



20-20 Technologies Inc. Annual Information Form

Year Ended October 31, 2011

January 19, 2012

TABLE OF CONTENTS

	<u>Page</u>
INFORMATION INCORPORATED BY REFERENCE	3
FORWARD-LOOKING INFORMATION	3
CORPORATE STRUCTURE	3
Name and Incorporation	3
Intercorporate Relationships	3
Business Overview	4
Recent History	4
Industry Overview	4
Our Solutions	5
Services	6
Growth Strategy	6
Technology	7
Research and Development	7
Sales and Marketing	7
Intellectual Property	7
Employees	7
Competition	7
Operations and Facilities	8
RISK FACTORS	8
DIVIDENDS	10
CAPITAL STRUCTURE	10
Common shares	10
Preferred Shares	10
MARKET FOR SECURITIES	10
DIRECTORS AND OFFICERS	10
Directors and Officers	10
CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES	12
AUDIT COMMITTEE DISCLOSURE	13
Charter	13
Audit Committee Purpose	13
Composition	13
Reliance on Experts	13
Remuneration of Committee Members	13
Limitations on Committee's Duties	13
Meetings & Operating Procedures	13
Responsibilities and Duties	14
Composition of the Audit Committee	15
Relevant Education and Experience	15
Remuneration of auditors	15
TRANSFER AGENT AND REGISTRAR	16
MATERIAL CONTRACTS	16
EXPERTS	16
ADDITIONAL INFORMATION	16

INFORMATION INCORPORATED BY REFERENCE

Certain information contained in this Annual Information Form ("AIF") may be found in other documents filed by us with Canadian securities regulators, including our 2011 Management's Discussion & Analysis available via SEDAR and which can be accessed at www.sedar.com. See also the section in this AIF entitled "Additional Information".

Unless otherwise noted, the information contained in this AIF is given as at October 31, 2011. Unless otherwise noted or the context otherwise indicates, "20-20 Technologies", the "Company", "we", "us", "our" and "our company" refers to 20-20 Technologies Inc. and its direct and indirect subsidiaries. Unless otherwise indicated, all dollar amounts in this AIF are expressed in U.S. dollars. References to "\$" or "U.S." are to U.S. dollars and references to "C\$" are to Canadian dollars. Disclosure of information in this report has been limited to that which management has determined to be "material", on the basis that omitting or misstating such information would influence or change a reasonable investor's decision to purchase, hold or dispose of securities in the Company.

FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF constitute forward-looking information within the meaning of securities laws.

Implicit in this information, particularly in respect of the Company's future operating results and economic performance are assumptions regarding projected revenues and expenses. These assumptions, although considered reasonable by the Company at the time of preparation, may prove to be incorrect. Readers are cautioned that the Company's actual future operating results and economic performance are subject to a number of risks and uncertainties, including general economic, market and business conditions, and could differ materially from what is currently expected.

Forward-looking information contained in this report is based on management's current estimates, expectations and projections, which management believes are reasonable as of the current date. The reader should not place undue reliance on forward-looking statements and should not rely upon this information as of any other date. While the Company may elect to, it is under no obligation and does not undertake to update this information at any particular time, unless required by applicable securities law. In addition to presenting an analysis of results for the fourth quarter and years ended October 31, 2011 and 2010, this report also discusses certain important events that occurred between the fiscal year-end and January 19, 2012.

CORPORATE STRUCTURE

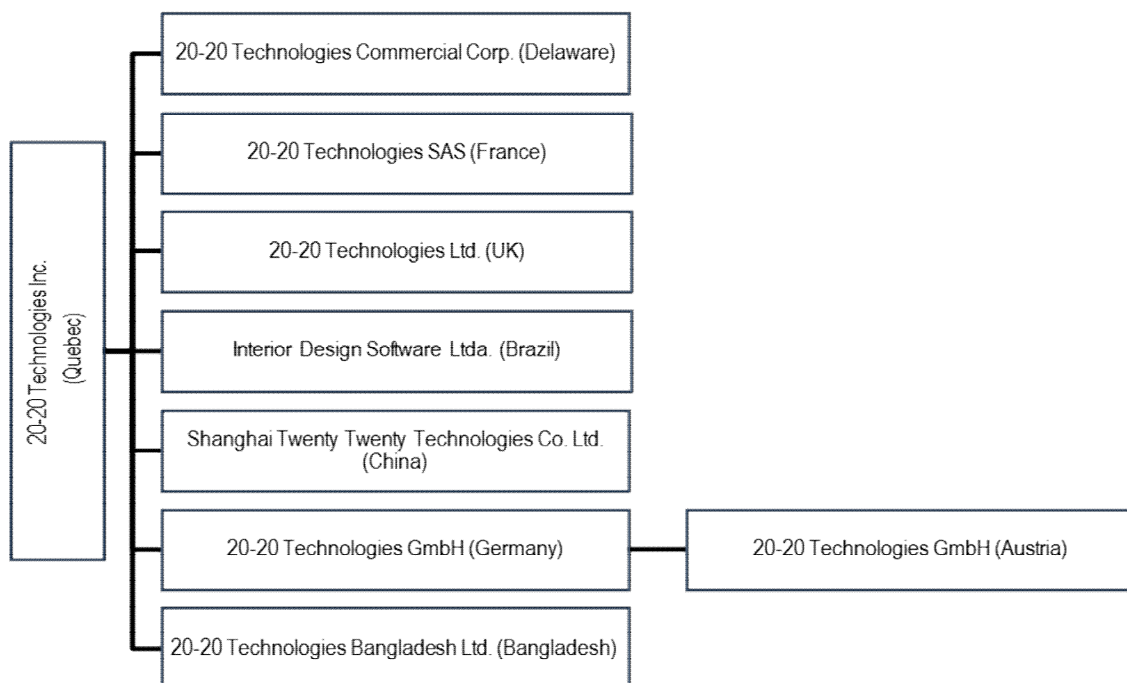
Name and Incorporation

We were incorporated under the *Companies Act* (Québec) by articles of incorporation dated September 30, 1987 and subsequently changed our name to "MKS Informatique Inc." by articles of amendment dated November 16, 1988. We subsequently changed our name to "Technologies 20-20 Inc./20-20 Technologies Inc." pursuant to articles of amendment dated February 1, 1999. We proceeded with an amalgamation under the *Companies Act* (Québec) with our parent on November 1, 2000. We completed our initial public offering on December 8, 2004.

Our head and registered office is located at 400 Armand-Frappier Blvd., Suite 2020, Laval, Québec, H7V 4B4. 20-20 Technologies Inc. or its subsidiaries currently maintain offices in Ontario, the United States, the United Kingdom, France, Germany, Austria, Italy, China, Brazil and Bangladesh. Our website address is www.2020technologies.com. The information on our website is not incorporated by reference in this AIF.

Intercorporate Relationships

At the most recent financial year end, our three principal subsidiaries (in terms of revenues) and their respective jurisdiction of incorporation are 20-20 Technologies Commercial Corp. (Delaware), 20-20 Technologies Ltd. (UK) and 20-20 Technologies GmbH (Germany) (together, the "Principal Subsidiaries"), each of which is wholly owned by us. The chart below sets out 20-20 Technologies' operating subsidiaries and the location of their jurisdiction of incorporation as of December 31, 2011.



GENERAL DEVELOPMENT OF THE BUSINESS

Business Overview

Interior designers and furniture manufacturers have made 20-20 Technologies the world's leading provider of computer-aided design, sales and manufacturing software for the furniture and interior design industry. 20-20 Technologies offers an integrated software platform for industrywide use from showroom to factory floor that is tailored specifically to the furniture and interior design business and employed across all environments, desktop and Web. This platform is a significant competitive advantage and a key success factor for the Company.

