AZCAR TECHNOLOGIES INCORPORATED

Annual Information Form

Year Ended December 31, 2009

Prepared: March 25, 2010

AZCAR Technologies Incorporated
Annual Information Form

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Annual Information Form

1. The Company

1.1. Origin and Head Office Location

AZCAR Technologies Incorporated (AZCAR or the "Company") was incorporated under the Business Corporations Act (Ontario) ("OBCA") by certificate of incorporation dated February 13, 1975 under the name IMMAD Broadcast Services Limited. The Company amalgamated, on June 1, 1981 with Trintronics Limited and Distributed Database Systems Limited to continue as Trintronics Limited with authorized capital of 1,000,000 Common Shares without par value of which 200 Common Shares were issued and outstanding. The Company changed its name to AZCAR Technologies Incorporated on January 22, 1982. The Company's head office is located at 3235 14th Avenue, Markham, Ontario L3R 0H3.

1.2. Significant Articles of Amendment

The most significant articles of amendment were the following:

In November 1994, the Company's Articles were amended to change the share structure of the Company to authorize the issue of an unlimited number of Class A Shares and an unlimited number of Class B Shares each without par value and to allow for the substitution of all Common Shares of the Company on the basis that one existing Common Share became 3.876 Class A Shares. The Class A Shares were retractable, voting shares and the Class B Shares were redeemable, retractable, non-voting shares.

On October 16, 1995, the Company's Articles were amended to subdivide all outstanding Class A Shares of the Company on the basis that one existing Class A Share became 1,000 Class A Shares.

On November 16, 1995 the Company's Articles were amended to remove the restrictions on the transfer of shares of the Company, the number of shareholders and the prohibition of the invitation to the public to subscribe for securities of the Company.

On September 10, 1996 the Company's Articles were amended to re-designate the Class A Shares as Common Shares and the Class B Shares as Preferred Shares

By Articles of amendment dated December 19, 1996, the maximum number of directors was established as 7 and by Articles of amendment dated August 9, 2001 the maximum number of directors was established as 9.

1.3. Corporate Structure

AZCAR principally conducts its business through its head office and five main subsidiaries:

AZCAR USA, Inc.
(A New Jersey Corporation) – owned 100%
121 Hillpointe Drive, Suite 700, Canonsburg, PA 15317

Matchframe Video LLC

(A California Limited Liability Corporation)
610 N. Hollywood Way, Burbank, CA, 91505
On August 25, 2009, AZCAR acquired 67% of Matchframe Video LLC of Burbank, California for $0.3 million.

Megahertz Broadcast Systems Limited
(A limited company incorporated in England and Wales) – owned 100%
Unit 39, Lancaster Way Business Park, Witchford, Ely United Kingdom CB13HD
On April 7, 2003 the Company acquired 80% of the common shares of Megahertz Broadcast Systems Limited, in exchange for 311,048 common shares of AZCAR Technologies Incorporated. On December 16, 2007, the Company acquired the remaining 20% of Megahertz for cash of $42 thousand.

NJE Consulting Inc.
(A Canadian Corporation) 12231 Barnes Drive, Richmond, BC V6V 1H7
On September 30, 2008, AZCAR acquired 51% of NJE Consulting Inc. (NJE) of Vancouver for $20 thousand.

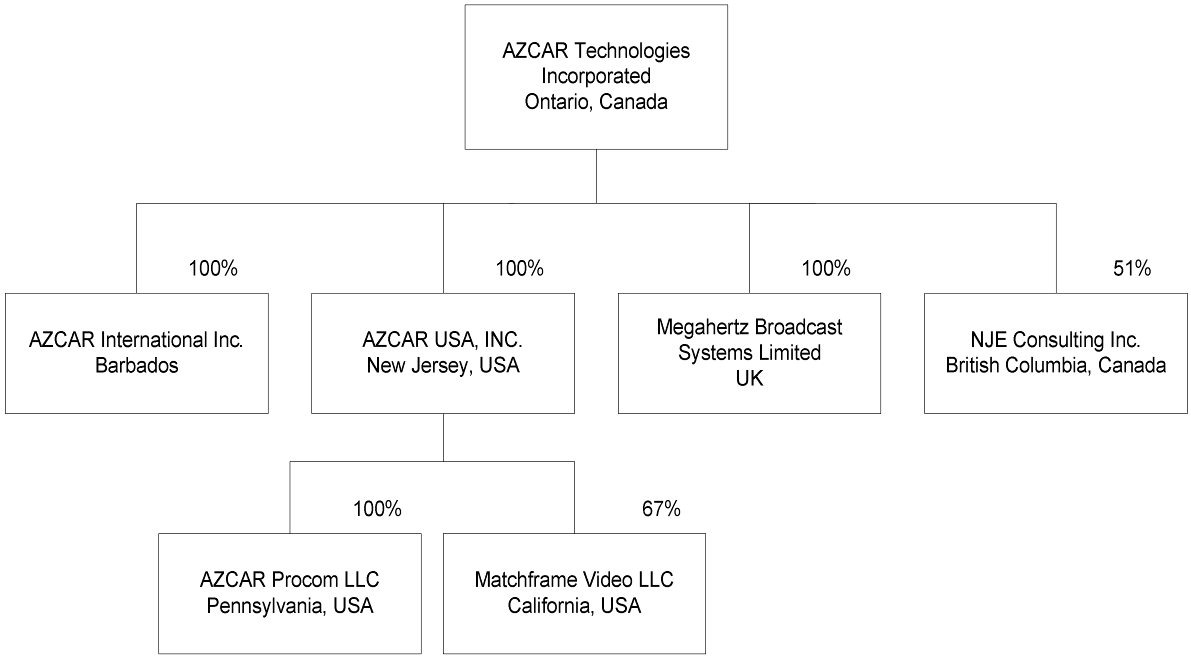
AZCAR also owns 100% of the following inactive corporations:

