



RICHELIEU HARDWARE LTD.

ANNUAL INFORMATION FORM

Year ended November 30, 2008

February 20, 2009

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IN THIS DOCUMENT, UNLESS THE CONTEXT REQUIRES OTHERWISE, THE USE OF THE TERMS “OUR” AND “WE”, THE “COMPANY”, “RICHELIEU” COLLECTIVELY REFERS TO RICHELIEU HARDWARE LTD., AND, UNLESS OTHERWISE REQUIRED OR INDICATED, TO ITS SUBSIDIARIES.

Item 1. CORPORATE STRUCTURE

NAME, ADDRESS AND INCORPORATION

Richelieu Hardware Ltd., which registered office is located at 7900 Henri-Bourassa Blvd. West, Montréal, Quebec, was incorporated under Part I of the *Companies Act* (Quebec) by letters patent dated September 16, 1968 and registered on October 8, 1968 and was continued under Part IA of the *Companies Act* (Quebec) by Certificate of Continuance dated November 30, 1983.

The Company amalgamated with 2539-9346 Québec Inc. by Certificate of Amalgamation dated December 1, 1987.

By Certificates of Amendment dated February 7, 1989 and May 18, 1993, certain amendments were made to the Company's charter provisions and share capital, including the subdivision of the 28,090 common shares then outstanding into 6,000,000 common shares and the creation of an unlimited number of preferred shares issuable in series.

On July 27, 1993, Richelieu completed its initial public offering and secondary distribution by Schroder Canadian Buy-Out Fund and Company, Limited, Schroder Canadian Buy-Out Limited Partnership and Schroder-CIBC and Company, Limited (collectively, the "Schroder Partnerships").

On April 9, 1999 and on July 20, 2001, the Company proceeded with a subdivision, on a two-for-one basis, of all of the outstanding shares of its capital stock.

INTERCORPORATE RELATIONSHIP

The following table sets out the subsidiaries of Richelieu as at November 30, 2008. The financial information pertaining to all the subsidiaries named below is consolidated in the financial statements incorporated by reference herein. On November 30, 2008, total assets and sales of subsidiaries held by the Company represented 62% of the consolidated assets and 63% of the consolidated sales of the Company.

Subsidiaries	Incorporated under the Laws of	Percentage of Ownership
Richelieu Hardware Canada Ltd.	Ontario	100%
Distributions 20-20 Inc.	Canada	100%
Les Industries Cedan inc.	Quebec	100%
Richelieu America Ltd.	Delaware, USA	100%
Richelieu Finances Ltd.	Quebec	100%
Menuiserie des Pins Ltée	Quebec	75%

Unless otherwise indicated, financial and other information herein is presented on a consolidated basis.

Item 2. GENERAL DEVELOPMENT OF THE BUSINESS

OVERVIEW

Richelieu is the main distributor, importer and manufacturer of specialized hardware and related products in Canada. The Company also ranks first in its specialty in North America. With 47 distribution centers and two manufacturing plants, Richelieu serves its market from sea to sea.

ACQUISITIONS

The market position now occupied by Richelieu is mainly due to the aggressive acquisition program undertaken since 1987. Capitalizing on significant fragmentation in the specialty hardware industry, Richelieu has completed as of today 35 strategic acquisitions at a total cost of over \$127 million.

In addition to the cost savings derived from the acquisitions, the Company's acquisition program has enabled Richelieu to successfully expand the breadth of its product assortment, diversify its distribution activities geographically, reach a broader customer base, gain access to new sources of supply from leading manufacturers world-wide, as well as consolidate its purchasing power with respect to the supply and shipping of products. Richelieu also obtained the services of additional qualified managers and experienced full-time sales representatives.

The success of the Company's acquisition strategy can be measured by reviewing Richelieu's financial performance over the last five years. Since fiscal 2003, Richelieu's sales grew at an annual compound rate of 9.1% while net earnings increased at a compound rate of 9.6% per annum.

Over the last three financial years, the Company has completed the following acquisitions:

On January 16, 2006, the Company acquired the principal assets of Kiika International LLC, a distributor specialized in ergonomic workstation components located in Pennsylvania.

On February 8, 2006, the Company acquired all of the outstanding shares of Nystrom Group Inc., an Ontario-based company distributing decorative hardware products and bathroom accessories targeted to the retailers market, including renovation superstore chains.

On October 17, 2006, the Company acquired the principal assets of Specialty Supplies, Inc., a company located in Pompano Beach (Florida) distributing decorative and functional hardware, kitchen accessories and other related products targeted to kitchen and bathroom manufacturers from its four distribution centres located on the East Coast of the United States.

On October 30, 2006, the Company acquired the principal assets of L.B. Brass Ltd., a distributor of a line of decorative hardware products located in New York.

On March 5, 2007, the Company acquired the principal assets of Village Square Cabinet Supply, a distributor of decorative hardware, kitchen accessories and other related products located in Nashville, Tennessee.

On May 23, 2007, the Company acquired the principal assets of Sasco Products Inc., a distributor of finishing products targeted for a customer base of furniture and kitchen cabinet makers, located at Dartmouth, Nova-Scotia.

On April 7, 2008, the Company acquired the principal assets of Top Supplies inc., a distributor of decorative and functional hardware and other related products located in High Point, North Carolina.

