excluding the date fixed for redemption. Currently, the Series 4 Preferred Shares are redeemable by Dundee at par, together with any accrued and unpaid dividends to but excluding the redemption date; and
- the date after which holders may require Dundee to redeem the Series 5 Preferred Shares for cash and before which Dundee may convert the Series 5 Preferred Shares into Dundee's Class A Subordinate Voting Shares will be June 30, 2019, as opposed to June 30, 2016, which is the date after which holders of Series 4 Preferred Shares may require Dundee to redeem the Series 4 Preferred Shares for cash or before which Dundee may convert the Series 4 Preferred Shares into Dundee's Class A Subordinate Voting Shares.

### ***Dividends***

Series 4 Preferred Shareholders as at the close of business on the anticipated dividend record date of December 17, 2015 are expected to receive a final dividend in respect of their Series 4 Preferred Shares in the amount of \$0.2230 per share, which is expected to be paid on the dividend payment date of December 31, 2015. After that, if the Arrangement is completed, holders of Series 5 Preferred Shares will be entitled to receive a quarterly dividend of \$0.3750 per Series 5 Preferred Share in accordance with the terms of the Series 5 Preferred Shares.

Series 4 Preferred Shareholders are urged to carefully review the Circular once it is available as it will contain further details on the terms and conditions of the Arrangement, including the Series 5 Preferred Shares.

### ***Consent Payments***

If the Arrangement is completed, Dundee will make certain payments ("**Consent Payments**") to the Series 4 Preferred Shareholders and their brokers, investment dealers, banks, trust companies or other intermediaries (collectively, "**Intermediaries**"), subject to certain procedures and conditions which will be outlined in the Circular:

- a Consent Payment of an aggregate of \$0.4014 per Series 4 Preferred Share (the "**Early Consent Payment**") (representing 2.25% of the par value of the Series 4 Preferred Shares) will be paid by Dundee in respect of each Series 4 Preferred Share that is voted FOR the Arrangement Resolution on or prior to December 31, 2015 (the "**Early Deadline**"), provided such vote is valid and is not subsequently withdrawn. The Intermediary will be entitled to receive and retain \$0.1784 of such amount (representing 1.00% of the par value of the Series 4 Preferred Shares) and the holder of the Series 4 Preferred Share will be entitled to receive \$0.2230 of such amount from its Intermediary (representing 1.25% of the par value of the Series 4 Preferred Shares); and
- a Consent Payment of \$0.2676 per Series 4 Preferred Share (the "**Later Consent Payment**") (representing 1.50% of the par value of the Series 4 Preferred Shares) will be paid by Dundee in respect of each Series 4 Preferred Share that is voted FOR the Arrangement Resolution after the Early Deadline but on or prior to the proxy cut off of 9:00 a.m. (Toronto time) on January 5, 2016, provided such vote is valid and is not subsequently withdrawn. The Intermediary will be entitled to receive and retain \$0.0892 of such amount (representing 0.50% of the par value of the Series 4 Preferred Shares) and the holder of the Series 4 Preferred Share will be entitled to receive \$0.1784 of such amount from its Intermediary (representing 1.00% of the par value of the Series 4 Preferred Shares).

## **About Dundee Corporation**

Dundee Corporation is a public Canadian independent holding company listed on the Toronto Stock Exchange. Through its operating subsidiaries, Dundee Corporation is engaged in diverse business activities in the areas of its core competencies including investment advisory and corporate finance, energy, resources, agriculture, real estate and infrastructure. Dundee Corporation also holds, directly and indirectly, a portfolio of investments mostly in these core focus areas, as well as other select investments in both publicly listed and private companies.

## **Forward-Looking Statements**

*This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects Dundee Corporation's current expectations regarding future events. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Dundee Corporation's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, the likelihood, and anticipated timing, of closing of the Arrangement, and the factors discussed under "Risk Factors" in the 2014 Annual Information Form of Dundee Corporation and subsequent filings made with securities commissions in Canada. Dundee Corporation does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.*

## **FOR FURTHER INFORMATION PLEASE CONTACT:**

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Shorecrest Group Ltd. has been retained as proxy solicitation and paying agent and to respond to inquiries from the Series 4 Preferred Shareholders. Shorecrest Group Ltd. may be contacted by telephone at 1-888-637-5789 (toll free in North America) or 1-647-931-7454 (collect outside North America) or by email at [contact@shorecrestgroup.com](mailto:contact@shorecrestgroup.com).