20-20 products and services are marketed and sold worldwide through a sales and marketing team in various locations complemented by a network of consultants and distributors. 20-20 has operations across North America and Europe as well as in Asian and Latin American markets.

20-20 Technologies serves a variety of professions related to furniture and interior design that includes architects, office and home furniture dealers and retailers, installers, manufacturers, interior designers, homebuilders and remodelers. Each can choose the software that best suits their needs and addresses their professional concerns and those of their customers. While our focus has traditionally been on the dealer channels and their respective furniture manufacturers, primarily for kitchen and office, we are increasing our sales and services activities for adjacent markets such as remodelers, homebuilders and furniture retailers by expanding our solution coverage in product categories such as bathrooms, closets and other home furniture. The Company also believes in nurturing promising design talent. This is why 20-20 Technologies offers an educational version of its 20-20 Design software to accredited academic design institutions.

20-20 software is available in a large array of languages and sold worldwide. Each available version is adapted to the specific measurement units and currency of the geographic region where the software is used. 20-20 solutions include business-to-consumer (B2C) applications (design and sales), business-to-business (B2B) applications (order processing and eprocurement) and manufacturing facilities: enterprise resource planning (ERP), and computer-aided design (CAD) and computer-aided manufacturing (CAM) software.

Revenue

Licenses – Revenues from license sales are primarily from licensing of the Company's desktop software and enterprise solutions. Each software license, for which users pay a one-time fee, is perpetual in nature. Each license is intended for use by a single user and is non-transferable.

Recurring licences – Revenues from recurring license sales are derived from user fees for licensing of the Company's desktop software and Web solutions (Virtual Planner). These licenses are renewable on a monthly, quarterly or annual basis at the customer's option.

Maintenance and other recurring services – Revenues from maintenance and other recurring services are generated by customer support, software and electronic catalog updates and Web services. Maintenance and other recurring agreements are generally for terms of twelve months and are renewable at the customer's option.

Professional services – Revenues from professional services include revenues derived from training, electronic catalog creation and management, and integration services such as consulting, application integration and hardware resale.

For a more complete and detailed analysis of the Company's revenues and financial information, please refer to our 2011 Management's Discussion & Analysis and 2011 Annual Report, as filed by us with Canadian securities regulators.

Recent History

In the course of the past three years, we have completed the two step acquisition of Hookumu Incorporated (now merged into 20-20 Technologies Commercial Corp.), a supplier of interactive online space planning solutions for the home furniture, real estate and interior design industries.

Industry Overview

The furniture and interior design industry is global in scope and spans various sectors of the economy, including home and office interiors.

Markets

During the fourth quarter of 2011, despite turbulent financial markets, North American market conditions were stable, that is, relatively difficult in the Home sector and more positive in the Office sector. Large corporations in the retail and manufacturing segments are more active than smaller businesses in shopping for marketing support solutions, but continue to make cautious and selective investments. This results in slower decision-making and requires greater sales efforts from the Company. Investments by independent retailers and small manufacturers are still low owing to sales that are still well shy of historical levels.

Overall European market conditions are mainly affected by turbulent financial markets but, in our sector, remain stable and more favorable than in North America. Generally speaking, market conditions in the north and in the east are more favorable but are still difficult in the south amidst a general background of uncertainty arising from weak economies in certain countries saddled with high debt. Nonetheless, as in North America, major retailers and manufacturers are increasingly investing in our Web and sales support solutions and even more so in our manufacturing automation solutions. Our international operations continue to expand, particularly in higher growth countries, led by China where we continue to make inroads, notably in the manufacturing sector in the new storage product market. Overall, recovery is relatively slow in our markets, mainly in the independent retailer market.

Challenges Faced by the Furniture and Interior Design Industry

Manufacturers, dealers and retailers using 20-20's solutions tailored to their needs benefit from a better positioning of their operations as a way to assure their going concerns and to better respond to client demands by better addressing the following key trends and challenges:

- Manufacturers are addressing clients' needs for higher quality, more customized yet competitively priced configurable products in both the home and office interior design markets. Configurable products are becoming ever more complex, as are the processes required to manufacture and market them. Clients further desire to visualize the configurable products set in the context of the fully designed room to scale and the manufacturers, dealers or retailers needs to have accurate, readily available product and manufacturing data.

- Demand for higher product quality, lower costs and faster product introductions and deliveries is driving manufacturers, dealers and retailers to closely integrate product development, sales and manufacturing activities through greater cooperation between retailers at the client level and manufacturers at the product level. Business processes must be addressed on a global scale, creating a need for universal product definitions throughout the sales and supply chain.
- The speed at which products can be brought to market constitute an important differentiator in today's competitive environment, particularly in a context where industry participants are working towards greater product innovation, customization and cost efficiency.

In responding to these requirements and in order to meet client's demand, manufacturers, dealers and retailers need to rely, more than ever, on a single software platform with all related applications to integrate their operations, control their costs and tailor and market their products effectively and quickly.

Addressing these Challenges with Software for the Furniture and Interior Design Industry

Software is used to automate the business processes that are specific to a product and its customized design. It can further provide an end-to-end solution to product development and management, from product design through manufacturing and installation, which allows data exchange and close collaboration between manufacturers, dealers and retailers, handling complex configurable products and manufacturing processes on a global scale.

As a vertical software provider, we have a deep understanding of the specific business requirements, operations and workflow of the furniture and interior design industry. This understanding enables us to provide closer collaboration among design, engineering, manufacturing and sales through our end-to-end solution, therefore resulting in a higher degree of customization and operational efficiency.

Our Solutions

The solutions we currently offer can be divided into four main categories spread throughout the design-through-manufacture process.

Create Content

We create, maintain, publish and update electronic content on behalf of our manufacturing customers in both the home and office furniture and interior design markets. We provide electronic catalogs to dealers and retailers and, in some cases, make them available for publishing on the manufacturer's website.

Manufacturers provide us with detailed features and specifications along with pricing information for each configurable product. Using our proprietary software tools, we first create electronic content, including a 3-D image of each product, and generally update them on an annual or as needed basis to add new products, remove discontinued items and update pricing and product specifications. Manufacturers send their most recent and updated product and price lists to our update center, which can notify all dealers and retailers of any changes via e-mail. This data currently includes specifications for the products manufactured by some of the largest manufacturers of configurable furniture products, including appliances, in the world.

The manufacturers for whom we create electronic content publish catalogs for use on the web or, using our desktop software, for use by their dealers' and retailers' internal sales teams and other sales channels, thus linking the manufacturers to the dealers and retailers. Due to its proprietary parametric nature, the data and specific enhancement contained in such electronic catalogs can only be accessed by dealers and retailers that use our software. Therefore, manufacturers are incentivized to encourage their dealers and retailers to adopt our solutions in order to maximize such manufacturers' investment in the electronic catalogs.

Design and Sell

Our software offers state of the art design, specification, photo-realistic rendering and 3-D visualization capabilities for configurable products in the home and office furniture and interior design markets.

Clients can create interior designs and select and arrange configurable products for a given floor plan either directly on-line on a manufacturer, dealer or retailer website, or by using the in-store design services, supported by our desktop software, available at the point of sale. Designs can be created quickly and easily using our drag-and-drop tool to select items from a single or multiple manufacturers' electronic catalogs. The software features intuitive functionality and a high degree of automation.

Whether a client is on-line or at the point of sale, our software can be used to create a layout of a room using specific measurements and characteristics and specifying configurable product options and placement in the room. Our software provides a photo-realistic rendering of the project as it progresses and allows for a life-like visualization of the designed room through the use of advanced graphics. The user can view the design from multiple perspectives, including walk-throughs and 3-D views.