On July 28, 2008, the Company acquired the principal assets of Acroma Sales Ltd., a distributor of finishing products for furniture and kitchen cabinet makers located in Vancouver and Kelowna, British Columbia.

Item 3. NARRATIVE DESCRIPTION OF THE BUSINESS

DISTRIBUTION ACTIVITIES

Richelieu's customer base includes kitchen cabinet, furniture, doors and windows and commercial and residential cabinet manufacturers and hardware retailers, including hardware and home improvement superstores. In serving such markets, Richelieu continuously monitors its product line, so as to emphasize state-of-the-art products and to eliminate unprofitable slow moving product lines. Richelieu's mission is to create value for its shareholders and contribute to the growth and success of its customers, while promoting a corporate culture centered on quality of service and results, partnership and intrapreneurship.

The following list summarizes the main categories of the 58,000 products carried by Richelieu:

- **Functional cabinet hardware and assembly products** for manufacturing of kitchen cabinets and furniture including traditional and concealed cabinet door hinges, drawer slides, screws, fittings, swivels, lighting products, brackets and other related cabinet hardware products and specialized tools sourced from international manufacturers;
- **Decorative hardware products** such as handles, knobs and mouldings available in a variety of styles, finishes and sizes;

- **High-pressure laminates** in a variety of colours and types of finishes including decorative high-pressure laminates, craftwood veneers, solid surfaces for countertops, decorative tambours, adhesives and related mouldings and panels;
- **Decorative and functional panels** which include particle boards, melamine panels and MDF panels;
- **Veneer sheets and edge banding products** in wood, melamine or polyester and in a wide range of finishes and sizes, some of which are manufactured by Cedan;
- **Kitchen accessories** including storage systems, cutlery trays, sinks, Lazy Susans, towel racks, pull-out storage and pantry systems, decorative kitchen accessories, waste bins and working surfaces;
- **Finishing products** such as lacquers, stains and varnishes;
- **Ergonomic workstation components**;
- **Ceramic tiles sold under the name Ceramax**;
- **Bulletin boards and scoreboards**; and
- **Door and window components manufactured by Menuiserie des Pins.**

The distribution activities of Richelieu are the core of its business and accounted for approximately 96% of its total sales in fiscal 2008 compared with 96% for 2007. As at November 30, 2008, Richelieu carried over 58,000 items in inventory (referred to as "stock-keeping units" or "SKUs"). Richelieu's principal strength lies in its ability to introduce new products to the market, which allows it to adequately respond to the needs of its approximately 40,000 clients.

From a distribution standpoint, Richelieu's fully automated order processing system enables it to ship customer orders in a timely and efficient manner. Items are normally stocked in all warehouse locations according to historical demand patterns. All inventory records are computerized so that any order may be delivered from the warehouse located closest to the client. Inventories are constantly adjusted in response to changes in demand.

In order to minimize delivery time, Richelieu engages the services of various independent trucking companies to deliver large bulk order shipments to its customers. For smaller orders, Richelieu has delivery arrangements with various independent courier companies that provide it with preferential shipping rates established on the basis of the volume of goods shipped annually. These arrangements enable Richelieu to avoid the higher costs of running its own transportation system, while retaining full control and flexibility in the management of its delivery network. Richelieu is committed to provide customers with timely error-free order processing and rapid delivery. The average service turnaround time is 24 hours from the moment an order is placed.

MARKETING

Serviced through its 31 sales locations across Canada and its 16 sales locations across the United States, Richelieu's extensive client base comprises over 40,000 active customers. Of this total, over 34,000 customers are manufacturers of kitchen and bathroom cabinets, furniture and doors and windows which, in fiscal 2008, accounted for approximately 82% of Richelieu's total sales. The 6,000 other accounts are comprised of retailers, including hardware superstores, which accounted for the remaining 18% of Richelieu's sales during the same period.

In fiscal 2008, 41.3% of Richelieu's total sales were in Eastern Canada, 21.2% in Ontario, 20.2% in Western Canada and 17.3% in the United States and abroad. In the same year, Richelieu's five largest customers accounted for approximately 12% of Richelieu's total sales.

SUPPLIERS

Richelieu provides its customers with a vast assortment of high-quality products which are sourced directly from manufacturers worldwide. Richelieu seeks to establish strong relationships with high quality suppliers even if it does not enter into written agreements with these suppliers; in fact, Richelieu believes that it is not customary in its industry to enter into such contracts.

Richelieu provides suppliers with a North American distribution network, a specially trained sales force and a marketing program. Approximately 63% of the purchases are made from foreign manufacturers. In fiscal 2008, Richelieu's five largest suppliers accounted for approximately 31% of Richelieu's total purchases, with the largest supplier accounting for approximately 16%. Richelieu enjoys good relationships with its domestic and international suppliers. Richelieu has not experienced a situation where an important supplier has chosen to cease doing business with Richelieu. However, should such a situation occur, there are alternative manufacturers for each of Richelieu's product lines.

HUMAN RESOURCES

Richelieu employed some 1,300 persons as at November 30, 2008. Of these, 1,170 employees were involved in distribution activities and 130 were involved in the manufacturing operations.