AZCAR International Inc.
(A Barbados Corporation) – owned 100%
PO Box 701 C, Corner Spry and Roebuck Streets, Bridgetown, Barbados
(There has been no activity to date, consequently the Company intends to windup the subsidiary in 2010).

AZCAR New Zealand Limited
(A New Zealand Corporation)
Level 14, HSBC House, 1 Queen St., Auckland, New Zealand
(Incorporated December 1, 2004 as part of a plan to increase activity in New Zealand in 2005. The Company wound up the subsidiary in 2009.)

AZCAR Procom LLC
(A Pennsylvania Corporation) - owned 100% by AZCAR USA, Inc.
121 Hillpointe Drive, Suite 700, Canonsburg, PA 15317
(Incorporated in May 2005, the Company acquired certain of the assets and intellectual property of Pro-Com Systems EMC, LLC for cash. The business activities were transferred to AZCAR USA Inc. as part of the ADP division, consequently the Company is in the process of winding up the subsidiary.

The chart below outline's AZCAR's corporate structure and the jurisdiction of incorporation of AZCAR and its subsidiaries as at December 31, 2009 and March 25, 2010.



1.4. General Development of the Business

The Company provides the broadcast and new media entertainment industries with professional services, related equipment and materials. Client businesses and applications span the marketplace and include private and public television and radio broadcast, post-production, satellite television, and education markets.

In 2002, AZCAR USA created AZCAR Digital Products (ADP) as a division of AZCAR USA Inc. The focus of ADP is the sale of hardware and software to clients that do not require the additional professional and support services provided by the System Integration arm of the Company. In April 2003 the Company acquired 80% of Megahertz Broadcast Systems Limited to expand its presence outside of North America. Megahertz's market is primarily in the UK, Europe, Africa and the Middle East. In December 2004, AZCAR New Zealand Limited was incorporated as part of a plan to increase business in New Zealand, nearby countries and beyond. In May 2005, AZCAR Procom LLC was incorporated to acquire certain of the assets and intellectual property of Pro-Com Systems EMC, LLC. The transaction was completed in May 2005.

In the USA, FCC rules required private and public broadcasters to provide High Definition Television (HDTV) coverage by 2002. This led to an investment in HDTV transmission facilities and related HDTV playout and production infrastructure. In 2002 the majority of the U.S. broadcasters focused on their transmission facilities in order to remain in compliance with FCC rules and not jeopardize their broadcast licenses. By the middle of 2003, many in the broadcast industry began to put plans in place to upgrade or build-out new HDTV playout and production facilities to support their transmission capabilities. In 2003 AZCAR secured HDTV design projects with Turner Entertainment Networks (TEN) and others, and were awarded contracts for the 2004 implementation of several HDTV related facilities for TEN. This trend continued in 2004, with the award of the $13.2 million contract to design and integrate new digital HDTV production control rooms and studio facilities by the University of North Carolina Center for Public Television (UNC-TV). This project began in November 2004 and was completed in Q4 2005.

In 2003, the Company expanded the business development teams and acquired another business entity. Business development staff was hired in the US and Canadian offices and the company acquired Megahertz Broadcast Systems Limited (Megahertz) in the UK. The addition of Megahertz was intended to strengthen AZCAR's International presence, to leverage a common technology base, to add depth and resources and to expand into new markets. At the same time the industry began to reinvest in capital assets as advertising revenues began increasing. In 2004 the Company invested in additional business development personnel and technical staff and saw the 2004 consolidated revenues increase by 34% compared to 2003. The increased volume strained resources and led to poorer than expected results for the year.

The Company's financial performance in 2005 showed a considerable improvement over the prior years. This improvement was a direct result of certain initiatives taken to address internal shortcomings. These included the following: (a) creating the new position of, and hiring a COO in April 2005; (b) implementing an updated timecard/project management reporting system to improve labour tracking, and performance; and (c) initiating a major enterprise software system review to determine and ultimately select and implement a new information system.

