THE CALDWELL PARTNERS INTERNATIONAL INC.

Annual Information Form

for the fiscal year ended
August 31, 2014

November 24, 2014

Contents

THE CALDWELL PARTNERS INTERNATIONAL INC.

ANNUAL INFORMATION FORM

In this Annual Information Form, all information is as of August 31, 2014 and all dollar amounts are quoted in Canadian dollars (in thousands of dollars except dollar per share amounts), unless otherwise indicated. References to “fiscal 2014”, “fiscal 2013” and “fiscal 2012” are to the fiscal years ended August 31, 2014, 2013 and 2012 respectively.

Forward-looking Statements

Forward-looking statements in this document are based on current expectations that are subject to the significant risks and uncertainties cited herein. The Caldwell Partners International Inc. assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements. The Company is subject to many risks identified in the "Risk Factors" section of this Annual Information Form and other public filings (copies of which may be obtained at www.sedar.com). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by this Annual Information form and such other public filings. These factors should be considered carefully and the reader should not place undue reliance on the forward-looking statements. Although any forward-looking statements contained in this report are based on what management currently believes to be reasonable assumptions, the Company cannot assure readers that actual results, performance or achievements will be consistent with these forward-looking statements, and management's assumptions may prove to be incorrect. These forward- looking statements are made as of the date of this Annual Information Form or the date of such other respective public filings.

Incorporation

The Caldwell Partners International Inc. (the “Company” or the “Corporation”) was incorporated by articles of incorporation under the *Business Corporations Act* (Ontario) on August 22, 1979 under the name Prince Arthur Advertising Limited. The Company's name was changed to The Caldwell Partners International Inc. by articles of amendment dated March 28, 1989. Prior to June 1989, the executive search business of the Company was carried on by an affiliated company, formerly named The Caldwell Partners International Ltd. As a result of a reorganization effective June 14, 1989, the Company acquired the entire executive search business of such affiliated company.

The Company filed articles of amendment dated June 15, 1989 to create a capital structure consisting of Class A Non-Voting Shares (“Class A Shares”) and Class B Voting Shares (“Class B Shares”). The Company's articles were amended on May 3, 1995 to subdivide the outstanding Class A Shares and Class B Shares on a two-for-one basis, effective May 12, 1995. On April 23, 1996, the Company’s articles were amended to create a new class of shares designated as Class C Special Shares (“Class C Shares”). On May 8, 1996, the Company’s articles were amended to subdivide the outstanding Class A Shares and Class B Shares on a two-for-one basis, effective May 30, 1996.

On April 21, 2010, pursuant to a settlement with the Company’s founder and former Executive Chairman, C. Douglas Caldwell, holders of both Class A Shares and Class B Shares voted in favour of accelerating a previously approved share conversion whereby the Company’s voting and non-voting shares were converted into a single class of voting shares. Holders of Class B Shares received 1.149 Class A Shares for each of their

Class B Shares and all Class A Shares became single-voting common shares. Following approval being received by the Toronto Stock Exchange ("TSX") on May 10, 2010, all 3,883,450 Class B Shares were converted to 4,462,082 Class A shares. Immediately following this conversion, all Class A Shares were then reclassified as common shares with one vote per share ("Common Shares"). Articles of Amendment were filed on April 29, 2010 in respect of such reclassification.

In 2009, the Company expanded its operations opening offices in the United States of America. A wholly-owned American subsidiary was incorporated as The Caldwell Partners International Ltd., a Delaware Corporation ("Caldwell USA").

Effective September 1, 2014, all existing Canadian subsidiaries were amalgamated, leaving The Caldwell Partners International Inc. as the only Canadian entity. Previously, the Company had three direct, wholly-owned Canadian subsidiaries: Caldwell Investments Inc. ("Caldwell Investments"), Prince Arthur Advertising Inc. ("Prince Arthur") and Caldwell Interim Executives Inc. ("Caldwell Interim"). Each of these subsidiaries was incorporated under the *Business Corporations Act* (Ontario).

Effective October 1, 2014, the Company completed its previously announced acquisition of all of the outstanding shares of Hawksmoor Search Limited ("Hawksmoor"), an executive search boutique based in London, England and focusing on the insurance industry. Hawskmoor was incorporated under the Companies Act 2006 and is registered in England/Wales. Immediately following the acquisition, the name of the legal entity was changed from Hawksmoor to The Caldwell Partners International Europe, Ltd. ("Caldwell Europe").

The head and registered office of the Company is located at 165 Avenue Road, Toronto, Ontario, M5R 3S4.

General Development of the Business

Corporate Overview

The Company is an executive search consulting firm. In 1970, the Company, through a predecessor corporation, became the first retained consulting organization in Canada to specialize in representing employers in the recruitment of executives.

Executive search is subject to cyclical economic conditions, and has been driven by the secular impacts of the increasing speed with which business decisions have to be made, and the complexity of technological change creating a growing demand for corporate executives able to manage effectively in such circumstances. Among the factors contributing to the increased demands on corporate executives are: the changing size and scope of many types of organizations; the increasingly international competitive environment; new types of technology; accelerating innovation tending to quicken the obsolescence of executive skills; continuing worldwide social and economic pressures; changing patterns of compensation and increasing management mobility. The result of this growing complexity is the recognition by the senior managers or boards of directors of many business organizations of the need for expert professional advice to identify assess and attract high-potential executives to their organizations. The development of the Company has been largely attributable to these factors.

