

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of the Company

Clarke Inc. ("**Clarke**")
9th Floor
6009 Quinpool Road
Halifax, Nova Scotia
B3K 5J7

Item 2 Date of Material Change

December 16, 2014

Item 3 News Release

A news release disclosing the nature and substance of the material change was issued by Clarke on December 16, 2014 through Canada Newswire and filed on SEDAR, and is attached as Schedule "A".

Item 4 Summary of Material Change

On December 16, 2014, Clarke announced its intention to commence a substantial issuer bid (the "**Offer**") pursuant to which Clarke will offer to purchase up to 2,500,000 of its outstanding common shares (the "**Shares**") at a purchase price of \$9.50 per Share in cash.

The Offer is expected to remain open for acceptance until January 26, 2015, unless withdrawn or extended by Clarke. If more than 2,500,000 Shares (or such greater number as Clarke determines it is willing to take up and pay for) are properly tendered to the Offer, Clarke will take-up and pay for the tendered Shares on a pro-rata basis according to the number of Shares tendered (with adjustments to avoid the purchase of fractional Shares).

Clarke has entered into a lock-up agreement with Scotia Learning Centres Incorporated, Geosam Capital Inc. and Geosime Capital Inc. (together, the "**Sellers**") pursuant to which the Sellers have agreed to tender to the Offer such number of Shares as is required such that the Sellers and certain other affiliated persons identified by the Sellers will collectively own not more than, but as close as possible to, 48.0% of the Shares upon completion of the Offer.

Item 5 Full Description of Material Change

Please see the news release attached as Schedule "A".

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information please contact:

Andrew Snelgrove, Chief Financial Officer
Clarke Inc.

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Fax: 902 442 0187

Item 9 Date of Report

December 29, 2014

SCHEDULE "A"

Clarke Inc. Announces Intention to Commence Substantial Issuer Bid for its Shares

HALIFAX, Dec. 16, 2014 /CNW/ - Clarke Inc. ("Clarke" or the "Company") (TSX: CKI) today announced its intention to commence a substantial issuer bid (the "Offer") pursuant to which the Company will offer to purchase up to 2,500,000 of its outstanding common shares (the "Shares") at a purchase price of \$9.50 per Share in cash (the "Purchase Price").

Details of the Offer, including instructions for tendering Shares to the Offer, will be included in the formal offer to purchase and issuer bid circular and other related documents (the "Offer Documents"), which are expected to be mailed to shareholders, filed with securities regulators and made available shortly on SEDAR at www.sedar.com and on the Company's website at www.clarkeinc.com. The Offer will not be conditional on any minimum number of Shares being tendered although it will be subject to various other conditions that are typical for a transaction of this nature. The Offer is expected to remain open for acceptance until January 26, 2015, unless withdrawn or extended by the Company. If more than 2,500,000 Shares (or such greater number as the Company determines it is willing to take up and pay for) are properly tendered to the Offer, the Company will take-up and pay for the tendered Shares on a pro-rata basis according to the number of Shares tendered (with adjustments to avoid the purchase of fractional Shares). The Company intends to fund any purchases of the Shares pursuant to the Offer using cash on hand and available credit facilities.

The Company has entered into a lock-up agreement with Scotia Learning Centres Incorporated, Geosam Capital Inc. and Geosime Capital Inc. (together, the "Sellers") pursuant to which the Sellers have agreed to tender to the Offer such number of Shares as is required such that the Sellers and certain other affiliated persons identified by the Sellers will collectively own not more than, but as close as possible to, 48.0% of the Shares upon completion of the Offer. The purpose of the Sellers agreeing to tender in this manner is to avoid the Offer resulting in an "acquisition of control" of Clarke by a person or "group of persons" for purposes of the *Income Tax Act* (Canada), which could have adverse income tax consequences to Clarke.

The directors of the Company believe that repurchasing Shares represents an attractive use of the Company's financial resources and is in the best interests of its shareholders as the recent trading price of the Shares is not fully reflective of the value of the Company's assets. Neither the Company nor its board of directors makes any recommendation to shareholders as to whether to tender or refrain from tendering Shares to the Offer. Shareholders are strongly encouraged to review the Offer Documents carefully and to consult with their financial and tax advisors prior to making any decision with respect to the Offer.

About Clarke

Halifax-based Clarke invests in a variety of private and publicly-traded businesses and participates actively where necessary to enhance the performance of such businesses and increase its return. Clarke's securities trade on the Toronto Stock Exchange (CKI). For more information about Clarke Inc., please visit our website at www.clarkeinc.com.

Note on Forward-Looking Statements and Risks

This press release may contain or refer to certain forward-looking statements relating, but not limited to, Clarke's expectations, intentions, plans and beliefs with respect to Clarke. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "does not expect", "is expected", "budget", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or equivalents or variations, including negative variations, of such words and phrases, or state that certain actions, events or results, "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. These forward-looking statements include, but are not limited to, statements regarding: the Company's intention to commence the Offer; the expected terms and conditions of the Offer; the completion of the Offer and the transactions contemplated by the lock-up agreement referred to above; and the trading price of the Shares not fully reflecting the value of the Company's assets.

Forward-looking statements rely on certain underlying assumptions that, if not realized, can result in such forward-looking statements not being achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of Clarke to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. Risks and uncertainties include, among others, the Company's investment strategy, legal and regulatory risks, general market risk, potential lack of diversification in the Company's investments and interest rates and foreign currency fluctuations. Although Clarke has attempted to identify important factors that could cause actual actions, events or results or cause actions, events or results not to be estimated or intended, there can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Other than as required by applicable Canadian securities laws, Clarke does not update or revise any such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements.

SOURCE Clarke Inc.

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For further information: Michael Rapps, President and CEO, at (416) 855-1925; Andrew Snelgrove, CFO, at (902) 442-3987

CO: Clarke Inc.

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