The Company's financial performance in 2006 was mixed. Revenues increased in our largest markets, the USA and the UK. Revenues increased significantly for the Digital Products division however, revenue from broadcast systems integration projects decreased in the USA. After a review of the Company's goodwill and future income taxes recoverable assets, management concluded that adjustments should be made to both resulting in a combined non-cash, non-recurring charge to net income of $3.3 million.

The impact of several legacy contracts and a foreign exchange charge of $0.6 million negatively impacted the Company's System Integration gross margins and net income in 2007. These legacy contracts were significantly wound up by the end of the year which had a positive impact on the company's operations in 2008.

The Azcar Training Services (ATS) group puts AZCAR in front of over 900 US television stations as it provides targeted and station-by-station digital technical and operational training. Since inception in early 2007, the group has consistently added strong margins to AZCAR's results. ATS concluded its contract with Sprint as of the end of the 2009. The training facilities have been shut down and the operation closed

The significant infrastructure investments made by AZCAR in 2008, including our internal restructuring and rationalization of the Markham and Canonsburg workforce, have had, and will continue to have a positive impact on the Company's operations. Now that the infrastructure has been upgraded the Company has begun the implementation of a new enterprise MIS system which is expected to add significant efficiencies to the operation of the Company when it is completely installed in the latter half of 2010.

The management team, which was significantly upgraded beginning in late 2007, added a Corporate Controller in 2008 in North America, a Financial Director at Megahertz and rationalized its workforce throughout 2009. These changes and additions, together with management's continued focus on improving the Company's infrastructure, processes, internal systems and cost controls have already begun to demonstrate their worth and will provide the Company with added skills and supportive tools which will help it weather the current economic downturn.

As part of the longer term strategic plan to diversify into the more predictable client services business, on August 25, 2009, AZCAR Technologies, through its wholly owned subsidiary AZCAR USA, purchased 67% of the membership interests of Matchframe Video LLC ("Matchframe"), a full-service media company serving motion picture, television and multimedia clients with an option to acquire the balance of the company at some time in the future.

At Matchframe, the restructuring of the management team and technology enhancements are on track with the original plan. We anticipate that Matchframe will be profitable in the latter half of 2010.

1.5. Acquisitions

The Company has evolved in the years since AZCAR was created through the amalgamation of three companies in 1981. To facilitate its growth there were a number of issuances of Company stock and AZCAR became a public company in January 1996. Listed below are the most significant share issues and acquisitions over the last 5 years:

- In April 2003 the Company acquired 80% of the outstanding common shares of Megahertz Broadcast Systems Limited, a private limited company incorporated in England and Wales, with an option to acquire the remaining 20%. The purchase price of C$139,000 was satisfied through the issuance of 311,048 common shares of AZCAR. The number of AZCAR shares was based on the closing price of the AZCAR stock on the day the transaction with Megahertz closed.
- In December 2004, AZCAR New Zealand Limited was incorporated.
- In May 2005, the company acquired certain assets and intellectual property of Pro-Com Systems EMC, LLC through a newly formed subsidiary AZCAR Procom LLC. The purchase price of $405,000 was satisfied with cash and a promissory note.
- In December, 2007, the Company acquired the 20% of Megahertz that it did not already own for C$42,000.
- On September 30, 2008, AZCAR acquired 51% of NJE Consulting Inc. (NJE) of Vancouver for C$20,000.
- On August 25, 2009, AZCAR acquired 67% of Matchframe Video LLC (Matchframe) of Burbank California for C$328.

2. The Business

2.1. Company Overview

The Company provides the broadcast and new media entertainment industries with professional services, related equipment and materials. Client businesses and applications span the marketplace and include private and public television and radio broadcast, post-production, satellite television, and education markets. The Company enjoys a high level of repeat business from its existing client base, in particular those clients who own and operate facilities in multiple locations. This group includes EchoStar, Broadcast Group, Univision, the BBC (now SIS) and Nexstar. The Company has played important roles in the implementation of new technologies and concepts with these clients. Clients such as these continue to represent future business opportunities for the Company.

Engineering, service and assembly operations are carried out at the Company's facilities in Markham, Ontario; Canonsburg, Pennsylvania; and Ely, United Kingdom. These facilities are equipped with special tools and hardware used in the building of broadcast and cable facilities and can be organized to accommodate the layout of edit, control and other rooms used by broadcasters. The Ely, UK (Megahertz) facility is specifically designed to support the building of outside broadcast (OB) vans. These facilities support maintenance services to broadcasters where technicians are linked to the office and customers through the Company's direct Internet connection, pagers and cellular telephones to provide services on a 24-hour per day, 7-day per week basis.