Our software accommodates a broad spectrum of configurable products from standard to customized items. Manufacturers have control over the degree of customization available with respect to any item in their product catalogs. Manufacturers of standard products can reduce the degree of customization available while manufacturers of customized products can allow users more flexibility in that regard.

Our software further allows the client, whether on-line or at the point of sale, to validate the product selection, design, specifications and layout. As the user places and configures products on the floor plan, our software, using business and design rules, validates each selection by monitoring product's specifications and comparing them to the space available and the product's compatibility with other adjacent products. Furthermore, our software proactively identifies errors in the design or product layout and proposes the necessary corrections. Upon completion of the design of the project, our desktop software, when used with manufacturer's electronic catalogs, enables a salesperson to finalize the design and pricing and automatically generate electronic purchase orders in real time that can be transmitted to each manufacturer involved.

Our design solution is able to support an entire interior design project and virtually eliminates common errors in designing or product ordering. In addition, the ease of use of our software and its 3-D visualization capabilities increases the productivity of sales personnel by reducing the amount of time spent identifying and demonstrating multiple products to clients. Our software can also suggest complementary products during the design stage, such as decorative items and accessories, thereby creating cross-selling opportunities.

Procure

Once a design is completed, our electronic order processing software can create electronic purchase orders. Each electronic purchase order includes a complete bill of materials sorted by item for easy ordering, final pricing and detailed measurement, design specifications and cut lists for standard and custom items.

Once the purchase orders are finalized, they are sent through our electronic order processing services to each of the manufacturers whose configurable products were selected for the project. Each manufacturer receives the purchase order in real time and can fully integrate this into its ERP system. In addition, our software and proprietary ERP systems allow manufacturers to optimize business functions such as product inventory management, purchasing, production scheduling and costing, allowing us to offer the benefits of integrating the front end sales chain software system with the back office ERP application in a seamless way. Our solutions help reduce the labour costs and potential for errors associated with paper-based order processing. In addition, our solutions expedite the order delivery process, thus reducing inefficiencies and costs across the entire sales and supply chain.

Furthermore, our solutions have a "network effect" that enables real time collaboration amongst the manufacturers and their dealers and retailers. Given the benefits associated with our solutions, manufacturers are incentivized to encourage their dealers and retailers to adopt our solutions to maximize their investment in the electronic catalogs.

Manufacture

Our ERP and MRP systems allow us to provide manufacturers with an integrated solution that encompasses the entire design, sales, supply chain and manufacturing processes. Integration into MRP systems allows manufacturers to align product design and development with manufacturing processes and production control activities on the plant floor. This enables manufacturers to design and price highly customized items promptly and cost-effectively.

In addition, our software, together with our existing alliances with other computer-aided manufacturing ("CAM") software providers, allows us to integrate our design solution into a manufacturer's CAM software systems by creating machine-ready code that can drive production control systems and numerically controlled machinery. Our software allows parts from items in the design, after being cut optimized or nested, to be downloaded directly to the plant floor equipment, thus eliminating machining errors and allowing production to begin without delay.

Our software further allows dealers and retailers to include installation services in the pricing of the project and to plan, track and control project from design through installation. It provides project specific installation plans and guidelines.

Our Services

Revenues from maintenance and other recurring revenues are derived from providing customer support, software and electronic catalog updates and web services. Revenues from professional services include revenues derived from training, electronic catalog creation and maintenance and integration services such as consulting and development.

Customer Support, Software Updates and Electronic Catalog Updates

We offer customer support and enhancement services over the web and through most of our worldwide offices. We provide answers to software questions to help our customers identify, manage and resolve their issues. For an annual fee, our customers have access to all regular software updates and our technical support services. In addition, we provide regular electronic catalog updates to dealers and retailers on behalf of our manufacturing customers, thus enabling them to access the most up-to-date product libraries.

Web Services

We provide a variety of web-based services such as on-line design, electronic order processing and access to an electronic catalog update center for manufacturers. We also provide an application hosting service to our customers.

Training

We provide training services to teach our customers how to use our software. We offer comprehensive and efficient training programs that we can tailor to each customer's specific needs. Training services are performed by our own service personnel or our partners around the world, except with respect to our customers in the North American home furniture and interior design market, where training is performed in part by a network of local independent industry consultants.

Electronic Content Creation, Maintenance, Publishing and Updating

We provide services for the production of customized electronic content. This service is aimed at all manufacturers in both the home and office furniture and interior design markets. Except essentially for the European market, manufacturers pay us to develop electronic content. Manufacturers can also use our services to publish new content, to add new products to their catalogs, to modify designs, specifications, prices, etc. In the European market, where manufacturers do not usually pay for this service, we select the manufacturers for whom we wish to produce content to sell to dealers and retailers. However, many manufacturers in Europe have begun to partner with us to create and maintain their catalogs on their behalf.

Integration

As our customers deploy our end-to-end solution, they often require integration services with their existing systems and Web environment.

Growth Strategy

Our strategy is to better align all areas of the company to restore growth and improve our sustained profitability following one of the worst economic recessions of the past century. We aim at adding more innovation in our solutions, pursuing newer business opportunities, and progressively take the company from its current furniture space to a wider interior design space, thereby comforting our leadership in the global market for fully integrated computer-aided design, sales and business solutions for the furniture and interior design industry, as well as computer-aided engineering and manufacturing solutions for furniture manufacturers while acting as the "digital nervous system" of our global market.

In doing so, we thrive to enable the entire furniture and interior design industry to be more productive and competitive by empowering people to collaborate with one another on creating and delivering complete personalized interior design projects, for both home consumers and office customers.

We aim to preserve our position in the market and continue to be recognized as the leading global provider of intuitive technology solutions and of quality information for the furniture and interior design industry. To do so, we have implemented pivotal changes which include: a more focused sales, marketing and growth approach, utilizing carefully thought out strategic filters and a clear move toward a partnership centric growth strategy. We have also carefully implementing a renewed focus on two key drivers, Knowledge and Relationships.

Our existing market, mostly centered on Kitchen and Home/Office furniture, will be significantly expanded by adding adjacent domains and product categories such as Bathroom, Closet, Home Furniture and Countertops. Of course as we also look at getting involved in other areas of interior design beyond furniture and thus one cannot conclude that 20-20 is anywhere close to reaching its full potential.

Finally, we selectively participate in the most important trade shows while maintaining tight control over expenses. Our most recent strategic initiatives as well as the most up-to-date versions of our desktop design and web-based solutions are generating significant and sustained interest in the market place.

Our Technology

Our technology is designed to meet the rigorous information technology standards of the world's largest organizations. We regard our software as proprietary and rely on a combination of contractual provisions and patent, copyright, trademark and trade secret laws to protect our proprietary rights in our products. We are a Gold Certified Microsoft Partner.

Research and Development

Our research and development priorities are established by our product management team, in accordance with our newly adopted strategic plan and following presentation to and approval by our investment committee, as well as following consultation with our customers and our sales, services and customer support teams. Product development follows a well-defined process to ensure that we are focused on meeting the needs of our customers, including product specifications, price and required time-to-market and that our products achieve high standards of quality and reliability.

We rely primarily on our in-house capabilities to develop our software. However, when it is more cost effective and in accordance with our newly adopted strategic plan, we license or purchase certain technology components or enter into specific alliances and/or partnership agreements.

Sales and Marketing

We market and sell our solutions worldwide through our sales and marketing team, which is organized into two distinct groups: account executives and application specialists. Account executives are responsible for identifying and qualifying sales leads as well as managing relationships with existing customers. Application specialists support the account executives, providing pre- and post-sales support to ensure that services are implemented effectively and efficiently. Part of our ongoing revenue growth is achieved through selling complementary products and services to existing customers.