Seven collective agreements cover approximately 21% of Richelieu's work force. All bargaining units are presently covered by collective agreements which expire on the following dates:

Establishment	Expiry Date
Richelieu (Richmond Warehouse) – three-year contract	March 31, 2009
Cedan – five-year contract	October 31, 2009
Ceramax Division – five-year contract	May 31, 2011
Richelieu (St. Laurent Warehouse) – six-year contract	November 30, 2013
Distributions 20-20 – three-year contract	October 31, 2011
Menuiserie des Pins – six-year contract	March 30, 2014
Division Reliable – the contract expired on December 31, 2008	The collective agreement is being negotiated for its renewal.

Richelieu considers that it has good working relations with its employees. In the last five years, Richelieu has not experienced any material labour problem.

Richelieu anticipates no difficulties with respect to the renewal of the above-mentioned agreements within parameters compatible with management's objectives.

COMPETITION

The specialty hardware market is highly fragmented with numerous local and regional firms distributing a limited range of products. In addition, certain manufacturers distribute their products directly. Richelieu differentiates itself from its competitors in the Canadian market by the combination of its national distribution network, highly trained sales force and vast assortment of quality products.

Management of Richelieu believes that, due to its unique business profile, Richelieu is well positioned to compete effectively in the highly fragmented North American specialty hardware market.

ENVIRONMENT

Provincial legislation pertaining to air emissions and waste management governs the manufacturing operations of Richelieu. It is management's opinion that the operations at Cedan and Menuiserie des Pins are always conducted in conformity with the applicable regulations.

RISK FACTORS

Richelieu is exposed to different risks that can have an impact on its profitability. To offset such risks, the Company has adopted various strategies adapted to the major risk factors below.

Economic conditions

The Company's business and financial results partly depend on general economic conditions and the economic factors specific to the renovation and construction industry. Any economic downturn could lead to a decline in sales and have an adverse impact on the Company's financial performance. Richelieu's U.S. operations has slowed down due to more difficult economic conditions. If these adverse conditions were to endure or further deteriorate, sales recorded in the United States and financial results of the Company's U.S. operations could be affected.

Over the years, Richelieu has nevertheless remained profitable, even during economic slowdowns. In recent years, economic conditions have favoured Richelieu's business and numerous structural trends foreshadow excellent business opportunities despite the challenging environment, especially in the U.S. market.

Market and competition

The specialty hardware and renovation products segment is highly competitive. Richelieu has developed a business strategy rooted in a product offering that is unmatched in various targeted niche markets in North America and sourced from suppliers around the world, in creative marketing and in unparalleled expertise and quality of service. Up to now, this strategy has enabled it to benefit from a solid competitive edge. However, if Richelieu were unable to implement its business strategy with the same success in the future, it could lose market shares, and its financial performance could be adversely affected.

Foreign currency

Richelieu is exposed to the risks related to currency fluctuations, primarily in regard to foreign currency denominated purchases and sales made abroad.

The Company's products are regularly sourced from abroad through its import business. Any increase in foreign currencies (U.S. dollar and the Euro) compared with the Canadian dollar tends to raise its supply cost and thereby affect its consolidated financial results. These currency fluctuation related risks are mitigated by the Company's ability to rapidly adjust its selling prices so as to protect its profit margins, although an increase in foreign currencies can have a negative impact on its sales, especially when currency markets are highly volatile.

Sales made abroad are mainly recorded in the United States and account for 17.3% of total sales. Any decline in the Canadian dollar therefore tends to affect consolidated results. This risk is partially offset by the fact that major purchases are denominated in U.S. dollars.

To manage its currency risk, the Company uses derivative financial instruments, more specifically forward exchange contracts in U.S. dollars and Euros. There can be no assurance that the Company will not sustain losses arising from these financial instruments or fluctuations in foreign currency.

Supply and inventory management

Richelieu must anticipate and meet its customers' supply needs. To that end, Richelieu must maintain solid relationships with suppliers respecting its supply criteria. The inability to maintain such relationships or to efficiently manage the supply chain and inventories could affect the Company's financial position. Similarly, Richelieu must track trends and its customers' preferences and maintain inventories meeting their needs, failing which its financial performance could be adversely affected.

To mitigate its supply-related risks, Richelieu has built solid long-term relationships with numerous suppliers on several continents, most of whom are world leaders.

Acquisitions

Acquisitions in North America remain an important strategic focus for Richelieu, which plans to further expand in Canada and the United States in the coming years. The Company will maintain its strict acquisition criteria and pay special attention to the integration of acquisitions. Nevertheless, there is no guarantee that a business matching Richelieu's acquisition criteria will be available and there can be no assurance that the Company will be able to make acquisitions at the same pace as in the past. However, the fact that the U.S. market is highly fragmented and that acquisitions are smaller sized reduces the inherent financial and operational risks.

Credit

The Company is exposed to the credit risk related to its accounts receivable. Richelieu has adopted a policy defining the credit conditions for its customers to safeguard against credit losses arising from doing business with them. For each customer, the Company sets a specific limit that is regularly reviewed. The diversification of its products,

customers and suppliers protects Richelieu against a concentration of its credit risk. None of its customers accounts for more than 10% of its revenues.

Labour relations and qualified employees

To achieve its objectives, Richelieu must attract, train and retain qualified employees while controlling its payroll. The inability to attract, train and retain qualified employees and to control its payroll could have an impact on the Company's financial performance.