Narrative Description of the Business

Overview

The Company is an executive search consulting firm specializing in recruiting executives on behalf of its clients. The Company contracts with its clients, on an assignment basis, to provide consulting advice on the identification, evaluation, assessment and recommendation of qualified candidates for specific positions. The Company concentrates its activities on locating executives to fill senior executive positions.

Sources of Business

The following table summarizes the approximate contribution to the Company's revenue during fiscal 2014 and fiscal 2013 according to industry category:

	Percentage of Revenue		
Industry Category	**Fiscal 2014**	**Fiscal 2013**	**Fiscal 2012**
Financial Services	27%	29%	30%
Information Technology/Professional Services	21%	21%	23%
Industrial	19%	13%	8%
Life Sciences	18%	16%	19%
Consumer/Retail	10%	14%	12%
Educational/Not-for-Profit/Public Sector	5%	7%	8%
	100%	100%	100%

The Company has developed particular industry specializations in the financial services, information technology, life sciences, consumer and retail distribution and industrial industries. With offices and partners in Atlanta, Calgary, Dallas, London, Los Angeles, Minneapolis, Nashville, New York, Philadelphia, San Francisco, Stamford, Toronto and Vancouver, and a strategic alliance in Hong Kong, the firm takes pride in delivering unmatched levels of service and expertise to its clients.

In 2014, 2013 and 2012, none of the Company's clients accounted for 10% or more of the Company's consolidated revenues.

Human Resources

The Company's growth is, in large measure, attributable to the quality and experience of its professional staff. The stability and development of this fundamental resource have always been priorities in the management of the Company. In 2009, the Company began an aggressive expansion from Canada into the United States. Five years later 70% of the Company's revenue and a similar representation of non-corporate staff are in the United States. And effective October 1, 2014, the Company further expanded its reach to Europe with its acquisition of London-based Hawksmoor.

The Company employed 108 people at August 31, 2014 (45 in Canada and 63 in the US), consisting of senior officers, partners, consultants, associates, and other support staff. The majority of the Company's corporate staff are located in Toronto, Ontario. In selecting its professional staff, the Company has developed a broad representation of industry and functional backgrounds. The professional staff's breadth of experience is a valuable asset of the Company; clients usually prefer to work with professionals who have strong knowledge of the client's business and industry. The business backgrounds of the Company's professionals include retailing, banking, high technology, hospitality, chemicals, consumer and office products, health care and oil and gas as well as previous recruiting and consulting experience. Functionally, finance, marketing, legal personnel and general management skills are particularly well represented among the professional staff.

The Company's search professionals provide direct client service and are actively involved in executive search operations. The Company's compensation plan for search professionals encourages performance at the highest levels by directly linking compensation to each professional’s performance.

All employees of the Company are required to sign a confidentiality acknowledgment, in which they agree to keep strictly confidential the information, which individual executives and client organizations provide, to the Company. In addition, all executive search professionals have entered into non-solicitation arrangements with the Company regarding its employees and clients.

Information Resources and Technology

In the opinion of the Company’s management, the key to effective executive searches is access to current information. The Company is constantly updating and expanding with each new assignment the information that it maintains on organizations, industries, companies and potential candidates. The Company employs search professionals who maintain extensive information on industries and potential candidates. The Company also makes use of public and subscription-based information databases.

Research is an integral part of the process of developing, conducting and completing executive searches efficiently. For each assignment the Company's search team prepares a research strategy that includes a review of the Company's confidential information database as well as industry and organization analyses. Once the specifications of the executive search assignment are set, industries and organizations in which potential candidates might be located are identified. A list of potential candidates is then prepared following the identification of individuals holding key positions in those organizations. As required, organization charts for those organizations are developed and competitive information (such as data on sales, product lines or technologies) is obtained in order to ensure that the most attractive candidates are identified and that any contact with candidates takes place on a discreet basis. The information that is collected is then organized into presentation form for the client.

The Company's management believes that access to worldwide databases has become a strategic necessity for executive search professionals. The Company accesses external on-line database services to enhance its research capabilities. Similarly, the Company's presence on the Internet (through its website) serves to enlarge its market potential. To address issues of data security associated with increasing remote database access, the Company uses password protection and conducts regular audits. In addition, the Company leverages remote user video conferencing applications. This technology accelerates the executive search process and facilitates candidate interviews and presentations to client search committee members in different locations. The Company intends to continue to develop these and other areas of technology as clients' needs evolve.

The Executive Search Market

With offices located across North America and, effective October 1, 2014, in London, England, the Company's clients include a broad range of international and multinational businesses, and public sector organizations. The Company's client base includes consumer and industrial product, natural resource, high technology, financial and other service, healthcare and transportation businesses. In providing its services, the Company typically deals with the senior management or boards of directors of its clients.

The executive search industry is sensitive to the general level of economic activity. Through diversification, the overall market for executive search services is made less volatile than activity in any one client industry segment. Entities in various geographic locations operating in a broad range of industry sectors and in the public sector use executive search services. The level of activity in several of these sectors generally follows different cycles, thereby reducing the cyclicality in demand for executive search services for the market as a whole. Since rebounding from the world-wide recession in 2009 which impacted almost every sector, the North American and specifically the United States economy has performed strongly, which in combination with the Company’s continued expansion in the United States over the past five years, has contributed to the Company’s improved financial performance.

