

# Engine Capital Cautions Dye & Durham's Board Against Further Entrenchment Tactics

*Highlights That the Board is Wasting Shareholder Resources in Its Baseless Attempt to Invalidate Engine's Director Nomination*

*Asserts the Board's Efforts to Use Regulatory Intervention to Retain Power Only Underscore the Urgent Need for Significant Change at the Upcoming Annual Meeting*

NEW YORK--(BUSINESS WIRE)--Engine Capital LP (together with its affiliates, "Engine" or "we"), which owns approximately 7.1% of the issued and outstanding common shares of Dye & Durham Limited (TSX: DND) ("Dye & Durham" or the "Company"), today issued the following statement regarding the Board of Directors' (the "Board") recent efforts to entrench itself and disenfranchise shareholders, including by raising frivolous concerns about Engine's director nomination notice as a potential prelude to invalidate the nomination:

"Chair Colleen Moorehead and her Board's actions indicate that they will go to great lengths to maintain power and prevent shareholders from having their voices heard. After pursuing a requisitioned shareholder meeting to refresh the Board for over eight months, Engine received a letter from Company counsel late Friday raising baseless concerns regarding our director nomination notice for the upcoming Annual Meeting and seeking additional superfluous information.<sup>1</sup> Dye & Durham continues to baselessly claim that Engine is part of a shareholder group – a false assertion that's been obsessively peddled by Ms. Moorehead and CEO Matt Proud for months now.

Despite these transparent entrenchment efforts, Engine intends to comply with the information requests and urges the Board to immediately cease its gamesmanship and commit to providing shareholders the opportunity to vote for our world-class slate at the December Annual Meeting. If the Board invalidates our nomination, Engine will be forced to take legal action against the Company, which would only waste additional shareholder capital and potentially delay the Annual Meeting. We suspect this is Ms. Moorehead and Mr. Proud's ultimate goal and cannot permit this precedent of weaponizing the corporate machinery.

This latest defense tactic follows the Board's attempts to use a Competition Bureau investigation into Dye & Durham to convince the Court that current management and the Board should stay in power. Ironically, Mr. Proud and the Board's own mismanagement – as evidenced by the stunning admission in Court documents that eight out of 11 direct reports of Mr. Proud recently departed – is what seemingly put Dye & Durham in the crosshairs of the Competition Bureau in the first place. Under the Board's oversight, nearly the entire senior management team reporting to Mr. Proud has exited the Company, Canadian regulators have launched an investigation, two deals in the U.K. and Australia were blocked by regulators, shareholder feedback has been ignored for years and customers have grown increasingly aggravated.

Finally, given Ms. Moorehead's history of self-preservation tactics, we caution the Board against resorting to further entrenchment maneuvers before the upcoming shareholder vote, including self-refreshment. The Company's directors should not hand-pick their successors given their track record of poor performance and anti-shareholder governance. Shareholders have the right to elect a new Board composed of independent and experienced directors whose sole focus will be creating long-term shareholder value."

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**As a reminder, Engine is seeking to reconstitute Dye & Durham's Board with six [highly qualified director candidates](#) – Arnaud Ajdler, Hans T. Gieskes, Tracey E. Keates, Ritu Khanna, Anthony P.**

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<sup>1</sup> Engine requisitioned a special meeting on March 10, 2024, which was later cancelled by the Company.

**Kinnear and Sid Singh – at the Company’s 2024 Annual Meeting of Shareholders scheduled for December 17, 2024.**

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**Information in Support of Public Broadcast Exemption under Canadian Law**

The information contained in this press release does not and is not meant to constitute a solicitation of a proxy within the meaning of applicable corporate and securities laws. Shareholders of the Company are not being asked at this time to execute a proxy in favour of Engine’s director nominees or in respect of any other matter to be acted upon at the Annual Meeting. In connection with the Annual Meeting, Engine intends to file a dissident information circular in due course in compliance with applicable corporate and securities laws. Notwithstanding the foregoing, Engine has voluntarily provided in, or incorporated by reference into, this press release the disclosure required under section 9.2(4) of NI 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”) and has filed a document (the “Document”) containing disclosure prescribed by applicable corporate law and disclosure required under section 9.2(6) of NI 51-102 in respect of Engine’s director nominees, in accordance with corporate and securities laws applicable to public broadcast solicitations. The Document is hereby incorporated by reference into this press release and is available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The registered office of the Company is 25 York Street, Suite 1100 Toronto, Ontario M5J 2V5.