About one-quarter of Richelieu's workforce is unionized. The Company's policy is to negotiate collective agreements at conditions enabling it to maintain its competitive edge and a positive and satisfactory working environment for its entire team. Richelieu has not experienced any major labour conflicts over the past five years and expects to maintain sound working relations. Any interruption in operations as a result of a labour conflict could have an adverse impact on the Company's financial results.

Stability of key officers

Richelieu offers a stimulating working environment and a competitive compensation plan, which help it retain a stable management team. Failure to retain the services of a highly qualified management team could compromise the success of Richelieu's strategic execution and expansion, which could have an adverse impact on its financial results. To adequately manage its future growth, the Company adjusts its organizational structure as needed and strengthens the teams at the various levels of its business. It should be noted that approximately 60% of its employees, including senior officers, are Richelieu shareholders.

Product liability

In the normal course of business, Richelieu is exposed to various product liability claims that could result in major costs and affect the Company's financial position. Richelieu has agreements containing the usual limits with insurance companies to cover the risks of claims associated with its operations.

Crisis management and IT contingency plan

The IT structure implemented by Richelieu enables it to support its operations and contributes to ensure their efficiency. As the occurrence of a disaster, including a major interruption of its computer systems, could affect its operations and financial performance, the Company has implemented a crisis management and IT contingency plan to reduce the extent of such a risk. This plan provides, among others, for an alternate physical location in the event of a disaster, generators in the event of power outages and a relief computer as powerful as the central computer.

Item 4. DIVIDENDS

Richelieu intends to follow the Company's dividend policy, as amended on September 30, 2003, which provides for the payment to the shareholders of a quarterly dividend. At its January 22, 2009 meeting, the Board of Directors approved the maintenance of the quarterly dividend to \$0.08 per share. The following table shows the dividends declared by the Company and paid to shareholders over the last three financial years.

	2008	2007	2006
Dividend paid per Share	\$0.32	\$0.28	\$0.24

Item 5. CAPITAL STRUCTURE

The authorized share capital of the Company consist of an unlimited number of common shares and an unlimited number of non-voting senior and junior preferred shares issuable in series, the attributes of which must be approved by the board of directors. As of January 31, 2009, there were 21,972,409 issued and outstanding common shares.

Item 6. MARKET FOR SECURITIES

The common shares of the Company are listed on the Toronto Stock Exchange under the symbol "RCH". The following table presents the price range and trading volume of the common shares of the Company on such stock exchange for the fiscal year ended on November 30, 2008.

Month	High (\$)	Low (\$)	Trading Volume
December 2007	24.49	23.00	396,349
January 2008	24.48	19.26	562,884
February 2008	22.37	20.00	200,374
March 2008	21.00	18.60	884,734
April 2008	22.50	19.06	235,164
May 2008	21.25	19.04	150,873
June 2008	21.25	18.76	407,492
July 2008	20.25	18.22	850,945
August 2008	19.48	18.50	403,757
September 2008	22.86	18.30	241,544
October 2008	21.00	13.60	651,451
November 2008	18.07	14.55	1,039,195

Item 7. DIRECTORS AND EXECUTIVE OFFICERS**DIRECTORS**

The following table indicates, as of the present date, for each director of the Company, his name and province of residence, his principal occupation and the year during which he began serving as a director. The directors are elected until the next annual shareholders' meeting or, in the case of vacancy or resignation, until the election or nomination of a successor.

Name and Province of Residence	Principal Occupation	Director Since
ROBERT CHEVRIER Quebec, Canada	President, Société de gestion Roche Inc.	1991
DENYSE CHICOYNE ⁽¹⁾ Quebec, Canada	Corporate Director	2005
ROBERT COURTEAU ⁽¹⁾ Quebec, Canada	President and Chief Executive Officer, Courteau Mainville Management Inc.	2004
JEAN DOUVILLE ⁽²⁾ Quebec, Canada	Chair of the Board, UAP Inc. and Chair of the Board, National Bank of Canada	2005
MATHIEU GAUVIN ⁽¹⁾ Quebec, Canada	Vice President, RSM Richter Inc.	1993
RICHARD LORD Quebec, Canada	President and Chief Executive Officer of the Company	1988
JOCELYN PROTEAU ⁽²⁾ Quebec, Canada	Corporate Director	2005
ROBERT L. TRUDEAU ⁽²⁾ Quebec, Canada	Chair of the Board, Trudeau Corporation	1996

1) Member of the Audit Committee.

2) Member of the Human Resources and Corporate Governance Committee.

Mr. Robert Chevrier is President of Société de gestion Roche Inc., a holding and investment company. He was, from November 1993 to January 2001, Chair of the Board and Chief Executive Officer of Rexel Canada Inc. (formerly Westburne Inc.).

Ms. Denyse Chicoyne is currently a corporate director. From 1991 to 2003, she was Vice President and Analyst for the retail industry at BMO Nesbitt Burns/Nesbitt Thompson.

Mr. Robert Courteau is President and Chief Executive Officer of Courteau Mainville Management Inc. He is also President of the Finance and Technology Committee of the Montreal Heart Institute. From February 2005 to June 2007, he has been President and Chief Executive Officer at Bell Business Solutions Inc. From June 2002 to February 2005, he was President and Chief Executive Officer of Technologies Nexxlink Inc. and, from January 2002 to June 2002, he was President and Chief Operating Officer of that company. He was previously Vice-President and Chief Information Officer and Group Vice President, Industrial Products Division, at Westburne Inc. from 1997 to 2001.