The Company provides engineering and integration products and services to television broadcasters in all areas of broadcasting: over the air, cable, satellite and Internet. The Company’s markets are continuing to expand to include education, entertainment, ecclesiastical and communications oriented organizations that use a broader range of applications and technologies. The Company’s specialized skill and knowledge is a direct result of its staff and their experiences in the field of broadcasting and technology. Their talents allow the Company to provide cutting edge solutions for our customers.

AZCAR Procom LLC, a wholly owned subsidiary of AZCAR USA Inc., specializing in presentation, boardroom and high-end media systems, was established in May of 2005. AZCAR Procom operates out of the Canonsburg office and has several Fortune 500 clients. The business activities were transferred to AZCAR USA Inc. as part of the ADP division, consequently the Company is in the process of winding up the subsidiary.

The Sprint/Nextel training contract, which was signed in early 2007, provides a specialized service to this customer which continues in 2009. Azcar Training Services (ATS) puts AZCAR in front of over 900 US television stations as it provides targeted and station-by-station digital technical and operational training. The contract with Sprint concluded at the end of 2009 and the training facility has been shut down.

AZCAR owns 51% of NJE Consulting Inc. (NJE) of Vancouver. NJE has experience in supply chain management systems and software which, in conjunction with RFID technologies, is used for tracking and monitoring inventories. In addition to working in the manufacturing and construction spaces, the Company has also developed several proprietary technologies including a transaction engine, which have particular application to large industries in northern environments.

The nature of the Company’s professional services and distribution businesses create no significant environmental impact.

Materials required in the manufacturing and assembly processes are purchased from numerous manufacturers, which allow the Company to maintain flexibility and independence in its engineering design and equipment selection. However, strong relationships with key vendors ensure AZCAR customers enjoy the most suitable and cost effective products and systems. Additional sales growth, including those of Megahertz, increases the Company’s buying volume and leverage with its suppliers.

Through Matchframe Video, LLC, the Company also operates a post-production facility and leases editing equipment to customer in the entertainment industry. Matchframe is a well established full-service media company serving motion picture, television and multimedia clients. Matchframe has been a staple in the Hollywood postproduction community for over 25 years, providing clients with a wide variety of workflows and finishing solutions for projects shot on film, data, RED camera, HD and standard definition. Matchframe’s expanding services include Avid and Final Cut Pro rentals, online, audio, telecine, visual effects and graphics, file-based technologies (encoding, transcoding and file management) and digital restoration, as well as DVD and Blu-ray mastering and all duplication.

2.2. Trends

AZCAR has been significantly impacted by the current economic slowdown and has taken a number of steps in order to minimize the impact on the financial results. Although few projects have been cancelled, AZCAR, including its subsidiary Megahertz, have seen some clients delaying projects for several quarters.

Although we have been unable to reliably predict what is happening in the market, we remain optimistic that the economy will begin to recover in 2010 but the timing and strength of the recovery remain elusive. There will be some opportunities for additional work on facilities that have already implemented basic level HDTV and related digital systems, as well as in the production and distribution of more HDTV. The upcoming 3D technologies, other forms of digital content and the optimization of process and file based workflows in this new environment will also represent opportunities for additional work. While some broadcasters are reporting an increase in revenues in 2010 and there is some tempered optimism the midterm elections will generate additional revenues, the overall mood remains cautious. Unfortunately AZCAR is at the end of that chain.

At Matchframe, restructuring of the management team and technology enhancements are on track with the original plan. We anticipate that Matchframe will be profitable in the latter half of 2010.

2.3. Sales and Marketing
Management's sales and marketing strategy is to move closer to the end user and multiple station owners. The Company assists customers with conceptual design in the planning stages to facilitate the award of detailed design, integration and equipment supply contracts, rather than waiting until the final bid stage to quote on services and products. Multiple station owners can provide repeat business upon the satisfactory completion of the project design and installation of the initial systems.

The Company undertakes projects that vary in size from small projects, which involve the services of skilled technicians or installation personnel, to large projects that involve the conceptual design, detailed systems design and integration as well as the supply of the related hardware and software equipment. The Company is not dependent on any one manufacturer and specifies and sells the most appropriate equipment for its customers' needs.

Management believes the Company is one of the top systems integrators in North America. The principal competitors in North America are Ascent Media and National Tele-consultants**.**

Apart from lower utilization of our internal professional resources during December, the business does not experience any seasonal or cyclical peaks in revenues. However, the revenues are not evenly spread across a 12-month period. The timing of the revenues is based solely on the customer’s timeline and capital budget.

While the market for the services of the Company is worldwide, presently the Company's largest market is the United States. The Canonsburg, PA office provides engineering and business development capabilities that are well suited to managing increasing numbers of smaller system-upgrade projects and equipment sales in the United States. Staff in facilities in the USA and Canada have proven experience in large projects in the USA and internationally.