In the experience of the Company’s management, the executive search business has traditionally been more value-sensitive than price-sensitive; it is the quality of the candidates located for executive search clients, rather than price, which is of greatest concern to the client. The long-term costs to a client of not recruiting the right person for a senior executive position can be substantial. These costs include the financial and non-financial costs associated with the period of poor performance and the financial cost of reaching a severance settlement as well as the internal upheaval of starting the recruitment process over again.

In the experience of the Company’s management, an individual's progression to the senior executive level seldom occurs within a single company in the current North American corporate environment. For executives today, this often means moving in and out of several organizations during a career. Management of the Company believes that this trend will continue because of the ongoing level of take-over, restructuring and downsizing activities. Further, as technology progresses and globalization continues, the need for increased specialization and rapidly adapting business strategies will make finding the right leaders of growing importance.

Management believes that while online social databases and services such as LinkedIn and a trend to bring search capabilities in house will continue to apply competitive pressure to mid-management and lower-senior management search activities, that at the senior executive level, companies will continue their use of executive search firms. Our strategy in addressing this is to continue to focus on developing the highest level search work in the marketplace where clients are more likely to view our fees as an investment rather than an expense, and where the personal touch and enhanced experience we provide cannot be matched through in-house expertise limited to public databases.

Competition

The Company’s primary competitors include regional executive search firms and major international executive search firms. Most small executive search firms are unable to compete effectively with the experience, contacts and resources of an established organization like the Company. As well, they generally lack the financial resources to make significant investments in their databases and to withstand the pressures of difficult economic times. The international executive search firms have greater financial stability and are large enough to compete effectively. In-house recruitment departments and evolving social databases such as LinkedIn can also be viewed as competitors as discussed above, but primarily at the lower end of where we would choose to perform services.

Advertising

In conducting its assignments in Canada, the Company will recommend, where appropriate, the placement of advertising in the career sections of business newspapers as well as the posting of career opportunities on both its own website and others available on the internet. The response to advertisements by interested candidates permits searches to be completed more quickly with a broader array of potential candidates. Current positions are also selectively posted on the Company’s website for even greater visibility. In the United States, neither the Company nor its competitors generally advertise client positions.

Business Development

Partners are responsible for both developing new business as well as executing on search assignments won (or passing execution to a colleague who may have more applicable functional or industry expertise). Accordingly, a significant portion of their time is devoted to business development activities, keeping in regular contact with past and potential clients through marketing programs consisting of direct mailings, newsletters, receptions, group breakfasts and confidential surveys on subjects of current interest. The Company has quite a number of repeat clients, most of whom tend to utilize the Company's services on a continuing basis as dictated by the client's internal executive recruiting requirements. The Company continues to invest in its strategy of content marketing whereby online content in the form of blogging, articles, newsletters, whitepapers, infographics, case studies and other educational resources are used to reach our clients and candidates, driving traffic to our website and building our brand. Social media empowers these tools, with the company actively distributing content through its followers on LinkedIn and Twitter.

Fees and Billing

Each of the Company's assignments is managed by at least two search professionals. Each assignment is confirmed in writing with the objective of the assignment, the search strategy and plan and the agreed commercial terms all clearly stated. A typical assignment lasts from three to four months and the Company generally invoices on a monthly basis. The Company's fee for an assignment is normally billed over the first three months of the assignment as a charge for services performed and is generally not contingent on the hiring decision of the client. The fee charged for an assignment is intended to reflect the perceived difficulties of the assignment and is established based on a percentage of the first year's total anticipated cash compensation to the successful candidate or, occasionally, on a fixed fee basis.

Facilities

As of August 31, 2014, all of the Company's operations are conducted at leased premises as follows:

Location	Address	Area
Atlanta, Georgia	3424 Peachtree Road	4,159 square feet
Calgary, Alberta	520 5th Avenue S.W.	4,110 square feet
Los Angeles, California	1925 Century Park East	3,773 square feet
Irving, Texas	909 Lake Carolyn Parkway	4,129 square feet
New York, New York	305 Madison Avenue	14,062 square feet
San Francisco, California	1 Post Street	6,155 square feet
Stamford, Connecticut	263 Tresser Boulevard	5,353 square feet
Toronto, Ontario	165 Avenue Road	15,411 square feet
Vancouver, British Columbia	650 West Georgia Street	3,406 square feet

All lease agreements expire on various dates through September 30, 2021. The annual gross rental under the leases for all the locations is approximately $2.1 million in aggregate. Management considers all of its premises to be adequate to meet its current needs. Effective October 1, 2014, with the acquisition of Hawksmoor, the Company assumed a leased facility at 4 Lombard Street, London, United Kingdom of approximately 2,000 square feet.

The lease for the Toronto office is with a related company owned by C. Douglas Caldwell, a significant shareholder. The terms of this lease were determined to be fair market rental rates at the inception of the lease amendment by an independent commercial real estate counselor and were approved by the independent members of the Board of Directors.

