

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended**

**IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF MICROFORUM INC.**

**AFFIDAVIT OF STEVEN SCHOFIELD
(Sworn March 11, 2002)**

I, Steven Schofield, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the President and Chief Executive Officer and a member of the board of directors of Microforum Inc. ("Microforum" or the "Company"). As such, I have personal knowledge of the matters which I attest to in this affidavit, except where same are stated to be on information and belief, in which case I believe such information to be true.
2. The purpose of this affidavit is to describe the sales process carried out by Microforum in relation to the Deployed Consulting Services Business Unit ("DCS") in support of the Company's motion to seek approval of the sale of substantially all of the DCS assets to Cognicase Inc. ("Cognicase") pursuant to an Asset Purchase Agreement dated March 1, 2002 entered into between Microforum and Cognicase and subject to court approval (the "Agreement"). A copy of the Agreement is attached as Appendix 1 to the Monitor's Second Report.
3. Starting in January 2001, Microforum began reducing costs and divesting itself of non-core assets. The Company implemented a number of additional cost-reduction measures including the closure of some of its offices, together with staffing reductions at its Toronto premises. Microforum concluded in the fall of 2001

that DCS was not core to the operations of Microforum and that it would attempt to sell DCS. Initially, Microforum was considering the potential of a management purchase, as well as whether it could obtain any third party offers for DCS.

4. During the period October to December 2001, Linda Gibson, the Vice-President of DCS ("Gibson"), spoke to several prospective purchasers in order to solicit offers for DCS. Three companies Gibson contacted were interested in taking over the DCS customer contracts and offering Microforum a percentage of the profits as a method of acquiring the contracts and resources of DCS, along with assuming the payroll of the contractors and employees performing the work.

5. Microforum continued to engage in discussions with the three companies and advised them that, although Microforum was intent on restructuring the DCS business, it was unlikely that an assumption of the assets and liabilities of DCS to be paid for via a percentage of billings would be the best means to achieve this objective. Cognicase was the only company of the three that was willing to proceed with an outright asset purchase transaction for realizable upfront value and offered to purchase the DCS assets for \$2 million on January 23, 2002. The other companies that had expressed an interest in DCS were notified that Microforum had received an offer for the assets of DCS, which it was prepared to accept.

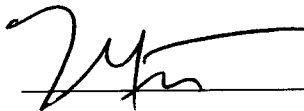
6. Of the three companies that had expressed interest in DCS, Cognicase provides the best fit for the DCS business from the perspective of its clients and employees. As the Government of Ontario is effectively the only customer for this division, it was essential that DCS be sold to an entity that could obtain the approval of the Government of Ontario for the assignment of the contract to the new purchaser. Cognicase, with its strength in both the municipal and federal government markets, represented the experience, financial and other ability to obtain the support of the Government of Ontario and assume the contract. Additionally, many of the key employees were predisposed to Cognicase and

Microforum was concerned that the failure to transfer certain of the key employees could erode the value realized upon the sale of DCS.

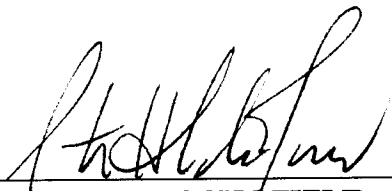
7. In order to validate the offer made by Cognicase, TD Securities Inc. ("TDSI") was engaged to provide an indication of acceptable selling prices for this business. The price offered by Cognicase falls within the TDSI-projected range of between \$1.5 million and \$3.0 million.

8. It was imperative that Microforum proceed with a transaction for the DCS assets quickly, as Gibson had advised Microforum that she would be leaving Microforum in early March 2002, regardless of whether the sale took place. Without Gibson, I believe that Microforum would be unable to maintain its relationship with DCS's major clients thereby eroding the value of DCS and potentially frustrating the ability of Microforum to complete a sale transaction. As a result, a non-binding letter of interest was entered into on February 12, 2002, conditional upon court approval. Thereafter the Agreement attached as Appendix 1 to the Monitor's Second Report was negotiated and executed.

SWORN BEFORE ME
at the City of Toronto, in the
Province of Ontario
on March 11, 2002.



Commissioner for Taking Affidavits



STEVEN SCHOFIELD

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, C.C-36

Court File No.: 02-CL-4394

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF MICROFORUM INC.

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**
Proceeding commenced at Toronto

AFFIDAVIT OF STEVEN SCHOFIELD
(sworn March 11, 2002)

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