Megahertz continues to benefit from the introduction of a new and unique large Outside Broadcast (OB) vehicle design. This innovative design improves the workflow and the operational comfort of the crew. The BBC (now SIS), purchased one such vehicle last year and has now ordered an additional two units. Megahertz has secured several new vehicle contracts with SIS and others, as well as work with other customers in England, Qatar, South Africa and India. The Company continues to work on expanding its scope of operations to include a larger amount of studio and satellite uplink projects. Although the business outlook for Fiscal 2010 is relatively positive, the Company is experiencing delays in the commencement of some projects.

In an effort to diversify our revenue base, the Company acquired a 67% interest in Matchframe Video, a Burbank California full-service media company. It is anticipated that Matchframe will improve the consistency and timing of revenues generated by the Company.

3. General

3.1. Patents

The Company has not applied for any patents. The Company's primary business includes the engineering design and integration of electronic equipment and software, which are developed and manufactured by other companies. However, NJE has developed several proprietary technologies including a transaction engine, which have particular application to large industries in northern environments.

3.2. Trademarks

The AZCAR name, logo and tag line ("The application of imagination") are Company trademarks, for which the application for registration has been submitted and is in process.

3.3. Employees

As of March 25, 2010 the Company's operations had 191 full-time employees, which were engaged in the following areas:

Area of Employment	Employees
Engineering & CAD	36
Systems Integration & Installation	50
Sales & Marketing	21
Operations	49
Customer Service	7
Finance & Administration	28

The Company believes that its ability to attract and retain highly skilled personnel is one of the factors in the success of the Company. It is through the efforts, commitment and teamwork of the employees and management, which enables AZCAR to produce key results. None of the Company's employees are governed by collective agreements nor has the Company ever experienced a labour disruption.

3.4. Foreign Operations

The Company operates through its three subsidiaries, which are based in the United States of America, Barbados, and the United Kingdom. The Company has a long history of performing projects in a wide variety of countries in addition to the countries in which it resides. International projects have been completed or awarded in such countries as the Dominican Republic, Panama, Puerto Rico, Fiji, South Africa, Qatar and Kuwait.

3.5. Properties

The Company's principal facilities are described in the following table.

LOCATION	FUNCTION	OCCUPANCY	AREA (SQ. FT.)
AZCAR Technologies Incorporated 3235 14th Avenue Markham, Ontario	Head Office Engineering, Sales, Systems Manufacturing, Information Technology	Leased	17,500
AZCAR USA, Inc. 121 Hillpointe Drive Suite 700 Canonsburg, Pennsylvania, USA	Engineering, Sales, Systems Manufacturing	Leased	21,020
AZCAR International Inc. Corner of Spry & Roebuck Streets Bridgetown, Barbados	Engineering, Sales, Systems Integration	Leased	300
Megahertz Broadcast Systems Limited Unit 39 Lancaster Business Park Ely, Witchford Cambridgeshire, UK	UK Head Office Engineering, Sales, Systems Manufacturing, Information Technology	Leased	22,250
Matchframe Video 610 N. Hollywood Way, Burbank, CA, USA	Post production services	Leased	30,000

4. Risk Factors

In the normal course of its business, the Company is exposed to a variety of risks that can affect its performance and could cause the Company's actual results to differ in material respects from the results discussed herein.

A discussion of the Company's risk factors may be found in the Company's "Management Discussion and Analysis, Year Ended December 31, 2009.

5. Dividend Policy

The Company has accumulated a deficit, rather than retained earnings and, accordingly, does not anticipate paying dividends on its Common Shares in the foreseeable future. There are no restrictions on paying dividends.

6. Management's Discussion and Analysis

Please refer to the Company's "Management's Discussion and Analysis, Year Ended December 31, 2009", prepared March 25, 2010, which is incorporated by reference in this annual information form ("AIF").

7. Market for Securities

7.1. Toronto Stock Exchange listing

The Common Shares of the Company are listed and posted for trading on The Toronto Venture Exchange under the stock symbol AZZ.

7.2. Transfer Agents and Registrars

The Company's stock is listed on the Toronto Venture Exchange and symbol AZZ. Its transfer agent is CIBC Mellon Trust Company in Toronto, Ontario. The Company files its regulatory reports and press releases on SEDAR (System for Electronic Document Analysis and Retrieval – www.sedar.com). Press releases and financial statements are also available on the Company's website: www.azcar.com.

7.3. Capital Structure

AZCAR is authorized to issue an unlimited number of voting common shares and non-voting, retractable, preferred shares, each without par value. The issued number of common shares outstanding as at December 31, 2009 and as at March 25, 2010 was 15,566,350 for $15,283.