Mr. Jean Douville is Chair of the Board of National Bank of Canada since 2004. He is also Chair of the Board of UAP Inc. He was Chair of the Board and Chief Executive Officer of UAP Inc. from 1982 to 2000.

Mr. Mathieu Gauvin has been Vice President at RSM Richter Inc. since September 2006. He is a director and President of the Audit Committee of Canadian Helicopters Income Fund. From January 2006 to May 2006, he was Chief Financial Officer of Europe's Best Inc. From February 1991 to January 2006, he was Vice President and Partner of Schrodgers & Associates Canada Inc. and, from November 1987 to February 1991, he was Director, Acquisition Analysis, for this company or for its predecessor corporations.

Mr. Richard Lord is President and Chief Executive Officer of Richelieu Hardware Ltd. since 1988. From 1986 to 1988, Mr. Lord was Executive Vice President and General Manager of The Rona Dismat Group Inc. From 1976 to 1986, he worked for Mark Hot Inc., a heating and ventilation equipment manufacturer, where he was Vice President and General Manager until he left in 1986.

Mr. Jocelyn Proteau currently acts as Chair of the Board of BTB Real Estate Investment Trust, Chair of the Board of Standard Life of Canada and Co-Chair of the Board and lead director of Technologies 20-20 Inc. From March 1989 to June 2001, he was Chair of the Board and Chief Executive Officer of Fédération des Caisses populaires Desjardins de Montréal et de l'Ouest-du-Québec.

Mr. Robert L. Trudeau is Chair of the Board of Corporation Trudeau, a corporation that designs and distributes kitchen and table items in Montréal, Chicago, Madrid and Amsterdam. Mr. Trudeau took control of this company in 1967.

EXECUTIVE OFFICERS

The following table sets forth, as of the date hereof, the name and province of residence, as well as the position and the first year of employment with the Company.

Name and Province of Residence	Position	Principal Occupation	With the Company since
RICHARD LORD Quebec, Canada	President and Chief Executive Officer	n/a	1988
NORMAND GUINDON ⁽¹⁾ Quebec, Canada	Vice President and General Manager	n/a	2008
ALAIN GIASSEN ⁽¹⁾ Quebec, Canada	Vice President and Chief Financial Officer	n/a	2004
GUY GRENIER ⁽¹⁾ Quebec, Canada	Vice President, Sales and Marketing- Industrial Hardware	n/a	1989
CHRISTIAN LADOUCEUR ⁽¹⁾ Quebec, Canada	Vice President, Sales and Marketing – Hardware Retailers	n/a	2008

Name and Province of Residence	Position	Principal Occupation	With the Company since
ÉRIC DAIGNAULT Quebec, Canada	General Manager of Divisions	n/a	2000
MARION KLOIBHOFFER Ontario, Canada	General Manager - Central Canada	n/a	1989
JOHN STATTON Alberta, Canada	General Manager - Western Canada	n/a	1994
CHARLES (CHUCK) WHITE North Carolina, USA	General Manager - USA	n/a	2008
CHRISTIAN DION ⁽¹⁾ Quebec, Canada	Manager – Human Resources	n/a	2005
GENEVIÈVE QUÉVILLON ⁽¹⁾ Quebec, Canada	Manager- Supply Chain and Logistics	n/a	2008
HÉLÈNE LÉVESQUE Quebec, Canada	Corporate Secretary	Lawyer and President, Experlead Corporation	2007

⁽¹⁾ These executive officers report directly to the President and Chief Executive Officer.

Mr. Richard Lord is President and Chief Executive Officer of Richelieu Hardware Ltd. since 1988. From 1986 to 1988, Mr. Lord was Executive Vice President and General Manager of The Rona Dismat Group Inc. From 1976 to 1986, he worked for Mark Hot Inc., a heating and ventilation equipment manufacturer, where he was Vice President and General Manager until he left in 1986.

Mr. Normand Guindon is Vice President and General Manager of Richelieu Hardware Ltd. since November 2008. From 2000 to 2008, Mr. Guindon was President and Chief Executive Officer of Chemcraft International Inc. and from 1990 to 2000, he was President of Produits Chemcraft Inc., a manufacturer of industrial coatings.

Mr. Alain Giasson is Vice President and Chief Financial Officer of the Company since August 2004. From 1993 to 2001, he held various positions with Davidson Industries Inc. and he was named Executive Vice President and Chief Financial Officer when the company was sold to Tembec Industries in 2001. He started working for Tembec Industries and was Vice President of Operations, Specialty Wood Products when he left in 2004.

Mr. Guy Grenier is with the Company since April 1989 and is Vice President, Industrial Sales and Marketing since 2004.

Mr. Christian Ladouceur is Vice President, Retail Sales and Marketing since November 2004. From June 2007 to April 2008, he focused on developing major accounts for Richelieu in Canada and in the United States. From 1996 to 2004, he held various positions with South Shore Industries Ltd., a manufacturer of furniture, and when he left, he was Vice President Sales and Marketing.

Mr. Éric Daignault works for Richelieu since 2000 and he is currently the General Manager of Divisions. From 1995 to 2000, he held the position of Vice-President operations for Wrebbit inc.

Ms. Marion Kloibhofer is with the Company since August 1989 and is General Manager, Central Canada since 1990.