Risk Factors

Any investment in the Company’s securities is speculative and may involve risk. Before investing in the Company’s securities, prospective investors should carefully consider, in light of their own financial circumstances and objectives, the risk factors summarized below, as well as the other information contained and incorporated by reference this Annual Information Form. The Board of Directors includes in its mandate and the mandates of its committees’ responsibility to oversee the mitigating factors associated with each identified risk factor.

Reliance on Key Professionals

The Company's success depends to a large extent on a number of its key professionals. While the Company believes it offers one of the most competitive compensation plans in the industry to its professionals, the level of future profits of the Company will continue to depend on its ability to attract and retain key professionals. There can be no assurance of the Company's ability to continue to attract and retain key professionals.

Economic Environment

The executive search industry is sensitive to the general level of economic activity. A downturn in the United States or Canadian economies would have a negative impact on the Company’s financial performance, and that impact could be material.

Competition

The executive search business is highly competitive. See the "Competition" section in the Annual Information Form. The level of future profits of the Company will depend on its ability to retain its established client base and attract new clients.

Significant Shareholder

C. Douglas Caldwell, the former Chief Executive Officer of The Caldwell Partners International, Inc., is reported to directly or indirectly reported to own approximately 21.1% of the Company's outstanding Common shares as of August 31, 2014 (2013: 25.9%).

Potential Volatility of the Market Price and Volume of Common Shares

From time to time, the TSX has experienced significant price and volume volatility unrelated to the performance of specific companies, which could impact the market price of the Common Shares. Moreover, the market price of the Common Shares may also be adversely affected by factors such as the concentration of Common Shares held by a small number of shareholders and the low number of Common Shares that trade on average on a daily basis, the combination of which has the potential to increase the volatility of the volume of Common Shares offered to be purchased or sold at any particular time.

Recent Financial Performance (Dollars in 000s)

Revenue discussion

2014 compared to 2013:
2014 revenue increased 33% (28% excluding a 5% favorable variance from exchange rate fluctuations) over fiscal 2013 to $45,086 (2013: $33,803).

The revenue increase for year was attributable to increased partner productivity in both the US and Canadian businesses, offset by fewer partners in the US. US revenue was up 43% (34% excluding a 9% variance from exchange rate fluctuations), on higher average fees and higher search volumes, partially offset by fewer partners. Revenue in Canada was up 16% on higher average fees with stable volumes and number of partners.

US revenues represented 70% of consolidated revenues in 2014 versus 66% in 2013, driven by the faster growth in US revenue relative to Canada.

2013 compared to 2012:
2013 revenue increased 3% over 2012 to $33,803 (2012: $32,704), reflecting billing increases of 8%, offset by increased deferred revenue of $1,358. Exchange rates during 2013 were similar to 2012 and not a significant source of variance. Revenue results were impacted by a change in the estimation of deferred revenue, based on the ability to access enhanced search performance metrics (as described in Note 11 to the Financial Statements for the year ended August 31, 2013). In 2013, this resulted in the deferral (reduction) of revenue of $1,358 (2012: $0). This change in methodology was been applied prospectively, and as such, created a change in the timing of revenue recognition during the fiscal 2013 fourth quarter, and did not impact cash flow or cash balances.

The revenue increase in 2013 was attributable to higher revenue in Canada, partly offset by marginally lower reported revenue in the US. Revenue in Canada was up 13%, reflecting billing increases of 19% on higher search volumes and higher average fees, partly offset by increased deferred revenue of $589. US revenues were down 1%, reflecting billing increases of 2% on consistent search volumes with higher average fees, offset by the increased deferred revenue of $769.

US revenues represented 66% of consolidated revenues in 2013 versus 69% in 2012 driven by Canada's increased productivity and resultant revenue proportion.

Cost discussion

Costs consist of: i) Cost of Sales representing compensation and related costs of partners and other employees directly involved in search activities; and ii) General and Administrative Expenses consisting of corporate support staff, and general costs such as office costs, business development, marketing, depreciation and other costs not directly tied to search delivery.

2014 compared to 2013:
2014 Cost of Sales increased by 31% (25% excluding a 6% variance from exchange rate fluctuations) over the prior year to $34,053 from $26,005, reflecting the compensation impact of revenue increasing by 33% for the period and higher commission rates on increased per partner performances, partly offset by increases in search delivery personnel during 2014 which occurred at a lower rate than the revenue growth, lower amortization of sign-on bonuses and lower net costs of the Company's CEO of the Year event. As a result, 2014 year-to-date direct costs represented 76% of operating revenue versus 77% of revenue in 2013.

2014 General and Administrative expenses increased 23% or $1,841 over the same period prior year to $9,771 (2013: $7,930). Excluding exchange rate variances, expenses increased $1,583 or 20% over the same period last year. The increase came from higher compensation on improved Company performance from: improved short-term bonus achievement, the implementation of a long-term performance share unit plan and the impact of share price increases on cash settled share-based compensation plans ($1,351); occupancy costs primarily from the move of the Stamford, Connecticut office in the second quarter of fiscal 2013 ($158); recruitment expenses ($99); legal fees primarily related to the acquisition of Hawksmoor Search Limited and the amalgamation of corporate entities ($83); higher directors' expenses arising from the impact of share price increases on cash settled share-based compensation ($83); consulting expenses ($79) and net general cost increases across other cost categories ($176), partly offset by the non-recurrence of severance expense ($446) incurred during Q3 of fiscal 2013 related to the separation of a partner in Canada.

