

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

Saratoga Electronic Solutions Inc. (the "Company")
2975 Hochelaga
Montreal, Quebec
H1W 1G1

Item 2 Date of Material Change

December 16, 2011.

Item 3 News Release

A news release in respect of the material change was issued on December 21, 2011. A copy of the Company's December 21, 2011 news release is attached as Schedule "A".

Item 4 Summary of Material Change

The Company has announced that on December 16, 2011 it completed the sale of its wholly-owned subsidiary Car-Tel Distributions Inc. ("Car-Tel") to a corporation controlled by a former member of the Company's board of directors.

Item 5 Full Description of Material Change

The press release attached as Schedule "A", issued on December 21, 2011 contains a full description of the material change.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Further information can be obtained from Georges Durst, President and Chief Executive Officer of the Company, at (514) 529-0663.

Item 9 Date of Report

December 21 2011.

SCHEDULE "A"

SARATOGA ELECTRONIC SOLUTIONS REPORT ON ANNUAL SHAREHOLDERS MEETING

Press Release: Montreal, Quebec December 21, 2011-Saratoga Electronic Solutions Inc. (TSX-V: SAR)

MONTREAL, QUEBEC—Monday, December 21, 2011. Saratoga Electronic Solutions Inc. (the "Company") is pleased to announce that all resolutions were approved by shareholders of the Company at its December 15, 2011 annual and special Meeting of shareholders. This included the election of directors, appointment of auditors and the ratification of the presentation of financial statements in respect of a period ended earlier than the period provided by applicable laws and regulations. A majority of disinterested shareholders, being shareholders other Mr. Georges A. Durst and Mr. Luc Charlebois, also voted in favour of the sale of the Company's wholly-owned subsidiary, Car-Tel Distributions Inc. ("Car-Tel"), to 7999291 Canada Inc., a corporation controlled by Luc Charlebois, a former director of the Company and an officer of Car-Tel.

Shareholders elected Georges A. Durst, Donald W. Seal, QC, Alfredo Pérez and Martin Fontaine to the Board of Directors of the Company.

The closing of the sale of Car-Tel took place on Friday December 16, 2011.

The Company will continue its strategic alternative review process for enhancing shareholder value. The Board of Director's Special Committee has not set a definitive timetable for completion or there can be no assurance that this process will lead to the approval or completion of any definitive agreement or other transaction.

Forward-Looking Statements

This news release contains certain forward-looking statements. These statements are based on certain assumptions and analyses made by Saratoga in light of management's experience and perception of current conditions and expected future developments, as well as other factors believed to be appropriate in the circumstances. However, whether actual results and developments will conform to expectations, is subject to a number of risks, uncertainties and assumptions, as well as those discussed in Saratoga's Annual Report and Management's Discussion and Analysis. Consequently, all of the forward-looking statements in this news release are qualified by these cautionary statements, as to Saratoga's ability to enhance shareholder value through this process. Moreover, there can be no assurance that the results or developments anticipated by Saratoga, including as regards its financial resources, will be realized or, even if substantially realized, that they will have the expected consequences to or effects on Saratoga. Saratoga undertakes no obligation and does not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For more information, please contact Mr. Georges Durst, President and Chief Executive Officer of Saratoga Electronic Solutions Inc., at 514-529-0663.