

1. Why do we believe this proposal in the best interest of shareholders?

The credit linked note portfolio to which ROC Pref III Corp. (“ROC III”) has exposure to has suffered several defaults since September of last year in what has been an extraordinarily challenging period for credit markets. The Investment Advisor believes there are a number of companies in the portfolio that are at a significant risk of default and if one or more occur in the time remaining to the scheduled maturity date of March 23, 2012 shareholders risk losing all or a substantial portion of their investment. ROC III can sustain 0.6 of a default or less for it to mature at \$25 and 2.7 defaults before the credit linked note will mature with a negligible payout on the preferred shares. The Investment Advisor has identified 6 companies where they believe there is a significant risk of defaulting before ROC III matures. After exploring several alternatives, the board of directors, Manager and Investment Advisor believe it is in the best interests of ROC III shareholders to crystallize and preserve the remaining value of the preferred shares for shareholders by redeeming the credit linked note early. If shareholders vote in favour of the proposal, they will receive a redemption value equal to the net asset value on December 18, 2009 plus an additional payment of \$1.00 per preferred share. Based on the last reported net asset value of \$3.57 on November 16, 2009, the additional payment and waiver of redemption charges represented a premium of approximately 45%.

2. What price would I realize for my shares under different alternatives?

If we assume a net asset value of \$3.50 then a preferred shareholder would receive the following amounts on the different liquidity alternative:

1. The proposal: \$4.50 (\$3.50 plus \$1.00 premium)
2. Monthly retraction privilege: \$3.08 (95% of NAV - \$0.25)
3. TSX share price: typically trades at a discount to NAV

Note that the net asset value will vary based on prevailing market conditions.

3. What will happen if shareholders do not pass the special resolution?

If shareholders do not pass the special resolution to change redemption date, ROC III will mature as scheduled on March 23, 2012 and shareholders will continue to risk losing all or a substantial portion of their investment if additional defaults occur. In other words, nothing will change and investors will not be entitled to receive net asset value (without the retraction charges being deducted) or the additional payment of \$1.00 upon liquidation of their investment.

4. What will the net asset value be on December 18, 2009?

The net asset value on December 18, 2009 will be based on market conditions at that time. Over the interim period, ROC III will continue to have exposure to the credit linked note and therefore to market conditions and risks, including the risk of additional defaults. It is very difficult to forecast whether the net asset value will move up or down between now and December 18. The most significant factor that moves the NAV is the market’s view on the credit risk of the riskiest names in the portfolio.

5. What happens if there is a default in the portfolio before the meeting date?

Any defaults will be reflected in the NAV of the preferred shares, and it is very difficult to quantify the potential impact of an additional default. We do have the ability, at our discretion, to withdraw the proposal.

6. When will the vote be held?

The meeting will be held on December 17, 2009 at 8:30 a.m. (Toronto time). A quorum at the meeting will consist of not less than 25% of the outstanding preferred shares represented by shareholders in person or by proxy. If the quorum requirement is not satisfied, the meeting will be adjourned and rescheduled to 8:30 a.m. (Toronto time) on December 18, 2009. If you are a beneficial shareholder and wish to vote in person at the meeting, please contact your broker, dealer or other intermediary well in advance of the meeting to determine how you can do so.

7. How do I vote?

Shareholders are entitled to one vote for each preferred share held on record at the close of business on November 13, 2009. Shareholders can vote in person at the meeting or by proxy. Proxy forms have been included in the special meeting materials mailed to shareholders. Shareholders should complete, execute and return the proxy form well in advance of the 5:00 p.m. (Toronto time) deadline on December 15, 2009 by following the instructions provided in the meeting materials. Proxies may also be deposited with Computershare Investor Services Inc. (“Computershare”) by delivery to its principal offices in Toronto at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department (or by facsimile send to 416-263-9524 or 1-866-249-7775) at any time up to 5:00 p.m. (Toronto time) on December 15, 2009.

8. How many votes are needed to pass the resolution?

In order to become effective, the special resolution must be approved by a two-thirds majority of the shareholders represented at the meeting in person or by proxy. Approval of the special resolution will result in a change to the redemption date of all the preferred shares, regardless of whether a particular shareholder voted in favour of, against or did not vote in respect of the special resolution.

9. When will we know the results of the vote?

A press release will be issued shortly after the meeting announcing the results of the vote.