

# PREMIUM INCOME CORPORATION

## PREMIUM INCOME CORPORATION ANNOUNCES AUTOMATIC TERM EXTENSION

**Toronto, Ontario, September 1, 2017 – (TSX: PIC.A; PIC.PR.A)** Premium Income Corporation (the “Fund”) is pleased to announce that the term of the Fund will be extended automatically for an additional seven year period beyond November 1, 2017 to November 1, 2024 as provided for in its articles of incorporation. In addition, in connection with the new term, holders of Class A shares will continue to receive ongoing leveraged exposure to a high-quality portfolio consisting principally of common shares of Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada and The Toronto-Dominion Bank, as well as attractive quarterly distributions in the amount of \$0.20319 (\$0.81276 per annum) per class A share. Holders of the preferred shares are expected to continue to benefit from fixed cumulative preferential quarterly distributions in the amount of \$0.215625 (\$0.8625 per annum) per preferred share representing a yield of 5.75% on the original issue price of \$15.00.

In connection with the extension of the term, holders of class A shares and preferred shares have a special retraction right (“Special Retraction Right”) to permit holders of such securities to retract such shares on November 1, 2017 on the terms on which such shares would have been redeemed had the term of the Fund not been extended. In order to exercise the Special Retraction Right, shares must be surrendered for retraction on or prior to 5:00 p.m. (Toronto time) on October 13, 2017. Depending on if more class A shares or preferred shares are retracted under the Special Retraction Right, the Fund will have to redeem preferred shares or consolidate the class A shares on a basis to ensure an equal number of class A shares and preferred shares remain outstanding. Notice of such redemption or consolidation, will be made via press release on or before October 23, 2017.

For further information, please contact Investor Relations at 416.681.3966, toll free at 1.800.725.7172 or visit [www.strathbridge.com](http://www.strathbridge.com).

John Germain, Senior Vice-President, CFO

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