Mr. John Statton is with the Company since November 1994 and is General Manager, Western Canada since 1999.

Mr. Charles (Chuck) White is General Manager, United States since May 2008. From 2005 to 2008, he was President and Chief Executive Officer of Grass America Inc. and from 1996 to 2005, he held the position of Chief Sales and Marketing Officer for C.H. Briggs Hardware Inc.

Mr. Christian Dion is Manager, Human Resources since January 2005. From 2000 to 2005, he was Manager, Human Resources, East Region Canada, for Solectron (company amalgamated to C-Mac Inc.). From 1997 to 2000, he held the positions of Chief, Corporate Service- Compensation and Special Projects and Chief of Human Resources Department with Viasystems Canada Inc.

Ms. Geneviève Quévillon is Director-Logistic and Supply Chain since May 2008. From 2005 to 2008, she worked for Premier Horticulture Inc., a company specialized in manufacturing and distributing peat moss products and was Vice President, Logistic and Supply Chain when she left the company. From 2000 to 2005, she was Director of Supply Chain for the North American division of Orica, an Australian company.

Ms. Hélène Lévesque is President of Corporation Experlead, a corporation specialized in outsourcing legal services to businesses, since 2005. In 2004, she was Vice President and Secretary of Transcontinental Inc. and, from 1999 to 2004, she held the position of Vice President, Legal Affairs at Toronto-based Harlequin Enterprises Limited.

SHAREHOLDINGS OF DIRECTORS AND EXECUTIVE OFFICERS

As of January 31, 2008, the directors and executive officers of the Company, as a group, were the beneficial holders, directly or indirectly, of 1,740,476 common shares of the Company representing approximately 7.9 % of the outstanding common shares.

CEASE OF TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

Mr. Mathieu Gauvin was a director of Polyquip du Canada Ltée until May 18, 1999, when he retired, approximately seven months before the bankruptcy of such company on December 23, 1999.

Ms. Denyse Chicoyne was a director of Albums DF Ltée until June 16, 2003 when she withdrew from said board six months before the bankruptcy of this company on December 6, 2003.

Item 8. LEGAL PROCEEDINGS

Currently, the Company is not a party to any proceedings or claims or actions the issue of which would have a negative effect on its financial condition and operating results.

Item 9. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer or other informed person of the Company, nor any associate or affiliate of the foregoing persons has had any interest, directly or indirectly, in any material transaction since the commencement of the Company's last fiscal year.

Item 10. TRANSFER AGENT AND REGISTRARS

The transfer agent and register of the Company's common shares is Computershare Investor Services Inc. located at Suite 700, 1500 University Street, Montréal, Quebec, H3A 3S8. A share transfer service is offered by Computershare Trust Company at its offices located in Montréal, Quebec, and in Toronto, Ontario.

Item 11. MATERIAL CONTRACT

Richelieu has not entered into any material contract during the most recently completed financial year, or before the most recently completed financial year and which are still in effect, other than in the ordinary course of business.

Item 12. INTEREST OF EXPERTS

Ernst & Young LLP acts as auditors of Richelieu and accordingly has signed the auditors' report on Richelieu's annual financial statements for the year ended November 30, 2008. The partners and staff of Ernst & Young LLP do not beneficially own, directly or indirectly, any of the issued and outstanding common shares of Richelieu.

Item 13. INFORMATION ON THE AUDIT COMMITTEE

CHARTER AND COMPOSITION OF THE COMMITTEE

The Audit Committee of the Company is comprised of three (3) independent directors who are financially literate, namely Mr. Mathieu Gauvin (Chair), Mr. Robert Courteau, Ms. Denyse Chicoyne, and Mr. Robert Chevrier acts as *ex officio* member. This Committee is responsible for assisting the Board of Directors in the fulfillment of its duties with respect to financial accounting and reporting practices as well as the adequacy and integrity of internal controls and risk management and information systems. The duties and responsibilities of the Audit Committee are described in the Audit Committee Charter, a copy of which is attached herewith as Appendix A.

FINANCIAL LITERACY

Mr. Mathieu Gauvin graduated from McGill University with a Bachelor of Commerce in 1983 as well as a Graduate Diploma in Public Accountancy in 1984. In 1986 he was awarded the Chartered Accountant (CA) designation and in 1987 completed with distinction the Canadian Securities course. Mr. Gauvin has also been awarded the Chartered Business Valuators (CBV) and Chartered Financial Analyst (CFA) designations. Since September 2006, he is Vice President at RSM Richter Inc. He is director and Chair of the Audit Committee of Canadian Helicopters Income Fund. Before that, he worked as Chief Financial Officer of Europe's Best Inc. and as Vice President and Partner at Schroders & Associates Canada Inc. He has advised three private equity funds with total capital commitments of over \$360 million dedicated to buy-outs and development capital for mid-sized Canadian companies in the areas of general and industrial manufacturing, distribution, services and retail. Having participated in mergers and acquisitions and divestitures, Mr. Gauvin has been involved in all aspects of a transaction. Because of his training and experience, he has a good understanding of the accounting principles used by Richelieu, is able to generally assess the application of the generally accepted accounting principles and has evaluated financial statements that present accounting issues of an importance and degree of complexity similar to the ones on the financial statements of Richelieu.