2014 Investment Income was $24 compared to $13 from 2013. The income amounts are the result of interest income on the investments and cash balances invested in high-yield savings accounts and certificates of deposit. As at August 31, 2014, the fair value of investments held by the Company of $7,809 (2013: $3,577) was $912 above book value, and included an increase in value of $232 during the year. This unrealized gain has been reflected in both other comprehensive income and in the stated value of the investment portfolio.

During 2014 the Company determined it was probable that it would be able to utilize deferred tax assets within its US subsidiary. Accordingly, the Company recognized a deferred tax credit of $2,443. This was partially offset by current income tax expense of $1,763. This resulted in a net tax credit of $680 (2013: expense of $163). The Company also has Canadian loss carry-forwards available to be applied against taxable income as it arises in future periods. As at August 31, 2014 no benefit for such future potential Canadian deferred tax assets has been recorded (as described in Note 12 to the Financial Statements for the year ended August 31, 2014).

2013 compared to 2012:
2013 Cost of Sales increased by 6% over the prior year to $26,005 from $24,582, reflecting the compensation impact of revenue increasing by 3% for the period, higher commission rates on increased per partner performance in Canada and increases in search delivery personnel during 2013. Additionally, the Company's CEO of the Year event incurred additional costs during 2013 compared to 2012. As a result, 2013 year-to-date direct costs represented 77% of operating revenue versus 75% of revenue in 2012. To the extent revenue is deferred for recognition in a future period, the Company also defers the related amount of estimated compensation expense directly associated with such deferred revenue. Reflected in the 2013 fourth quarter and full year is a deferral of compensation expense of $586 (2012: $0)

2013 General and Administrative expenses increased $819 over the same period prior year to $7,930 (2012: $7,111). The increase was largely due to a severance expense incurred during the third quarter of 2013 of $446 for an employee in Canada. The severance is being paid out monthly in equal cash installments to the end of May 2015. Excluding the severance expense, 2013 expenses increased 5% over the prior year to $7,484 (2012: $7,111). Contributors to the increase include higher accruals for the management long-term incentive plan based on an increase in share price, increased occupancy costs resulting from our Stamford, Connecticut office move, investment in communication infrastructure and higher business development activity.

2013 investment income was $13 compared to $15 in 2012.

Tax expense in 2013 of $163 (2012: $45) arose primarily as the result of writing off certain tax receivables and derecognizing certain deferred tax assets recorded in the prior year based on a change in management's estimate to recoup such amounts. The Company has Canadian loss carry forwards available to be applied against taxable income as it arises in future periods. As of August 31, 2013 no benefit for such future potential deferred tax recoveries had been recorded.

Net Earnings

2014 compared to 2013:
In 2014, the higher revenue ($11,283) less the increased cost of sales ($8,048) and general and administrative expenses ($1,841), offset by investment income ($24) and the net tax benefit ($680) resulted in net earnings of $1,967, a $2,249 increase over the prior year's net loss of $282.

2013 compared to 2012:
In 2013, the higher revenue ($1,099) less the increased cost of sales ($1,423) and general and administrative expenses ($819), offset by investment income ($13) and less income tax expense ($163) resulted in a net loss of $282, a $1,263 decrease over the prior year's net earnings of $981.

Market for Securities

Trading Price and Volume

The Company's outstanding Common Shares are listed on the TSX ("CWL"). The following chart excludes the Common Shares issued via the private placement discussed in the "Description of Capital Structure" section of this Annual Information Form.

	Per Share Price Range		
Trade Period	**High ($Cdn)**	**Low ($Cdn)**	**Volume**
August 2014	$1.54	$1.30	404,800
July 2014	$1.41	$1.15	315,600
June 2014	$1.16	$1.07	55,700
May 2014	$1.13	$1.02	151,700
April 2014	$1.14	$0.89	758,800
March 2014	$0.98	$0.84	203,400
February 2014	$0.99	$0.87	83,800
January 2014	$1.00	$0.90	322,100
December 2013	$0.95	$0.82	166,200
November 2013	$0.89	$0.80	219,700
October 2013	$0.89	$0.79	49,000
September 2013	$0.88	$0.80	87,200

Description of Capital Structure

On January 17, 2014, the Company closed a private placement with senior search professionals, officers and directors of the Company for the purchase of Common Shares. Under the terms of the private placement, the Company issued 3,934,650 Common Shares at a price $0.85, raising $3,344,453, less transaction costs of $93,910 for net proceeds of $3,250,543. The purchase price was determined on the basis of the 10-trading day weighted average price of the Common Shares on the TSX for the 10 trading days ended December 2, 2013 following the release of the Company's year-end results. The Common Shares issued pursuant to the private placement, representing 18.7% of the outstanding Common Shares as of August 31, 2014, are subject to a hold period expiring on January 17, 2015. Of the total Common Shares issued, 502,000 Common Shares in aggregate were issued to Officers and Directors of the Company.