Our direct sales and marketing team is complemented by an extensive network of independent, third party industry consultants and distributors. We also leverage our existing relationships with dealers and retailers to attract new manufacturers as customers. Finally, we support our sales efforts with appropriate marketing initiatives and appearances, whenever justified, at major international tradeshow.

Intellectual Property

In accordance with industry practice, we rely on a combination of contractual provisions and copyright, trademark, trade secret and patent laws to protect our proprietary rights in our products.

We license the use of our software to our customers rather than transfer title to them. These licenses contain terms and conditions prohibiting the unauthorized reproduction, disclosure, reverse engineering or transfer of our software. In addition, we protect our trade secrets and other proprietary information through confidentiality agreements with customers, suppliers, employees and consultants.

The source codes of our software are protected as trade secrets and as published and unpublished copyright works. However, effective copyright protection may not be available in some countries in which we license or market our software. Certain limited and unstrategic modules contained in our software products make use of or incorporate open source software.

We have also obtained or applied for trademark registration of several of our trade names, including the name "20-20", in the United States, Canada, Europe and several other countries. While the duration of trademark, patent and copyright protection varies from country to country, we believe that the duration of this protection in each country where we carry on business will be adequate to protect our software.

All material components of our products have been either developed by our employees or independent contractors who have assigned all rights to us or were acquired, except for commercially-available or open source components.

Employees

As of December 31, 2011, we had approximately 528 full-time employees, including approximately 108 employees in sales and marketing, 75 employees in finance, IT and corporate administration, 9 employees in human resources, 130 employees in research and development and 206 employees in customer service. We have no unionized employees.

Competition

The Company currently faces competition primarily from software providers in both the CAD and ERP markets. The interior design software industry is highly fragmented and comprised generally of individual solution (as opposed to full solution) software providers that address specific aspects of design software, or software providers that have limited geographic reach. None of the Company's competitors competes in all of its products and markets. Generally, competitors can be described as follows:

- CAD software: Competitors consist almost exclusively of smaller, privately-owned companies whose products are principally focused on specific aspects of design software, that generally compete in some but not all of our markets.
- ERP software: As the Company increases the penetration of its ERP solution, it also faces competition from ERP software vendors that generally offer less specialized design, specification, photo-realistic rendering or 3-D visualization capabilities.

Large software providers typically prefer to form alliances with specialized software providers offering a specialized solution, such as ours, than to devote resources to developing and marketing their own products.

Our leading market position, global presence, single technology platform, full solutions and the exhaustive electronic catalogs available to our customers are all key competitive advantages that distinguish us from our existing competitors and would make it difficult for new entrants to compete effectively with us.

Operations and Facilities

Our head office is located in Laval, Canada. At this location, we maintain sales teams for the home interior design market in North America, retail solutions research and development activities and services and global marketing activities. From our main US office in Grand Rapids, Michigan, Cary, North Carolina, and Londonderry, New Hampshire, we maintain our sales teams for the office interior design market in North America and deliver customer support and training services and carry on our research and development activities for our office furniture software.

In Europe, we have offices in Ashford and Bolton in the United Kingdom, Osnabrueck in Germany, Vienna in Austria, Mouans Sartoux in France as well as Monza in Italy. We also have offices in Shanghai, Beijing and Guangdong in China, Sao Paulo in Brazil and Dhaka in Bangladesh. The majority of these offices also offer regional training, customer support and electronic catalog services. Additionally, we also conduct R&D activities in Ashford, Osnabrueck, Mouans Sartoux and Dhaka.

RISK FACTORS

The Company must take into account the risks and uncertainties described below, which could have an impact on its capacity to achieve its growth objectives. The following factors should be taken into consideration when evaluating the Company's future prospects as an investment.

Economic Risks

Current economic conditions – An economic slowdown could cause demand for our products to decline. Growth in our clients' businesses is affected by the economic environment and could therefore have an impact on the Company's operating results. We can neither predict the impact current economic conditions will have on our future results, nor predict when the economy will show meaningful improvement. During this period of economic instability, our existing and potential clients might reduce or delay purchases or projects or defer contracts currently underway. This situation could also lead to greater delays and defaults in payments or debt collection, resulting in lower operating results. Because of lower sales and contracts during an economic slowdown, competition increases and prices might be reduced by certain competitors to maintain or expand their market share. Our pricing and profitability could be adversely affected as a result of such factors.

Foreign exchange risk – A substantial portion of our revenues are earned in US dollars while a substantial portion of our operating expenses are incurred in Canadian dollars. Fluctuations in the exchange rate between the US dollar and other currencies, such as the Canadian dollar, may have a material adverse effect on our business, financial position and operating results. With respect to other currencies such as the euro and the pound sterling, however, we have a natural hedge since most revenues and expenses are incurred in the same currency. Our policy is to hedge a portion of our foreign exchange exposure to minimize the impact of adverse foreign exchange movements. However, we do not entirely hedge exposure to foreign currencies. In addition, the use of forward contracts to hedge our foreign exchange exposure carries risk and could limit our gains, or result in a loss.

In addition to the exposure identified above which affects operating income due to variations in operating expenses and cost of sales denominated in Canadian dollars, the Company is exposed to unrealized exchange gains and losses with respect to the translation of monetary assets and liabilities held in currencies other than the Canadian dollar. For the Canadian dollar, our measurement currency, the largest exposure is with respect to the US dollar.

Capacity to attract and retain personnel – To ensure success for the Company, management and key technical personnel must have sound knowledge of products, the industry, clients and the market. Against the current economic background, the Company must be able to retain its key personnel and attract new employees for continued growth. Personnel are currently spread across the world according to the products and markets. With such decentralization of human capital, the Company can better manage its growth and reduce the risk of exposure to a single market. The IT labour market is highly competitive and we may not be able to hire and retain the employees we need and, as a result, the Company may have to resort to subcontractors, which would have an impact on our operating margins.

International activities – We currently conduct operations in Canada, the United States, Europe, Latin America, Asia, Africa and Middle East. We intend to continue to expand our international operations and to increase the proportion of our revenues from outside North America. These operations require significant management attention and financial resources while subjecting us to risks inherent in doing business internationally. Our failure to properly comply or address any of the above factors could greatly mitigate the success of our international operations and have a material adverse effect on our operating performance and financial condition.

Transfer pricing risk – We conduct business operations through subsidiaries in various jurisdictions. Certain of these subsidiaries provide products and services to, and may from time to time undertake certain significant transactions with, other of our subsidiaries in different jurisdictions. Our method for determining transfer pricing is well-documented and supported. Our future earnings and cash may be adversely affected if any of the taxation authorities in these various jurisdictions were successful in challenging our documentation and transfer pricing policies.

New economy centre tax credit program and e-business development credit – The new economy centre ("CNE") program offers tax incentives to companies that conduct their business activities in CNE-designated buildings in Québec. As a result of the June 12, 2003 Québec budget, the credit would be eliminated in the event of an acquisition of control of the Company. There can be no assurance that we will continue to meet the eligibility criteria or that the CNE program will not be amended or canceled in the future.

Since the beginning of the current fiscal year, the Company has undertaken to secure accreditation for the Refundable Tax Credit for the Development of E-Business ("CDAE" in French). This change will be retroactive to the fiscal year ended October 31, 2010. There can be no assurance at the present time that we will meet all of the eligibility criteria.

Other tax issues – Although we are of the view that all expenses and tax credits claimed by the Company, including research and development expenses and tax credits, are reasonable and deductible and have been correctly determined, there can be no assurance that the Canadian taxation authorities will agree. If Canadian taxation authorities successfully challenge the deductibility of our expenses or the correctness of income tax credits claimed, our operating results could be adversely affected. We may, directly or indirectly, through our subsidiaries, be subject to taxes with respect to our operations in foreign jurisdictions. Although we are of the view that the liability with respect to such foreign taxes has been provided for in our books and financial statements, our future income and cash may be adversely affected if taxation authorities were successful in challenging our liabilities for such foreign taxes. In addition, if the Company does not generate enough taxable income, it could be unable to realize the taxes and/or tax credits that it has accounted for.

