Form 51-102F3

Material Change Report

Item 1 Name and Address of Company

Clarke Inc.
8th Floor
6009 Quinpool Road
Halifax, NS B3K 5J6

Item 2 Date of Material Change

December 22, 2005

Item 3 News Release

A press release was issued through Canada News Wire on December 22, 2005.

Item 4 Summary of Material Change

On December 22, 2005, Clarke Inc. closed a $70 million offering of 6.00% convertible unsecured subordinated debentures.

Item 5 Full Description of Material Change

On December 22, 2005, Clarke Inc. ("Clarke") closed a $70 million offering of 6.00% convertible unsecured subordinated debentures (the "Debentures"). The offering was underwritten by a syndicate of underwriters led by National Bank Financial Inc. and including CIBC World Markets Inc., HSBC Securities (Canada) Inc., RBC Dominion Securities Inc., and GMP Securities L.P.

The Debentures will mature on December 31, 2012 (the "Maturity Date"). Interest on the Debentures is payable semi-annually on June 30 and December 31, commencing on June 30, 2006. Each $1,000 principal amount of the Debentures is convertible at any time prior to maturity or the date fixed for redemption, at the option of the holder, into approximately 42.1053 common shares of Clarke ("Common Shares") at a conversion price of $23.75 per Common Share (the "Conversion Price").

The Debentures will not be redeemable by Clarke at any time prior to December 31, 2008. After December 31, 2008 and prior to December 31, 2009 the Debentures will be redeemable by Clarke on not more than 60 days and not less than 30 days prior notice at a price payable equal to

$1,000 per Debenture plus accrued and unpaid interest, provided that the current market price of the Common Shares on the date on which the notice of redemption is given exceeds 125% of the Conversion Price. Subsequent to December 31, 2009 and prior to the Maturity Date, the Debentures will be redeemable by Clarke on not more than 60 days and not less than 30 days prior notice at par plus accrued and unpaid interest.

Clarke may, on not more than 60 days and not less than 30 days prior notice, and provided that no event of default has occurred and is continuing, satisfy the obligation to pay the principal amount of the Debentures on maturity or redemption by the issue and delivery of that number of freely tradeable Common Shares obtained by dividing the principal amount of the Debentures by 95% of the current market price of the Common Shares on the maturity or redemption date.

Clarke intends to use the estimated net proceeds of the offering to make controlling or minority investments in businesses or securities where it sees the opportunity for value creation and growth in investment. A portion of the net proceeds will also be used for working capital and general corporate purposes.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable

Item 7 Omitted Information

No significant facts remain confidential in, and no information has been omitted from, this report.

Item 8 Executive Officer

For further information please contact Jan Imeson, Executive Vice President and Chief Financial Officer at (902) 442-0345.

Item 9 Date of Report

December 22, 2005