As at August 31, 2014 the authorized share capital of the Company consists of an unlimited number of common shares of which 21,000,155 are issued and outstanding (August 31, 2013: 17,065,505). The holders of common shares are entitled to share equally, share for share, in all dividends declared by the Company and equally in the event of a liquidation, dissolution or winding up of the Company or other distribution of the assets among shareholders.

On October 1, 2014, in connection the Company's acquisition of Hawksmoor, 275,000 Common Shares were issued as part of the purchase price for the business.

Dividends

Prior to May 1, 2012, the Company was not able to pay a dividend given its deficit position. On May 1, 2012, shareholders approved a special resolution to reduce stated capital of the Company by 75%. This restatement resulted in a $12,048,000 reduction of stated capital with an equivalent increase in contributed surplus, which allowed the Company to reinstate dividend payments to shareholders. The Board of Directors sets the dividend policy of the Company. Each quarter the Board reviews the Company's earnings, cash balances and prospects to assess the continued payment and amount of each dividend. It is the Board's current intent to continue paying dividends, subject to such quarterly assessment.

Cash dividends declared pertaining to performance over the three most recently completed financial years are as follows:

Declaration date	Payment date	Dividends per share	Aggregate dividends declared
November 15, 2012	December 14, 2012	$0.015	$ 255,983
January 11, 2013	March 15, 2013	$0.015	$ 255,983
April 11, 2013	June 14, 2013	$0.015	$ 255,982
July 11, 2013	September 13, 2013	$0.015	$ 255,982
November 8, 2013	December 13, 2013	$0.0175	$ 298,737
January 20, 2014	March 14, 2014	$0.0175	$ 367,513
April 10, 2014	June 13, 2014	$0.0175	$ 367,512
July 10, 2014	September 12, 2014	$0.0175	$ 367,513

On November 13 2014, the Board of Directors declared a dividend of 2.0 cents per share, payable to holders of common shares of record on November 25, 2014 and to be paid on December 12, 2014.

Directors and Officers

The names, municipalities of residence, positions with the Company and principal occupations of the directors and executive officers of the Company are as follows:

Name and Municipality of Residence	Office	Principal Occupation	# Common Shares Owned	Director Since
C. CHRISTOPHER BECK Stow, Massachusetts, United States	Chief Financial Officer and Corporate Secretary	Chief Financial Officer and Secretary, The Caldwell Partners International Inc.	264,200	n/a
PAUL R. DAOUST Boston, Massachusetts, United States	Director	Consultant and Corporate Director	155,000	2013

Name and Municipality of Residence	Office	Principal Occupation	# Common Shares Owned	Director Since
RICHARD D. INNES Toronto, Ontario, Canada	Director	Consultant and Corporate Director	100,000	2009
G. EDMUND KING Toronto, Ontario, Canada	Chair of the Board	Corporate Director	75,000	2003
JOHN N. WALLACE Unionville, Ontario, Canada	Director and President and Chief Executive Officer	President and Chief Executive Officer, The Caldwell Partners International Inc.	550,500	2009
KATHRYN A. WELSH Thornhill, Ontario Canada	Director	Consultant and Corporate Director	40,000	2009

Each director holds office until the next annual meeting of shareholders or until his or her successor is elected or appointed, whichever is sooner, unless his office is earlier vacated. The directors and executive officers of the Company, as a group, beneficially own directly or indirectly, or exercise control over 1,184,700 Common Shares, representing approximately 5.6% of the outstanding Common Shares.

Composition of the Audit Committee:

The Company's Audit Committee is composed of four directors (Kathryn A. Welsh - Chair, Paul R. Daoust, Richard D. Innes and G. Edmund King), none of whom is or was an employee or officer of the Company or any of its affiliates or subsidiaries.

Composition of the Nominating/Corporate Governance/Compensation Committee:

The Company's Nominating/Corporate Governance/Compensation Committee is composed of four directors (Paul R. Daoust - Chair, Richard D. Innes, G. Edmund King, and Kathryn A. Welsh), none of whom is or was an employee or officer of the Company or any of its affiliates or subsidiaries.

Composition of the Investment Committee:

The Company's Investment Committee is composed of five directors (Richards D. Innes - Chair, Paul R. Daoust, G. Edmund King, John N. Wallace, and Kathryn A. Welsh). Other than Mr. Wallace who is an employee and officer of the Company, none of the remaining committee members is or was an employee or officer of the Company or any of its affiliates or subsidiaries.

Interest of Management and Others in Material Transactions

Except as set forth below, none of the Company's directors, executive officers or principal shareholders, nor any of their respective associates or affiliates, had a direct or indirect material interest in any transaction or proposed transaction within the three most recently completed financial years or during the current financial year which has materially affected or will materially affect the Company:

Pursuant to its lease agreements, the Company paid rent for its Toronto office to an affiliated company owned by a shareholder, C. Douglas Caldwell, registered as owning more than ten percent of the Company. The amount of consideration agreed to by the parties was determined to be fair market rental rates at the inception of the lease by an independent commercial real estate counselor and was approved by the independent members of the Board of Directors. Occupancy costs within general and administrative expenses in the consolidated statements of earnings have been recognized for year ended August 31, 2014 in the amount of $200,343 (2013: $200,343).

Transfer Agent and Registrar

Valiant Trust Company, at its office in Toronto, Ontario, is the transfer agent and registrar for the Common Shares.