Business Risks

Sales and implementation cycle – Typically, the larger the potential sale, the more time, money and other resources will be invested. As a result, it may take an extended period of time after our first contact with a customer before a sale can actually be completed. We may invest significant sales and other resources in a potential customer that may not generate revenues for a substantial period of time, if at all. During these lengthening sales and implementation cycles, events may occur that affect the size or timing of the order or even cause it to be cancelled. If these events were to occur, sales of certain of our new enterprise solutions or services may be adversely affected, which would reduce our operating revenues.

Competitive environment – The Company currently faces competition from software providers in both the computer-aided design (CAD) and enterprise resource planning (ERP) markets. The interior design software industry is highly fragmented and comprised generally of point-of-sale solution (as opposed to full solution) software providers that address specific aspects of design software or software providers that have limited geographic coverage. Accordingly, none of the Company's competitors competes in all of its product and geographic markets.

As our software solutions expand, potential competitors may have significantly greater resources than ours, and we may therefore be at a disadvantage when competing against them. They may be able to adapt more quickly to new or emerging technologies and changes in customer requirements or devote greater resources to the development, promotion and sale of their products than we can. Any of these factors could materially impair our ability to compete and have a material adverse effect on our operating performance and financial position.

Capacity to adapt our business model – Customer behavior in response to market conditions and/or industry and technology trends might change their buying and contractual habits such as renting software as opposed to buying. Any such change could impact our business model and practices which could have a material adverse effect on our operating performance and financial position.

Capacity to capitalize on new software solutions – The addition of new software solutions also gives rise to risks. There may be little demand for our new solutions, and they may not be broadly accepted by the market. If we do not derive any benefit from our efforts to market our new solutions, our operating results could be adversely affected.

Capacity to improve our software offering – We do our best to remain the leader in our industry. To do so, we have to develop new products or enhance and improve our existing software platforms, and position and price our products to meet market demand. We have to continually invest in accelerating product introductions and shortening product life cycles, which requires ongoing expenditures for research and development. Furthermore, any new products we develop could require long development and testing periods and may not be introduced in a timely manner or may not achieve the broad market acceptance necessary to generate significant revenues. Our competitors are alert and if we are unable to continue product development and marketing, our operating revenue and margins could be affected.

Capacity to manage strategic alliances, partnerships and distributor relationships that will contribute to future growth – We may be unable to (i) retain distributor relationships under acceptable business terms; (ii) partner with parties that are suitable for driving future growth; or (iii) complete required agreements on a timely basis. Furthermore, identifying alliances and partnerships and concluding such agreements, could divert management's attention and financial resources which may negatively affect our operating results.

Capacity to protect our intellectual property – We rely on various intellectual property protections, including contractual provisions, copyright, trademark and trade secret laws, to preserve our intellectual property rights. To protect our intellectual property, we may become involved in litigation, which could result in substantial expenses, divert the attention of our management, cause significant delays, materially disrupt the conduct of our business or adversely affect our revenues, financial position and results of operations. We cannot determine with certainty whether any existing third-party trademarks or patents or the issuance of any third-party trademarks or patents would require us to alter our names or our technology, obtain licenses or cease certain activities. We may become subject to claims by third parties that we infringe their property rights due to the growth of software products in our target markets, the overlap in functionality of these products and the prevalence of software products. Litigation may be necessary to determine the scope, enforceability and validity of such third-party proprietary rights or to establish our proprietary rights. Regardless of their merit, any such claims could result in substantial expenses, divert the attention of our management, cause significant delays, materially disrupt the conduct of our business or adversely affect our revenues, financial position and results of operations.

Bugs in our products could result in significant costs and hurt sales – Our products are complex and, accordingly, they may contain errors or "bugs" that may be detected at any point in the product life cycle. Errors in our products could materially and adversely affect our reputation, result in significant costs to us, delay planned release dates and impair our ability to sell our products in the future.

Risk of legal proceedings – In the normal course of business, the Company may be subject to lawsuits, claims and litigation for amounts not covered by our liability insurance. Some of these proceedings may result in significant costs. Although the outcome of such proceedings is not predictable with assurance, the Company has no reason to believe that the disposition of such matters could have a significant impact on its financial position, operating results or ability to carry on its business activities. As at December 31st, 2011, no claims or litigation have been brought against the Company,

Capacity to identify and complete strategic acquisitions that will contribute to future growth – We may be unable to (i) identify suitable acquisition targets available for sale at reasonable prices; (ii) properly evaluate the fair value of target businesses; or (iii) complete an acquisition in a given timeframe. In addition, if we proceed with acquisitions, available cash may be used to complete such transactions, diminishing our liquidity and capital resources or shares may be issued which could cause significant dilution to existing shareholders. Furthermore, identifying acquisitions and the completion of acquisitions per se, could divert management's attention and financial resources, which may negatively affect our operating results.

Capacity to maintain rights to use third-party software – We license certain technologies used in our products from third parties, generally on a non-exclusive basis. The termination of any of these licenses, or the failure of the licensors to adequately maintain or update their products, could delay our ability to ship our products while we seek to implement alternative technology offered by other sources, and require significant unplanned investments on our part. In addition, alternative technology may not be available on commercially reasonable terms.

DIVIDENDS

We have not declared or paid any cash dividends on our common shares to date. We do not currently intend to pay any cash dividends on our common shares in the foreseeable future. Our current policy is to retain earnings to finance expansion and to develop, license and acquire new software products and to reinvest available cash in the Company. The Board of Directors of the Company (the "Board of Directors") will determine if and when dividends should be declared and paid in the future based on all relevant circumstances, including the desirability of financing our further growth and our financial position at the relevant time.

CAPITAL STRUCTURE

We are authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. The following summary of the provisions of the Company's share capital is qualified by the detailed provisions of the articles of the Company.

Common shares

The holders of the common shares are entitled to receive notice of and to attend all annual and special meetings of our shareholders and to one vote in respect of each common share held at all such meetings, except at separate meetings of or on separate votes by the holders of another class or series of our shares. The holders of the common shares are entitled, at the discretion of the Board of Directors, to receive out of any or all of our profits or surplus properly available for the payment of dividends (after the payment of any dividends payable on our securities entitled to receive dividends in priority to the common shares), any dividend declared by the Board of Directors and payable by us on the common shares. The holders of the common shares will participate rateably in any distribution of our assets upon our liquidation, dissolution or winding-up or other distribution of our assets among our shareholders for the purpose of winding up our affairs. Such participation will be subject to the rights, privileges, restrictions and conditions attached to any of our securities issued and outstanding at such time ranking in priority to the common shares upon our liquidation, dissolution or winding-up.

Preferred Shares

The preferred shares may be issued at any time or from time to time in one or more series as may be determined by our Board of Directors. Our Board of Directors is authorized to fix before issue the number, the consideration per share and the designation of and, subject to the special rights and restrictions attached to all preferred shares, the rights and restrictions attached to the preferred shares of each series. The preferred shares of each series rank on a parity with the preferred shares of each other series with respect to the payment of dividends and the return of capital on our liquidation, dissolution or winding-up. The preferred shares are entitled to a preference over the common shares and any other shares ranking junior to the preferred shares with respect to the payment of dividends and the return of capital. The special rights and restrictions attaching to the preferred shares as a class may not be amended without any approval as may then be required by law, subject to a minimum approval requirement of at least two-thirds of the votes cast at a meeting of the holders of preferred shares to be called and held for that purpose.