7.4. Trading Prices and Volumes

Monthly	High	Low	Volume
January, 2009	$ 0.23	$ 0.20	24,500
February, 2009	$ 0.27	$ 0.20	63,800
March, 2009	$ 0.27	$ 0.19	26,300
April, 2009	$ 0.23	$ 0.19	32,450
May, 2009	$ 0.20	$ 0.18	23,500
June, 2009	$ 0.19	$ 0.15	74,100
July, 2009	$ 0.15	$ 0.10	69,500
August, 2009	$ 0.12	$ 0.12	28,500
September, 2009	$ 0.18	$ 0.12	34,000
October, 2009	$ 0.21	$ 0.12	42,200
November, 2009	$ 0.22	$ 0.15	84,700
December, 2009	$ 0.16	$ 0.10	368,650

8. Directors and Officers

At March 25, 2010 the Directors of AZCAR were the following:

Murray J. Desnoyer
David L. George
Charles H. Jablonski
Robert R. Jenks
Claude W. Lewis
Stephen F. Pumple (Chairman)
Patrick G. Whittingham

The terms of the seven present Directors will expire at the Annual Shareholders Meeting in 2010. Six Directors will be nominated for re-election at the 2010 Meeting. Information regarding the persons nominated for re-election as directors, including the number of voting securities of the Corporation each beneficially owns, directly or indirectly, or over which each exercises control or direction is as follows:

Name and Municipality of Residence	Current Position with the Corporation	Principal Occupation for the Last Five Years	Director Since	Number of Shares (1)	Number of Options (2)
Stephen F. Pumple Toronto, ON	Chairman, & CEO, Director	Chairman of the Corporation and CEO	1975	5,194,900 (3)	200,000
Murray J. Desnoyer Richmond Hill, ON	Director	Chairman and CEO of Origin International Inc. Previously, Vice President and Secretary of the Corporation	1975	625,000	40,000
David L. George Toronto, ON	Director	Chairman and CEO of George Consulting Group Limited	1996	165,000(4)	95,000
Robert R. Jenks Greenwich, CT, USA	Director	Partner, Executive in Residence of Redbook Partners LLC	2007	5,000	40,000
Charles H. Jablonski Redwood City, CA, USA	Director	Consultant, and Member of various Boards of Directors Formerly: President & CEO Myrio Corporation Chief Operating Officer, Geocast Network Systems Vice President Broadcast & Network Engineering, National Broadcasting Company (NBC)	2003	15,000	28,000
Patrick G. Whittingham Stouffville, ON	Director	Consultant, and Member of various Boards of Directors including: Miranda Technologies Inc. (Canada) Front Porch Digital Inc. (USA) Formerly: President Sony Broadcast and Production Technology (Sony Electronics US)	2004	84,500	40,000

Notes:

1. The information as to the number of shares, not being within the knowledge of the Corporation, has been furnished by the respective nominees.
2. Directors, at March 25, 2010, hold options to acquire, the quantity of Common Shares of the Corporation listed.
3. Mr. Pumple holds 14,000 Common Shares in trust for his daughter, 207,500 indirectly in an RRSP and 1,000,000 Common Shares indirectly through the Pumple Family Trust of which Mr. Pumple and his daughter are the beneficiaries.
4. Mr. George holds 133,000 Common Shares directly and a related party holds 32,000 Common Shares.

8.1. Committees

The Board has established the following committees and as at March 25, 2010 the committee members are as follows:

COMMITTEE	MEMBERS
Audit [1]	Robert Jenks, Chair Murray Desnoyer Charles Jablonski
Compensation/Nomination	Claude Lewis, Chair Murray Desnoyer Charles Jablonski
Operations	Murray Desnoyer, Chair Robert Jenks Patrick Whittingham
Strategic Planning	David L. George, Chair Robert Jenks Patrick Whittingham
Corporate Governance	Patrick Whittingham, Chair Charles Jablonski Claude Lewis
Outside Directors	Charles Jablonski – Lead Director Murray Desnoyer Robert Jenks Claude Lewis Patrick Whittingham

Note: 1. See Appendix 1 for the Charter of the Audit Committee.

8.2. Qualifications of Audit Committee Members

All of the members of the Audit Committee are independent and financially literate. All of the members of the Audit Committee have experience in senior management positions which provides them with adequate background to fulfil their role.

8.3. Auditor's Fees

For the years ended December 31, 2009 and 2008, the Company paid its external auditors $225,000 and $212,000 respectively as detailed below:

	Year Ended 2009	Year Ended 2008
Audit Fees	$173,000	$175,000
Audit-Related Fees	34,000	2,000
Tax Fees	14,000	35,000
All Other Fees	4,000	0
Total Auditor's Fees	$225,000	$212,000

8.4. Officers

Name and Municipality of Residence	Current Position with Company
Stephen F. Pumple Toronto, Ontario	Chairman of the Board of Directors Chief Executive Officer Company founder Holds 5,194,900 shares
Gavin Schutz Glendale, California	President & Chief Operating Officer Appointed May, 2007 Previously CTO, Ascent Media Group
Sean Fleming Toronto, Ontario	Chief Financial Officer Appointed January, 2010 Previously CFO, CanDeal
William E. Bateman Toronto, Ontario	Secretary Appointed March, 1997
William Frazier Jeannette, PA.	Vice President Appointed November, 2000

Directors and senior officers of the Company, as a group, beneficially own, directly or indirectly, 38.9% of the current outstanding Common Shares.

9. Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is, or within the ten years before the date of this AIF, has been a director or officer of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied the other issuer access to any statutory exemption under Canadian securities legislation for a period of more than 30 consecutive days, or was 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 its assets of that issuer.

No director or officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has within the ten years before the date of this AIF, 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 or been subject to any other penalties or sanction imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

No director or officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons has, within the ten years before the date of this AIF, become 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.

10. Legal Proceedings

There are no material legal proceedings against the Company.

11. Interest of Management in Material Transactions

The facility occupied by the head office in Markham, Ontario was leased from a partnership that was controlled by two shareholders who are also directors of the Company. The partnership sold the building to an unrelated third party in June 2008.

12. Additional Information

The Company shall provide to any person, upon request to the Secretary of the Company, the following documents:

[a] when the securities of the Company are in the course of a distribution pursuant to a short form prospectus, or a preliminary short form prospectus has been filed in respect of a distribution of its securities,

- [i] one copy of this annual information form ("AIF"), together with one copy of any document, or the pertinent pages of any document, incorporated by reference in this AIF,
- [ii] one copy of the Company's audited consolidated financial statements for its financial year ended December 31, 2009, together with the accompanying report of the auditors, and one copy of the Company's interim financial statements subsequent to the said year end statements,
- [iii] one copy of the Company's Information Circular in respect of its most recent annual meeting of shareholders, and
- [iv] one copy of any other documents that are incorporated by reference into the preliminary short form prospectus, or the short form prospectus, and are not required to be provided under [i] to [iii] above; or

[b] at any other time, one copy of any other documents referred to in [a] [i], [ii] and [iii] above, provided that the Company may require the payment of a reasonable charge if a person who is not a security holder of the Company makes the request.

Additional information concerning the Company, including directors' and officers' remuneration and indebtedness, principal holders of securities, options to purchase securities and interests of insiders in material transactions, is, where applicable, contained in the Company’s Information Circular for its most recent annual meeting of shareholders. Additional financial information is provided in the Company’s audited consolidated financial statements for its fiscal year ended December 31, 2009.

Unless otherwise stated, the information contained herein is as at March 25, 2010.

Appendix 1 – Charter of The Audit Committee of The Board of Directors of AZCAR

1. Purposes

The purpose of the Audit Committee (the "Committee") is to review on behalf of the Board of Directors the financial information, including that required by regulatory bodies which will be provided to the shareholders, the systems of financial reporting and internal controls, and the audit process.

The responsibilities of the Committee are to satisfy itself, on behalf of the Board, that:

1.1 the Company's annual financial statements are fairly presented in accordance with generally accepted accounting principles and to recommend to the Board whether the annual financial statements should be approved;

1.2 the information contained in the Company's financial statements, Annual Report and other financial publications such as Management's Discussion and Analysis of Financial Condition and Results of Operations, and the Annual Information Form is in proper form, correct and not misleading or incomplete, and to recommend to the Board whether these should be approved;

1.3 the Company's interim financial statements are fairly presented in accordance with generally accepted accounting principles and to approve such interim financial statements and their quarterly release, as well as any press release reporting quarterly results;

1.4 the Company has appropriate systems of internal control over the safeguarding of assets and financial reporting to ensure compliance with legal and regulatory requirements.

1.5 the external audit function has been effectively carried out and that any matter which the independent auditors wish to bring to the attention of the Board has been addressed. The Committee will also recommend to the Board the appointment of external auditors and their remuneration; and

1.6 all accounting and reporting policies and changes thereto are appropriate;

2. Composition and Organization

2.1 Annually, following the Annual General Meeting of shareholders of the Company, the Board shall elect from its members not less than three directors to serve on the Committee, none of whom shall be officers or employees of the Company or its subsidiaries.

2.2 Qualification for membership on the Committee requires Independence and Financial Literacy:

2.2.1 Meaning of Independence A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company.

2.2.2 For the purposes of subsection (2.2.1), a material relationship means a relationship which could, in the view of the Company's board of directors, reasonably interfere with the exercise of a member's independent judgement.