None of Engine, any other “dissidents” within the meaning of the Ont. Reg. 62 of the *Business Corporations Act* (Ontario) and any partner, officer, director and control person of such “dissidents” (collectively, the “Engine Group”) is requesting that Company shareholders submit a proxy at this time. Once formal solicitation of proxies in connection with the Annual Meeting has commenced, proxies may be revoked in accordance with subsection 110(4) of the *Business Corporations Act* (Ontario) by a registered holder of Company shares: (a) by completing and signing a valid proxy bearing a later date and returning it in accordance with the instructions contained in the accompanying form of proxy; (b) by depositing an instrument in writing that is signed by the shareholder or an attorney who is authorized by a document that is signed in writing or by electronic signature; (c) by transmitting by telephonic or electronic means a revocation that is signed by electronic signature in accordance with applicable law, as the case may be: (i) at the registered office of the Company at any time up to and including the last business day preceding the day the Annual Meeting or any adjournment or postponement of the Annual Meeting is to be held, or (ii) with the chair of the Annual Meeting on the day of the Annual Meeting or any adjournment or postponement of the Annual Meeting; or (d) in any other manner permitted by law. In addition, proxies may be revoked by a non-registered holder of Company shares at any time by written notice to the intermediary in accordance with the instructions given to the non-registered holder by its intermediary.

The costs incurred in the preparation and mailing of any circular or proxy solicitation by Engine and any other participants named herein will be borne directly and indirectly by the Engine Group. However, to the extent permitted under applicable law, the Engine Group intends to seek reimbursement from the Company of all expenses incurred in connection with the solicitation of proxies for the election of the Nominees at the Annual Meeting.

This press release and any solicitation made by Engine is, or will be, as applicable, made by such parties, and not by or on behalf of the management of the Company. Proxies may be solicited by proxy circular, mail, telephone, email or other electronic means, as well as by newspaper or other media advertising and in person by managers, directors, officers and employees of Engine who will not be specifically remunerated therefor. In addition, Engine may solicit proxies by way of public broadcast, including press release, speech or publication and any other manner permitted under applicable Canadian laws, and may engage the services of one or more agents and authorize other persons to assist it in soliciting proxies on their behalf.

Engine Capital LP has entered into an agreement with Morrow Sodali (Canada) Ltd. (“Sodali”) for solicitation and advisory services in connection with the solicitation of proxies for the Annual Meeting, for which Sodali will receive a fee not to exceed US\$175,000, together with reimbursement for reasonable and out-of-pocket

expenses, and will be indemnified against certain liabilities and expenses, including certain liabilities under securities laws.

No member of the Engine Group nor any of their associates or affiliates has or has had any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed financial year or in any proposed transaction that has materially affected or will or would materially affect the Company or any of the Company's affiliates. No member of the Engine Group nor any of their associates or affiliates has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Annual Meeting, other than the election of directors.

### **Disclaimer for Forward-Looking Information**

Statements contained herein that are not historical facts constitute "forward-looking statements" and "forward-looking information" (together, "forward-looking statements") within the meaning of applicable securities laws that reflect Engine's current expectations, assumptions, and estimates of future events, performance and economic conditions. Such forward-looking statements rely on the safe harbor provisions of applicable securities laws. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements and there can be no assurance that the Company's securities will trade at the prices that may be implied herein, and there can be no assurance that any opinion or assumption herein is, or will be proven, correct. Words and phrases such as "anticipate," "believe," "create," "drive," "expect," "forecast," "future," "growth," "intend," "hope," "opportunity," "plan," "confident," "restore," "reduce," "potential," "proposal," "unlock," "upside," "will," "would," and similar words and phrases are intended to identify forward-looking statements. These forward-looking statements may include, but are not limited to, statements concerning: the anticipated financial and operating performance of Dye & Durham; anticipated changes to Dye & Durham's debt levels and financial ratios; the outcome of the Annual Meeting; the release of a transition plan and go-forward strategy; anticipated EBITDA; and achieving organic growth, free cash flow generation and leverage reduction. Such forward-looking statements are not guarantees of future performance or actual results, and readers should not place undue reliance on any forward-looking statement as actual results may differ materially and adversely from forward-looking statements. All forward-looking statements contained herein are made only as of the date hereof, and Engine disclaims any intention or obligation to update or revise any such forward-looking statements to reflect events or circumstances that subsequently occur, or of which Engine hereafter becomes aware, except as required by applicable law.

### **About Engine Capital**

Engine Capital LP is a value-oriented special situations fund that invests both actively and passively in companies undergoing change.

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