MARKET FOR SECURITIES

Our common shares are listed on the Toronto Stock Exchange since December 2004 under the symbol "TWT". As at December 31, 2011, there were 18,787,892 common shares outstanding and the monthly price ranges and total monthly trading volumes for our common shares during 2011 ⁽¹⁾ were as follows:

Months	Share Price (High)	Share Price (Low)	Monthly Volume
January	C\$3.49	C\$3.00	158,820
February	C\$4.00	C\$3.30	125,443
March	C\$3.85	C\$3.08	105,697
April	C\$3.30	C\$2.82	539,417
May	C\$3.31	C\$2.82	607,867
June	C\$3.10	C\$2.91	864,456
July	C\$3.30	C\$3.09	73,337
August	C\$3.07	C\$2.79	86,637
September	C\$3.00	C\$2.75	42,671
October	C\$2.76	C\$2.61	90,219
November	C\$2.70	C\$2.56	37,098
December	C\$2.69	C\$2.21	307,549

¹ Data supplied by TSX Datalinx Services, a division of the Toronto Stock Exchange. Represents trading until December 31st, 2011

DIRECTORS AND OFFICERS

Directors and Officers

Below is a list of the current members of our Board of Directors and executive officers. Additional information regarding our directors will be found in the "Election of Directors" section of our Management Information Circular distributed to shareholders in connection with our annual general and special meeting to be held on March 15th, 2012 (the "2011 Management Information Circular"). Each director holds office until the next annual meeting of our shareholders. The names, the municipalities of residence, the positions held by each in 20-20 Technologies and principal occupation as well as the common shares held by each director is also included. Our Articles of incorporation provide for a minimum of 3 and a maximum of 15 directors.

<u>Name and Municipality of Residence</u>	<u>Position(s) with 20-20 Technologies</u>	<u>Principal Occupation</u>	<u>Director Since</u>	<u>Common shares held as of Dec. 31, 2011</u>
Yves Archambault ⁽¹⁾ Montréal, Québec	Director	Corporate Director	May 7, 2004	
André Chartier Montréal, Québec	Senior Vice-President, Product Development	Senior Vice-President, Product Development	N/A	
Philip Deck Toronto, Ontario	Director	Corporate Director	March 15, 2011	300,000
Philippe Frenière ⁽²⁾ Montréal, Québec	Director	Vice-président, Investissements, Société Financière Bourgie	September 13, 2007	

Name and Municipality of Residence	Position(s) with 20-20 Technologies	Principal Occupation	Director Since	Common shares held as of Dec. 31, 2011
Jean-François Grou ⁽³⁾ Blainville, Québec	Chief Executive Officer and Director	CEO, 20-20 Technologies Inc.	January 18, 2007	78,436
Klaus Gueniker Munich, Germany	Vice President, Sales & Services, Asia-Pacific	VP, Sales & Services, Asia-Pacific 20-20 Technologies Inc.	N/A	
Christine Labelle Laval, Québec	Vice-President, Human Resources	Vice-President, Human Resources	N/A	3,235
Benoît La Salle ^{(2)*} Montréal, Québec	Director	President and CEO, Semafo Inc.	June 26, 2001	33,376
Richard Lord ⁽²⁾ Saint-Laurent, Québec	Director	President and CEO, Richelieu Hardware Ltd.	March 23, 1996	
Jacques Malo ^{(1)*(3)} Mont-Tremblant, Québec	Vice-Chairman of the Board of Directors	Corporate Director	April 23, 1998	10,200
Jean Mignault ^{(3)*} Rosemère, Québec	Executive Chairman of the Board of Directors and Chief of Strategic Direction	CSD, 20-20 Technologies Inc.	September 30, 1987	4,177,560
Steve Perrone Kirkland, Québec	Chief Financial Officer	CFO, 20-20 Technologies Inc.	N/A	4,754
Jocelyn Proteau ⁽¹⁾ Verdun, Québec	Vice-Chairman of the Board of Directors and Lead Director	Corporate Director	July 30, 2002	
Lucas Skoczkowski Toronto, Ontario	Director	CEO, Redknee Inc.	March 15, 2011	600
Joerg Whittus Osnabrueck, Germany	Executive Vice President, EMEA	EVP, Sales and Services, EMEA, 20-20 Technologies Inc.	N/A	

¹ Member of human resources and Governance Committee.

² Member of Audit Committee.

³ Member of Committee of Strategic Direction.

* Committee Chairperson.

The board of directors is composed of ten directors, a majority of whom are "independent" within the meaning of applicable securities regulation.

Shareholdings of Directors and Executive Officers

To the knowledge of the Company, as at December 31, 2011, the directors and executive officers of the Company as a group beneficially owned, directly or indirectly, or exercised control or direction over approximately 4,574,785 common shares or 24.39% of the outstanding common shares of the Company and no director or executive officer of the Company owned or controlled voting securities of any of the Company's subsidiaries.

Committees of the Board of Directors

The Board of Directors has an audit committee, a human resources and governance committee and a committee of strategic direction.

Audit Committee

The Board has delegated primary responsibility for the integrity of the Company's internal control and management information systems to the Audit Committee. The committee's Charter includes the responsibility: to review with management the internal controls that have been adopted to (i) safeguard the Company's assets from loss and unauthorized use, and (ii) ensure the accuracy of financial records; to review any internal control letters prepared by the auditor of the Company and management's responses to that letter; to discuss any material internal control weaknesses with management and the auditor of the Company and to discuss management's plans to rectify any such weaknesses; and to oversee any investigations of alleged fraud and illegality relating to the Company's finances.

All of the members of the Audit Committee qualify as independent and are free of any relationship with the Company that could or could reasonably be perceived to, in the opinion of the Directors, interfere with the exercise of those Directors' independent judgment as a member of the committee. The Audit Committee meets separately with the external auditors and management to discuss any financial, accounting or reporting issues, as appropriate. The Audit Committee requires management to implement and maintain appropriate internal controls, which the Audit Committee reviews and monitors.

Human Resources and Governance Committee

The Human Resources and Governance Committee has been delegated the authority by the Board to make recommendations to the Board with respect to corporate governance "best practices" and to review and address rules, regulations or guidelines promulgated by regulatory authorities relating to corporate governance. The

Charter for the Human Resources and Governance Committee specifically includes the making of recommendations to develop and enforce policy in the area of corporate governance and the practices of the Board in light of the Company's particular circumstances, the changing needs of investors and the Company, and changes in corporate governance guidelines.

The Human Resources and Governance Committee has further been delegated the authority by the Board to review the adequacy and form of the compensation of Directors.

The Human Resources and Governance Committee has the right to obtain advice from an independent compensation consulting firm which reviewed compensation in comparable organizations.

Committee of Strategic Direction

The Committee of Strategic Direction has been appointed by the Board to guide and assist the Company's senior management on the strategic plan and initiatives of the Company. In so doing the Committee provides valuable insight and experience, to the benefit of the Company's shareholders and Board of directors.

The Board recognized that one of its primary tasks is to deal with the strategic direction of the Company, and the oversight of the Company's strategic plan. While the nature of the Board's involvement in strategy depends on particular circumstances, the Board has created the Committee to help maintain a cooperative, interactive strategic planning process with the Company's management team and to ensure that the identified and pursued strategic goals are regularly reviewed and discussed.