Material Contracts

There are no contracts, other than contracts entered into in the ordinary course of the business or entered into prior to January 1, 2002, that are material to the Company and that were entered into within the most recently completed financial year.

Names of Experts

The Company's external financial statement auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, Toronto, Ontario.

Additional Information

Additional information relating to the Company may be found on the System for Electronic Document Analysis and Retrieval (SEDAR) internet website at www.sedar.com. Additional financial information is provided in the audited consolidated financial statements and management's discussion and analysis for the fiscal year ended August 31, 2014. A copy of such documents may also be found at www.sedar.com or may be obtained upon request from the Secretary of the Company.

Appendix A - Audit Committee Information Required in an AIF – Form52-110F1

Composition of the Audit Committee

The Company's Audit Committee is composed of four directors: Kathryn A. Welsh, Chair; Paul R. Daoust; Richard D. Innes; and G. Edmund King. Each member of the Audit Committee is independent within the meaning of applicable securities legislation and none receives, directly or indirectly, any compensation from the Company other than for service as a member of the Board of Directors and its committees and dividends paid on the Company's common stock. Each member of the Audit Committee is financially literate as defined under National Instrument 52-110 – Audit Committees. In considering the criteria for determining financial literacy, the Board of Directors looks at, among other things, the ability of a director to read and understand a balance sheet, an income statement and a cash flow statement of a company of a complexity comparable to that of the Company.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is as follows:

Kathryn Welsh, Audit Committee Chair
Ms. Welsh holds a B. Comm. (Honors – Gold Medalist) from Queen's University. Ms. Welsh has been an independent consultant since 2004. From 2002 to 2004, she served as Chief Financial Officer and Corporate Secretary of Radian Communication Services Corporation. Ms. Welsh has held a number of other senior financial positions, including CFO for Simvest Solutions, The Second Cup, and Canada Bread. She began her business career as a senior accountant with KPMG, subsequently holding management positions at Holt Rinehart & Winston of Canada Limited and Innopac Inc. Ms. Welsh earned her CA designation in 1982; in 2008 she became an Institute Certified Director, Institute of Corporate Directors, and has served as a Director or Trustee for a number of organizations.

Paul R. Daoust
Mr. Daoust holds a B.A. in Mathematics from Boston College and a Masters of Actuarial Science, with distinction, from the University of Michigan and is a Fellow of the Society of Actuaries. Since February 2005, Mr. Daoust has served as the chair of HighRoads, Inc., a privately held technology-enabled services company, where he also served as Chief Executive Officer from February 2005 to December 2008. Previous operating experience includes more than 28 years with Watson Wyatt, one of the world's largest human resource consulting firms, retiring in 1998 after 5 years as global Chief Operating Officer and 9 years as a board director. In terms of public board experience, he recently served as a director for Mac-Gray, a technology-enabled services provider in the laundry business until it was acquired in January, 2015. In prior years he was a director for Gevity HR, Inc. which provided HR to the SMB Market until it was acquired in 2009, and Salary.com, a provider of SAAS compensation solutions, where he also served as Interim CEO until it was acquired in 2010. He also currently serves on the board of directors of Provant Health, a privately held company in the wellness space, and on the advisory boards of several private companies principally in the human resources space.

Richard D. Innes
Mr. Innes holds an Honors Business Administration degree from the Western University. He currently is an independent consultant. From 1997 to 2007, Mr. Innes was President and Chief Executive Officer of Arbor Memorial Services Inc., a company listed on the Toronto Stock Exchange (the "TSX") which operates cemeteries, crematoria, and funeral homes across Canada. Mr. Innes' lengthy and broad business career includes serving as President of the Frozen Products and Industrial divisions of Ault Foods, and other senior roles at Catelli, Nabisco Brands Limited, Playtex Limited, Canadian Marketing Associates, and Procter & Gamble, where he began his career.

G. Edmund King
Edmund King holds a B.A. in Economics from the University of Toronto. He is a director of Engagement Labs, an internet content provider. He is also a director of Norvista Resources and the Canadian Cardiovascular Academy. Mr. King was previously Chairman and CEO of Wood Gundy Ltd., and of CIBC Wood Gundy and Chairman of WIC Western International Communications. Mr. King is a former Director of Falconbridge Ltd., Rockwater Capital Corporation, Imax Corp and McCarvill Corporation. Mr. King is also the former Chairman of the Investment Dealers Association of Canada, The Princess Margaret Hospital, and a former director of the National Ballet of Canada, the Shaw Festival, and the Centre for Addiction and Mental Health Foundation (CAMH).

External Auditor Service Fees

Fees by Category	Fiscal 2014	Fiscal 2013
Audit Fees (annual financial statements)	$ 96,000	$ 93,000
Audit-Related Fees (quarterly filings)	9,000	9,000
Tax Fees (compliance, advice, planning)	37,500	36,500
All Other Fees (due diligence and amalgation)	26,100	-
Total Fees	**$ 168,600**	**$ 138,500**

The Audit Committee has adopted a policy that requires pre-approval by the Audit Committee of audit services and other services within permissible categories of non-audit services. The policy prohibits us from engaging the auditor for "prohibited" categories of non-audit services.

