MATERIAL CHANGE REPORT

1. **Reporting Issuer**

   Enghouse Systems Limited
   80 Tiverton Court, Suite 800
   Markham, ON L3R 0G4

2. **Date of Material Change**

   March 2, 2000

3. **News Release**

   The press release attached as schedule "A" hereto was released through the facilities of Canada Newswire Ltd. on March 2, 2000.

4. **Summary of Material Change**

   Enghouse Systems Limited ("Enghouse") announced that effective April 1, 2000, the board of directors of Enghouse has appointed Mr. Stephen Sadler as Chairman and Chief Executive Officer. In connection with his appointment, Mr. Sadler and certain other members of his proposed management team currently intend to subscribe for up to 2,000,000 units of Enghouse (the "Units", each one being a "Unit").

5. **Full Description of Material Change**

   Enghouse announced that effective April 1, 2000, the board of directors of Enghouse has appointed Mr. Stephen Sadler as Chairman and Chief Executive Officer. Mr. Sadler was the former President and Chief Executive Officer of Geac Computer Corporation and is currently the Chairman of Helix Investments Corporation and a director of several private and public high-tech companies including Open Text Corporation, Cyberplex Multimedia Inc. and Telco Resources Corp.

   In connection with his appointment, Mr. Sadler and certain other members of his proposed management team currently intend to subscribe for up to 2,000,000 Units of Enghouse, each Unit consisting of one common share (a "Common Share") and one common share purchase warrant (a "Warrant") of Enghouse. Each Warrant entitles the holder thereof to acquire one Common Share for a period of 24 months from the date of issue at an exercise price of $5.85 per share. The Units are being issued at a price of $5.00 per Unit for total gross proceeds to Enghouse of up to $10,000,000. The transaction is subject to all necessary regulatory and shareholder approvals and completion of definitive documentation and is expected to be completed on or about March 13, 2000.

6. **Reliance on Section 75(3) of the Act**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Senior Officer**

For further information, please contact Andrew Nellestyn, Interim President and Chief Executive Officer, 80 Tiverton Court, Suite 800, Markham, Ontario, L3R 0G4; Phone: (905) 946-3200; Fax: (905) 946-3201.

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Markham, Ontario as of the 10th day of March, 2000.

ENGHOUSE SYSTEMS LIMITED

Per:

Andrew Nellestyn
Interim President and Chief Executive Officer

FOR IMMEDIATE RELEASE

Enghouse Announces Appointment of Stephen Sadler as Chairman and Chief Executive Officer and $10,000,000 Equity Financing

Markham, Ontario, March 2, 2000 – Enghouse Systems Limited (TSE - ESL) announced today that effective April 1, 2000, its Board has appointed Mr. Stephen Sadler as Chairman and Chief Executive Officer of the Company. Mr. Sadler was the former President and CEO of Geac Computer Corporation. In that position Mr. Sadler took Geac from receivership in 1987 and grew the company by acquisition into a major international high-tech company serving several vertical markets with mission critical application software. He currently is Chairman of Helix Investments Corporation and a director of several successful private and public high-tech companies including Open Text Corporation, Cyberplex Multimedia Inc, and Telco Resources Inc.

In connection with his appointment, Mr. Sadler and certain other members of his proposed team currently intend to subscribe for up to 2,000,000 units consisting of one Common Share and one Common Share Purchase Warrant. Each Common Share Purchase Warrant entitles the holder thereof to acquire one Common Share for a period of 24 months at an exercise price of $5.85 per share. The Units are being issued at a price of $5.00 per Unit for total gross proceeds of $10,000,000. The transaction is subject to the receipt of all necessary exchange approvals and the completion of definitive documentation which is expected to be completed on or about March 13, 2000.

Claudette MacKay-Lassonde, Chairman of the Board, stated that "The Board of Directors is very enthusiastic about Mr. Sadler's appointment as Chairman and CEO. Mr. Sadler's stature and success in the hightech market, his proven abilities as a senior executive and his comprehensive knowledge of the Information Technology industry, will add significant value to Enghouse". She added, "Mr. Sadler's appointment and the infusion of equity capital combined with ESL's strong financial position, will enable ESL to aggressively pursue the GIS spatial information management market as well as address new and promising market directions and related product development programs incorporating open, enterprise-wide, web-based, spatial, wireless functionality".

"I am very excited about the opportunity at Enghouse to expand its current spatial information management business operations and develop the Company into a diversified information technology organization" says Mr. Sadler. He continues "We hope to service companies with the superior application software utilizing the growing use of the internet and wireless technology as a fundamental business tool to give our customers a competitive advantage."

Enghouse Systems Limited is a Canadian-based software engineering company that develops GIS (Geographic Information Systems) based solutions for telecommunications and utility companies. Enghouse products provide spatial information management solutions to hundreds of customers globally by offering the Enghouse suite of **WORKS**™ world-class, robust applications under the trade names, **T**elco**WORKS**™, **P**ower**WORKS**™, **C**ATV**WORKS**™, and **G**AS**WORKS** ™.

Shares of Enghouse Systems Limited are traded under the symbol "ESL" on the Toronto Stock Exchange.

For further information, please contact Andrew Nellestyn, Tel. No. (905) 946-3238.