2.2.3. Despite subsection (2.2.2), the following individuals are considered to have a material relationship with the Company:

a) an individual who is, or has been, an employee or executive officer of the Company, unless the prescribed period has elapsed since the end of the service or employment;

b) an individual whose immediate family member is, or has been, an executive officer of the Company, unless the prescribed period has elapsed since the end of the service or employment;

c) an individual who is, or has been, an affiliated entity of, a partner of, or employed by, a current or former internal or external auditor of the Company, unless the prescribed period has elapsed since the person's relationship with the internal or external auditor, or the auditing relationship, has ended;

d) an individual whose immediate family member is, or has been, an affiliated entity of, a partner of, or employed in a professional capacity by, a current or former internal or external auditor of the Company, unless the prescribed period has elapsed since the person's relationship with the internal or external auditor, or the auditing relationship, has ended;

e) an individual who is, or has been, or whose immediate family member is or has been, an executive officer of an entity if any of the Company's current executive officers serve on the entity's compensation committee, unless the prescribed period has elapsed since the end of the service or employment;

f) an individual who

i) has a relationship with the Company pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary entity of the Company, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

ii) receives, or whose immediate family member receives, more than $75,000 per year in direct compensation from the Company, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee, unless the prescribed period has elapsed since he or she ceased to receive more than $75,000 per year in such compensation.

g) an individual who is an affiliated entity of the Company or any of its subsidiary entities.

2.2.4 For the purposes of subsection (2.2.3), the prescribed period is the shorter of

a) the period commencing on March 30, 2004 and ending immediately prior to the determination required by subsection (2.2.3); and

b) the three year period ending immediately prior to the determination required by subsection (2.2.3).

2.2.5 For the purposes of clauses (2.2.3)(c) and (2.2.3)(d), a partner does not include a fixed income partner whose interest in the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with an internal or external auditor if the compensation is not contingent in any way on continued service.

2.2.6 For the purposes of clause (2.2.3)(f), compensatory fees and direct compensation do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company if the compensation is not contingent in any way on continued service.

2.2.7 For the purposes of sub-clause (2.2.3)(f)(i), the indirect acceptance by a person of any consulting, advisory or other compensatory fee includes acceptance of a fee by

a) a person's spouse, minor child or stepchild, or a child or stepchild who shares the person's home; or

b) an entity in which such person is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Company or any subsidiary entity of the Company.

2.2.8 Meaning of Financial Literacy

All audit committee members are required to be financially literate, which is defined as having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to those that can reasonable be expected to be raised by the Company's financial statements.

2.3 The Board shall appoint one of the directors on the Committee as the Committee Chair.

2.4 Each member shall hold office until the close of the next Annual General Meeting of shareholders of the Company or until the member resigns or is replaced, whichever first occurs.

2.5 The Committee will meet at least four times per fiscal year. The meetings will be scheduled to permit timely review of the interim and annual financial statements.

2.6 The Chief Financial Officer shall act as management advisor to the Committee.

2.7 The Committee is authorized to request the presence, at any meeting, of a representative from the external auditors, senior management, legal counsel or anyone else who could contribute substantively to the subject of the meeting including directors, officers and employees of the Company.

2.8 The external auditors shall be given notice of, and have the right to appear before and to be heard at any meeting of the Audit Committee, and shall appear before the Audit Committee at least annually and when requested by the Committee.

3. Duties and Responsibilities

3.1 Financial Reporting Control Systems

The Committee shall:

(i) review reports from senior officers outlining any significant financial issues recorded in the Company's financial statements or significant changes in financial risks facing the Company; and

(ii) review any new appointments to senior positions with financial reporting responsibilities.

3.2 Interim Financial Statements

The Committee shall review interim financial statements with Company officers prior to their release, recommend their approval to the Board and authorize their release; this review will include a detailed review of quarterly and year-to-date results.

3.3 Financial Statements and Other Financial Matters

The Committee shall:

(i) review any significant changes in accounting policies or financial reporting requirements that may effect current financial statements;

(ii) obtain draft annual financial statements in advance of the Committee meeting and assess, on a preliminary basis, the reasonableness of the financial statements in light of the information provided by Company officers;

(iii) review with Company officers any legal matters which may have a material impact on the Company's financial position;

(iv) review all "related party" or non-arm's length transactions of the Company and provide a report, including any recommendations, to the whole Board;

(v) discuss the annual financial statements and the auditor's report thereon in detail with Company officers and the auditors;

(vi) review all annual and quarterly reports of the Company and other annual public information documents including the Annual Information Form and Management's Discussion and Analysis; and

(vii) provide to the Board of Directors a recommendation as to whether the quarterly and annual financial statements and other financial reports should be approved.

(viii) review with the external auditors their annual report, including the process followed, the accounts reviewed, audit issues and the overall audit assessment;

(ix) discuss in private with the external auditors, without the presence of Company management, matters affecting the conduct of their audit, their audit findings and other corporate matters;

(x) recommend to the Board of Directors each year the retention or replacement of the external auditors; if there is a plan to change auditors, review the rationale for the change, all issues related to the change and the steps planned for an orderly transition;

(xi) annually review and recommend for approval to the Board the engagement and the remuneration of the external auditors; and

(xii) the Committee is empowered to investigate any financial activity of the Company.

4. Accountability

4.1 The Committee shall report to the Board of Directors at its next regular meeting all deliberations and actions it has taken since the previous report.

4.2 The minutes of all meetings of the Committee will be made available for review by any member of the Board on request to the Chairman of the Committee.