Audit Committee's Charter

Role and Objective

The Audit Committee (the "Committee") is a committee of the board of directors (the "Board") of The Caldwell Partners International Inc. ("Caldwell") to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information. The primary objectives of the Committee are as follows:

1. To assist directors in meeting their responsibilities in respect of the review and approval of the

financial statements of Caldwell and related documentation;

2. To provide a communication link between independent directors and external auditors;

3. To enhance the external auditor's independence;

4. To assure the credibility and objectivity of financial reports; and

5. To strengthen the role of the outside directors by facilitating in depth discussions between directors on the Committee, management and external auditors.

Membership of Committee

1. The Committee shall be comprised of at least three (3) directors of Caldwell, none of whom are members of management of Caldwell and all of whom are "unrelated directors" (as such term is used in the Report of the Toronto Stock Exchange on Corporate Governance in Canada) and "independent" (as such term is used in Multilateral Instrument 52-110 - Audit Committees ("MI 52-110") unless the Board shall have determined that the exemption contained in Section 3.6 of MI 52-110 is available and has determined to rely thereon.

2. The Board shall appoint the Committee Chair.

3. All of the members of the Committee shall be "financially literate" (as defined in MI 52-110) unless the Board shall determine that an exemption under MI 52-110 from such requirement in respect of any particular member is available and has determined to rely thereon in accordance with the provisions of MI 52-110.

Mandate and Responsibilities of Committee

1. The Committee shall provide oversight on the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting.

2. The Committee shall satisfy itself on behalf of the Board with respect to Caldwell's Internal Control Systems and its ability to:
    a. Identify, monitor and mitigate business risks; and
    b. Ensure compliance with legal, ethical and regulatory requirements.

3. The primary responsibility of the Committee is to review the annual and interim financial statements of Caldwell and related management's discussion and analysis ("MD&A") prior to their submission to the Board for approval. The process should include but not be limited to:
    a. Reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;
    b. Reviewing significant accruals, reserves or other estimates;
    c. Reviewing accounting treatment of unusual or non-recurring transactions;
    d. Reviewing disclosure requirements for commitments and contingencies;
    e. Reviewing adjustments raised by the external auditors, whether or not included in the

financial statements;
f. Reviewing unresolved differences between management and the external auditors; and
g. Obtaining explanations of significant variances with comparative reporting periods.

4. Unless reviewed by the entire Board, the Committee is to review the financial statements, prospectuses, MD&A, annual information forms ("AIF") and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of Caldwell's disclosure of all other financial information.

5. With respect to the appointment of external auditors by the Board, the Committee shall:
   a. Recommend to the Board the external auditors to be nominated;
   b. Recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors shall report directly to the Committee;
   c. Perform an annual assessment of external auditors as recommended by the Canadian Public Accountability Board to review the suitability of the existing external audit firm;
   d. Approximately every five years perform a more in-depth periodic review of external auditors as recommended by the Canadian Public Accountability Board to review the continued appropriateness of the existing external audit firm;
   e. Discuss with the external auditors all significant relationships such auditors have with the Corporation to determine the auditors' independence;
   f. When there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;
   g. Review and pre-approve any non-audit services to be provided to Caldwell or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may delegate to one or more independent members the authority to pre–approve non–audit services, provided that the member report to the Committee at the next scheduled meeting such pre–approval and the member comply with such other procedures as may be established by the Committee from time to time; and
   h. Review with external auditors (and internal auditor if one is appointed by Caldwell) their assessment of the internal controls of Caldwell, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee shall also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of Caldwell and its subsidiaries.

6. The Committee shall review risk management policies and procedures of Caldwell (e.g. hedging, litigation and insurance).

7. The Committee shall establish a procedure for:
   a. the receipt, retention and treatment of complaints received by Caldwell regarding accounting, internal accounting controls or auditing matters; and
   b. The confidential, anonymous submission by employees of Caldwell of concerns regarding questionable accounting or auditing matters.

8. The Committee shall review and be apprised of any intent of Caldwell regarding the hiring of partners

and employees who work on Caldwell's account and former partners and employees of the present and former external auditors of Caldwell.

9. The Committee shall have the authority to investigate any financial activity of Caldwell. All employees of Caldwell are to cooperate as requested by the Committee.

10. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in filling their responsibilities at the expense of Caldwell without any further approval of the Board.

Meetings and Administrative Matters

1. At all meetings of the Committee every motion shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote.

2. The Chair shall preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee present shall designate from among the members present the Chair for purposes of the meeting.

3. A quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board unless otherwise determined by the Board.

4. Meetings of the Committee should be scheduled to take place at least four times per year (see "Schedule A"). Minutes of all meetings of the Committee shall be taken. The Chief Financial Officer shall attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chair.

5. The Committee shall meet with the external auditor at least once per year, including at least one in camera meeting (in connection with the preparation of the year end financial statements) and at such other times as the external auditor and the Committee consider appropriate.

6. Agendas, approved by the Chair, shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.

7. The Committee may invite such officers, directors and employees of Caldwell as it may see fit from time to time to attend at meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee.

8. Any member of the Board Directors may attend any Committee meeting as an ex-officio member at his discretion.

9. Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.

10. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of Caldwell.

11. Any members of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, each member of the Committee shall hold such office until the close of the next annual meeting of shareholders following appointment as a member of the Committee.

12. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chair of the Board by the Committee.