The Committee has the right and opportunity to consult with other members of the Board of Directors of the Company. The Committee has further the right and authority to engage independent advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors engaged by it.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Other than as described below, to the best knowledge of the Company, no director or officer of 20-20 Technologies is, or has been within the past 10 years, a director, a chief executive officer or a chief financial officer of any company that, (i) while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied such company access to any exemptions under Canadian securities legislation for a period of more than 30 consecutive days; or (ii) was subject to a cease trade or similar order or an order that denied such company access to any exemptions under Canadian securities legislation for a period of more than 30 consecutive days that was issued after the director or officer ceased to act in that capacity which resulted from an event that occurred while that person was acting in that capacity.

Other than as described below, to the best knowledge of the Company, no director or officer of 20-20 Technologies or, shareholder of 20-20 Technologies holding a sufficient number of securities of 20-20 Technologies to affect materially the control of 20-20 Technologies (a "control person") is, or has been within the past 10 years, a director or officer of any company that while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the best knowledge of the Company, no director, officer or control person of 20-20 Technologies has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, nor has any director, officer or control person of 20-20 Technologies been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

To the best knowledge of the Company, no director, officer or control person of 20-20 Technologies, nor any personal holding company of any such person, has within the past 10 years, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Benoit La Salle was a director of BridgePoint International Inc. from 1996 to 2003. In the course of an important reorganization following the liquidation of the assets of its subsidiaries, BridgePoint International Inc. was subject to a cease trade order in December 2002 as a consequence of its default in filing its audited annual financial statements for the year ended June 30, 2002. On or before April 1, 2003, all cease trade orders issued by the concerned securities authorities had been revoked. On December 19, 2003, a cease trading order was issued against BPI for failure to file the required financial statements and reports. On January 31, 2003, BPI's common shares were delisted from the TSX.

Steve Perrone was acting as chief financial officer of a biotechnology company named Qbiogène inc. ("Qbiogène") from September 2000 to September 2004. In early 2004, the board of directors of Qbiogène decided that, due to difficulties in raising sufficient capital to fund its operations and future research and development needs, the company needed to be restructured and sold. On March 9, 2004, Qbiogène filed an initial application under the *Companies' Creditors Arrangement Act, RS, 1985, c. C-36* following which a restructuring plan was subsequently sanctioned by a court order on August 6, 2004. On September 23, 2004, Qbiogène was sold to a privately owned company based in California.

Steve Perrone was a director of a biotechnology company named ConjuChem Biotechnologies, Inc. ("ConjuChem") from September 2001 to July 2010. ConjuChem was dedicated to the discovery of therapeutics with an initial focus on diabetes, managing multiple research programs with one product in development. The company had yet to generate any revenues from product sales and as such was dependent on its ability to raise funds to continue its research and development activities. In February 2010, given its inability to continue to raise such funds, the company filed an initial application under the *Companies' Creditors Arrangement Act, RS, 1985, c. C-36*. Being unable to arrive at a funded restructuring plan, the company filed for bankruptcy in July 2010.

The information as to cease trade orders and bankruptcies not being within the knowledge of the Company, has been provided by the director and executive officer, respectively.

AUDIT COMMITTEE DISCLOSURE

Charter

Audit Committee Purpose

The Audit Committee ("Committee") is appointed by the Board of Directors to assist the Board of Directors in fulfilling its oversight responsibilities of the "Company". In so doing the Committee provides an avenue of communication among the independent auditor, management, and the Board of Directors. The Committee's primary duties and responsibilities are to gain reasonable assurance of the following:

- that the Company complies with the applicable laws, regulations, rules, policies and other requirements of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure;
- that management of the Company has assessed areas of potential significant financial risk to the Company and taken appropriate measures;
- the independence and satisfactory performance of duties by the Company's independent auditors;
- that the accounting principles, significant judgments and disclosures that underlie or are incorporated in the Company's financial statements are the most appropriate in the prevailing circumstances;
- that the Company's quarterly and annual financial statements present fairly the Company's financial position and performance in accordance with generally accepted accounting principles; and
- that appropriate information concerning the financial position and performance of the Company is disseminated to the public in a timely manner.

Composition

Audit Committee members shall meet the requirements of the exchange(s) upon which the Company is listed as well as all governing regulatory bodies. The Committee shall be comprised of three or more Directors as determined by the Board of Directors, each of whom shall be independent non-management Directors, free from any relationship that would interfere with the exercise of his or her independent judgment. All members of the Committee shall be financially literate.

The Committee members shall be appointed by the Board of Directors. The Board of Directors shall designate the Chairman of the Committee annually.

Reliance on Experts

The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors engaged by it. In so doing each member of the Committee shall be entitled to rely in good faith upon:

- financial statements of the Company represented to him or her by an officer of the Company or in a written report of the independent auditors to present fairly the financial position of the Company in accordance with generally accepted accounting principles; and
- any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

The Committee shall also have the authority to communicate directly with the independent auditors.

Remuneration of Committee Members

No member of the Committee may earn fees from the Company or any of its subsidiaries other than directors' fees (which fees may include cash, DSUs or other in-kind consideration ordinarily available to directors). For greater certainty, no member of the Committee shall accept any consulting, advisory or other compensatory fee from the Company.

Limitations on Committee's Duties

In contributing to the Committee's discharging of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board of Directors members are subject.

Meetings & Operating Procedures

- The Committee shall meet at least four times annually, or more frequently as circumstances dictate.
- A quorum shall be a majority of the members.
- In the absence of the Chairman of the Committee, the members shall appoint an acting Chairman.
- A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each Director of the Company in a timely fashion.
- The Chairman of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- The Committee, in consultation with management and the independent auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Company's financial policies and disclosures.
- The Committee shall communicate its expectations to management and the independent auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the independent auditors in advance of meeting dates.

- The Committee should meet privately in executive session at least quarterly with management, the independent auditors and as a committee to discuss any matters that the Committee or each of these groups believe should be discussed.
- In addition, the Committee or at least its Chair should communicate with management and the independent auditors quarterly to review the Company's financial statements and significant findings based upon the auditor's limited review procedures.
- The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.
- The Committee expects that, in discharging their responsibilities to the shareholders, the independent auditors shall be accountable to the Board of Directors through the Committee. The independent auditors shall report all material issues or potentially material issues to the Committee.

Responsibilities and Duties

Review Procedures

- Review and reassess the adequacy of this Charter at least annually, submit it to the Board of Directors for approval and ensure that it is in compliance with applicable securities laws.
- Review the Company's annual audited financial statements and the accompanying Management Discussion and Analysis prior to filing or distribution, and report its findings for approval to the Board of Directors. Review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices and judgments.
- Review and, if appropriate, recommend approval to the Board of Directors of news releases and reports to shareholders issued by the Company with respect to the Company's annual and quarterly financial statements.
- Ensure that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements, other than the disclosure stated above, and periodically assess the adequacy of those procedures.
- In consultation with management and the independent auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. Review significant findings prepared by the independent auditors together with management's responses.
- Review with management and the independent auditors the management certifications of the financial statements as required under applicable securities laws.
- Review with management and the independent auditors the appropriateness of the Company's accounting policies, disclosures, reserves, key estimates and judgments, including changes or alternatives thereto and to obtain reasonable assurance that they are in compliance with GAAP, and report thereon to the Board of Directors.
- Review the following with management with the objective of obtaining reasonable assurance that financial risk is being effectively managed and controlled:
 - (i) management's tolerance for financial risks;
 - (ii) management's assessment of significant financial risks facing the Company;
 - (iii) the Company's policies, plans, processes and any proposed changes to those policies for controlling significant financial risks;
- On at least an annual basis, review with the Company's counsel, any legal matters that could have a significant impact on the organizations' financial statements, the Company's compliance with applicable laws and regulations, inquiries received from regulators or governmental agencies.

Independent Auditors

- The independent auditors are ultimately accountable to the Committee and the Board of Directors. The Committee shall review the independence and performance of the auditors and annually recommend to the Board of Directors the appointment of the independent auditors or approve any discharge of auditors when circumstances warrant.
- Assume direct responsibility for overseeing the work of the independent auditors engaged to prepare or issue an audit report or perform other audit, review or attest services for the Company, including the resolution of disagreements between management and the independent auditors regarding financial reporting.
- Evaluate and recommend to the Board of Directors the independent auditors to be nominated to prepare or issue an audit report or perform other audit, review or attest services for the Company, and the compensation of the independent auditors.
- Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by its independent auditors. Authority to pre-approve non-audit services may be delegated to one or more independent members, provided that the pre-approval is presented to the full Committee at its first scheduled meeting following such pre-approval.
- On an annual basis, the Committee should review and discuss with the independent auditors all significant relationships they have with the Company that could impair the auditors' independence.
- Review the independent auditors' audit plan, discuss scope, staffing, locations, reliance upon management and internal audit and general audit approach.

- Prior to releasing the year-end earnings, discuss the results of the audit with the independent auditors. Discuss certain matters required to be communicated to audit committees.
- Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- Review the results of independent audits and any change in accounting practices or policies and their impact on the financial statements.
- Where there are unsettled issues raised by the independent auditors that do not have a material effect on the annual audited financial statements, require that there be a written response identifying a course of action that would lead to their resolution.

Other

- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- Review and approve the Company's hiring policies regarding employees and former employees of the present and former independent auditors of the Company.
- Review, through its Chairman, the travel and entertainment expenses of the Chief Executive Officer and the President.
- Ensure that the Company's annual information form (the "AIF") contains the required, prescribed disclosure regarding the Committee, and if management solicits proxies from the Company's security holders for the purpose of electing Directors to the Company's Board of Directors, ensure that a cross-reference to the sections of the Company's AIF containing the required, prescribed disclosure is included in the Company's management information circular.

Composition of the Audit Committee

The audit committee is presently formed of three independent and financially literate directors, i.e. Mr. Benoît La Salle, chairperson of the committee and Mr. Philippe Frenière and Mr. Richard Lord.

Relevant Education and Experience

The following section names each member of the audit committee as well as his/her relevant education and experience regarding the execution of his/her responsibilities as a member of the said committee.

Benoît La Salle. Mr. La Salle is currently the President and Chief Executive Officer of Semafo Inc. Mr. La Salle cofounded the accounting firm of Grou, La Salle in 1980, as well as BridgeCapital International Inc., an investment bank specializing in information technology, in 2001. Mr. La Salle is a Chartered Accountant and holds a Bachelor of Commerce from McGill University and a MBA from IMEDE in Lausanne, Switzerland.

Philippe Frenière. Mr. Frenière is currently acting as Vice-président, Investissements of Société Financière Bourgie. Mr. Frenière previously acted as Chief Financial Officer of Wanted Technologies Corporation, Vice-President, Finance of Groupe 3-SOFT Inc., Vice-President, Investments of Montreal Partners Inc. and Director of Finance of Semafo Inc. Mr. Frenière is a Chartered Accountant and holds a Bachelor of Business Administration from the École des Hautes Études Commerciales in Montreal.

Richard Lord. Mr. Lord is President and Chief Executive Officer of Richelieu Hardware Ltd. since 1988, a company listed on the Montreal and Toronto Stock exchanges since 1993, under the symbol RCH. In 2010, Mr. Lord was awarded the "CEO of the Year" award by Les Affaires. Mr. Lord has also been awarded the "Élite" prize from the "Ordre des comptables en management accrédités du Québec (OCMA)", the Entrepreneur of the Year award (wholesale/distribution – Quebec) from the "Grand Prix de l'Entrepreneur du Québec" and the "Les Nouveaux Performants 2005 (entrepreneur)" award. M. Lord holds a fellowship Certified Management Accountant (FCMA) degree from the OCMA.

Remuneration of auditors

The following table presents by category the fees incurred by and payable to the external auditors of the Company, KPMG LLP (its auditor for its 2011 fiscal year) and Raymond Chabot Grant Thornton LLP (its auditor before its 2011 fiscal year).

Fee categories	KPMG - 2011	RCGT - 2011	RCGT - 2010
Audit fees	C\$233,415	C\$10,741	C\$190,000
Fees associated to the audit	C\$47,250	C\$0	C\$17,145
Fees associated to taxation services	C\$0	C\$135,840	C\$263,133
Other fees	C\$0	C\$11,309	C\$14,545
Total	C\$280,665	C\$157,890	C\$484,823

"Audit fees" include the total fees paid for the audit of annual consolidated financial statements and other audits and regulatory deposits.

"Fees associated to the audit" include the total fees paid for services associated to consulting services relative to accounting and financial disclosure standards.

"Fees associated to taxation services" include the total fees paid for compliance to taxation legislation, taxation advice as well as consultation and tax planning services related to income taxes, capital taxes and sales taxes.

"Other fees" include the total fees paid for all other services other than those presented in the categories of audit fees and fees associated to taxation services.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for our common shares is Computershare Investor Services Inc. at its principal transfer office in Montréal.

MATERIAL CONTRACTS

20-20 Technologies has adopted a shareholder rights plan (the "Rights Plan") effective as of December 8, 2004, as reconfirmed and ratified on April 14, 2005, March 13, 2008 and March 15, 2011, respectively. A copy of the Rights Plan can be found at www.sedar.com.

EXPERTS

KPMG LLP are the external auditors of the Company and prepared the independent auditors report to the shareholders dated January 19, 2012 with respect to the 2011 consolidated financial statements. KPMG LLP is independent with respect to the Company within the meaning of the Code of Ethics of the Ordre des comptables agréés du Québec. KPMG LLP are the Company's external auditors since January 28, 2011.

ADDITIONAL INFORMATION

Copies of this Annual Information Form, as well as copies of 20-20 Technologies's financial statements for the year ended October 31, 2011, the 2011 Management's Discussion and Analysis and the 2011 Management Information Circular and such other information and documentation that we make available via SEDAR can be found at www.sedar.com. Certain of this information has been distributed to shareholders in connection with our annual general and special meeting on March 15th, 2012 and may be obtained from:

General Counsel of 20-20 Technologies
400 Armand-Frappier Blvd.
Suite 2020
Laval, Québec H7V 4B4
Telephone: (514) 332-4110
Facsimile: (514) 334-6043
Email: yannick.godeau@2020.net

We will provide to any person or company upon request to our General Counsel the following information:

- (a) when our securities are in the course of a distribution under a preliminary short form prospectus or a short form prospectus:
 - i. one copy of this AIF, together with a copy of any document, or the pertinent pages of any document, incorporated by reference in this Annual Information Form;
 - ii. one copy of our comparative consolidated financial statements for our most recently completed financial year for which financial statements have been filed together with the accompanying reports of our auditor and one copy of our most recent interim consolidated financial statements that have been filed, if any, for any period after the end of our most recently completed financial year;
 - iii. one copy of our information circular in respect of our most recent annual meeting of shareholders that involved the election of directors or one copy of any annual filing prepared instead of that information circular, as appropriate; and
 - iv. one copy of any other documents that are incorporated by reference into the preliminary short form AIF or the short form AIF and are not required to be provided under clauses (i), (ii) or (iii); or
- (b) at any other time, one copy of any document referred to in clauses (a) (i), (ii) and (iii), provided that we may require the payment of a reasonable charge if the request is made by a person or company who is not a security holder of 20-20 Technologies.

Additional information, including Directors' and officers' remuneration and indebtedness, principal holders of our securities, options to purchase securities and interests of insiders in material transactions, if applicable, is contained in the 2011 Management Information Circular. Additional financial information is provided in our 2011 audited consolidated annual financial statements for our most recently completed financial year and accompanying Management's Discussion and Analysis.