Mr. Robert Courteau graduated in 1982 at the University of Ottawa from which he holds a Bachelor's degree in Civil Engineering. He is currently Chair and Chief Executive Officer of Courteau Mainville Management Inc. In 2000, he completed the Finance for Senior Executives program at Harvard. In January 2002, he was appointed President and Chief Executive Officer of Nexxlink Technologies Inc., a company that was listed on the Toronto Stock Exchange, where his mandate was to transform the company from a hardware reseller to an information technology solutions and service company. In February 2005, Bell Canada acquired Nexxlink Technologies Inc. and created Bell Business Solutions, a wholly owned subsidiary of Bell Canada, where he was appointed President and Chief Executive Officer until June 2007. From 1997 to 2001, he worked as Vice President and Chief Information Officer (CIO) and as Vice President, Industrial Group for Westburne. Since March 2003, he is on the Board and the Finance and IT Committees of the Montreal Heart Institute. Because of his training and experience, he has a good understanding of the accounting principles used by Richelieu, is able to generally assess the application of the generally accepted accounting principles and has evaluated financial statements that present accounting issues of an importance and degree of complexity similar to the ones on the financial statements of Richelieu.

Ms. Denyse Chicoyne graduated from McGill University with a Master degree in Business Administration (Finance and International Affairs) in 1981 and has held the designation Chartered Financial Analyst (CFA) from the Association for Investment Management and Research (AIMR) since 1986. The CFA Program is a globally recognized standard for measuring the competence and integrity of investment professionals. In 1991, she successfully completed the training program for brokers provided by the Investment Dealer Association of Canada. She worked as a financial analyst for a period of 22 years, analyzing the financial statements of public companies to value the quality of information published by those companies, assessing the probability of success or failure of the strategies of companies in the context of their competitive and economic setting, and evaluating companies' stock value. She retired in 2003. During her career, she was considered a leader in the business valuation of retail trade companies. She brings to Richelieu's Board an extensive knowledge of the accounting principles underlying the preparation of financial statements, of capital markets and of the economic factors influencing business profitability. Ms. Chicoyne is director, member of the Rules and Policies Committee and member of the Audit Committee of the TMX Group. She is director, member of the Investment Advisory Committee, member of the Audit Committee and Chair of the Pension Committee of the Canada Post Corporation.

NON-AUDIT SERVICES

Pursuant to the charter of the Audit Committee, all non-audit services performed by the external auditors of Richelieu, or by members of their group, as well as fees related to those services must have previously been approved by the Audit Committee. Before approval, the Committee must also analyze the impact of those non-audit services on the

independence of the external auditors. The Audit Committee has the power to delegate this responsibility to one of its members, who in turn must report to the committee the non-audit services so approved.

COMPENSATION OF AUDITORS

For the fiscal years ended November 30, 2008 and 2007, the Company paid the following fees to Ernst & Young LLP.

	Fees 2008	Fees 2007
Total Audit Fees	\$226,800	\$238,300
Total Audit-related Fees	\$35,600	\$46,400
Total Tax Fees	\$5,000	\$5,000
Total Fees	\$267,400	\$300,600

Item 14. ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information relating to the Company is provided in the consolidated financial statements and the management's discussion and analysis for its financial year ended November 30, 2008, both of which may be obtained on SEDAR or upon request to the Vice President and Chief Financial Officer of the Company at 7900 Henri-Bourassa Blvd. West, Montréal, Quebec, H4S 1V4.

Additional information, including executive officers' and directors' compensation and indebtedness, if any, principal shareholders of the Company, stock options and interest of insiders in material transactions, if any, are contained in the Management Proxy Circular dated February 20, 2009 prepared for the Annual General Meeting of Shareholders.

APPENDIX A
RICHELIEU HARDWARE LTD.
AUDIT COMMITTEE CHARTER

Audit Committee

The Audit Committee is a committee appointed by the Board. The Committee is established to allow the Company to fulfil obligations imposed upon public companies with respect to audit committees and to assist the Board in fulfilling its overseeing responsibilities with respect to the accounting and financial reporting processes of the Company and the auditing of its financial statements.

The Audit Committee must, amongst other things:

- oversee the integrity of the Company's financial reports and financial reporting process, including the audit process and the Company's internal accounting controls and procedures and compliance with related legal and regulatory requirements;
- oversee the work of the external auditors and ascertain their qualifications and independence;
- oversee the work of the Company's Management in these areas; and
- provide an efficient avenue of communication between the external auditors, the Board and Management.

The function of the Committee is one of overseeing. It is not the duty or responsibility of the Committee or its members (i) to plan or conduct audits, (ii) to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles or (iii) to conduct other types of auditing or accounting reviews or similar procedures or investigations. The members of the Committee are members of the Board of the Company, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day to day operation or performance of such activities. The Committee reports through the Committee Chairman to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.

Management is responsible for the preparation, presentation and integrity and the financial reporting of the Company. Management is also responsible for maintaining appropriate accounting and financial reporting principles and policies and systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to ensure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations.

The external auditors are responsible for planning and carrying out an audit of the Company's annual financial statements in accordance with generally accepted auditing standards to provide reasonable assurance that, among other things, such financial statements are in accordance with generally accepted accounting principles. The external auditors are directly accountable to the Committee and the Board as the representatives of the shareholders of the Company and the Committee shall so instruct the external auditors.

Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Company from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by Management.

Membership and Organisation

Following each annual meeting of shareholders, the Board of Directors of the Company shall elect three or more directors to serve on the Committee until the close of the next annual meeting of the shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs. Any member may be removed from office or replaced at any time by the Board.

Subject to exceptions prescribed by applicable law, regulations, policies, guidelines or requirements of securities authorities and stock exchanges on which shares of the Company are traded (collectively the "Applicable Requirements"), each member of the Committee shall be "independent" and "non related" and shall be "financially literate" (as all such terms are defined by the Applicable Requirements for audit committees).

The Board shall appoint one of the Committee members as the Chairman of the Committee. If the Chairman is absent from a meeting, the attending members shall elect among them one member to act as Chairman of the meeting. The Chairman of the Committee is responsible for:

- i) preparing a calendar of Committee meetings;
- ii) preparing, in collaboration with the Vice President and Chief Financial Officer, the agenda for Committee meetings and ensuring that the required documents are available on time;
- iii) chairing Committee meetings;
- iv) ensuring that the Committee fulfills its responsibilities with respect to the Charter; and
- v) reporting to the Board on the matters examined by the Committee.

The Committee must hold at least four regular meetings each year. Special meetings of the Committee may be called by the Chairman of the Committee, by the external auditors, by the Chairman of the Board of the Company or by the President and Chief Executive Officer. The quorum for all committee meetings is fixed at the majority of the members.

Authority

The Committee shall have the authority to:

- i) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- ii) set and pay the compensation for any advisors engaged by the Committee; and
- iii) to communicate directly with the external auditors.

Responsibilities

1. EXTERNAL AUDITORS

- a) The Committee shall evaluate the performance of the external auditors and make recommendations to the Board on the reappointment or appointment of the external auditors.
- b) The Committee shall review the terms of the external auditors' engagement and the appropriateness and reasonableness of the proposed audit fees and make the appropriate recommendations to the Board.
- c) The Committee shall receive periodic reports from the external auditors regarding the auditors' independence, discuss such reports with the auditors, and if so determined by the Committee, make recommendations to the Board on appropriate actions to be taken which the Committee deems necessary to protect and enhance the independence of the external auditors.
- d) The Committee shall approve in advance any engagements for non-audit services provided by the external auditors or their affiliates, together with the fees for such services, and consider the impact of this on the independence of the external auditors. This task may be delegated to a member of the Committee, which will report decisions taken during the first meeting following the approval of any terms of engagement. Moreover, the Committee may also adopt policies and procedures concerning the pre-approval of non-audit services to be provided by the external auditors.
- e) When a change of external auditors is proposed, the Committee shall review the reason for the change, any other significant issues related to the change and the planned steps for an orderly transition.

2. AUDIT PROCEDURES

- a) The Committee shall review with the external auditors and Management the audit plans of the external auditors and shall ascertain whether the scope of the planned audit can be relied upon to detect weaknesses in internal controls of the Company or fraud or other illegal acts.

- b) The Committee shall review the working relationship between the external auditors and Management. Also, the Committee shall review any problems experienced by the external auditors in performing the audit, including any restrictions imposed by Management or significant accounting issues on which there was a disagreement with Management.
- c) The Committee shall review with Management the results of the external audits.
- d) The Committee shall review the post-audit letter or Management letter containing the recommendations of the external auditors, and Management's response and subsequent follow-up to any identified weaknesses.
- e) Following each annual audit, the Committee shall establish questions to be answered by the external auditors and Management and review the answers provided.
- f) The Committee shall take such other reasonable steps as it may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies.

3. FINANCIAL REPORTING AND ACCOUNTING TRENDS

The Committee shall review and discuss with Management and the external auditors:

- i) the quality, appropriateness and acceptability of the Company's accounting principles and practices used in its financial reporting, changes in the Company's accounting principles or practices and the application by Management of particular accounting principles and disclosure practices concerning new transactions or events;
- ii) the presentation and impact of significant risks and uncertainties, and key estimates and judgements of Management that may be material to financial reporting;
- iii) general accounting trends and issues of accounting principles, standards and practices which affect or may affect the Company, the Company's financial statements and other financial disclosures;
- iv) any reserves, accruals, provisions, estimates or Management programs and policies, including factors that may affect asset and liability carrying values and the timing of revenue and expense recognition, that may have a material effect upon the financial statements of the Company;
- v) the treatment for financial reporting purposes of any significant transactions which are not a normal part of the Company's operations;
- vi) the use of any "pro forma" or "adjusted" information not in accordance with generally accepted accounting principles; and;
- vii) management's determination of goodwill impairment, if any, as required by applicable accounting standards.

4. INTERNAL CONTROL

- a) The Committee shall review and discuss with Management and the external auditors:
 - i) the adequacy and effectiveness of the Company's internal accounting and financial controls;
 - ii) the evaluation of internal accounting and financial controls by the external auditors, together with Management's response;
 - iii) any material weaknesses in the internal control environment, including with respect to computerized information system controls and security;
 - iv) management's compliance with the Company's procedures and internal controls.
- b) The Committee shall establish procedures for:
 - i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or audit matters; and;
 - ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

5. COMPANY FINANCIAL INFORMATION DISCLOSURE

- a) The Committee shall review and discuss with the external auditors, if applicable, and Management and recommend to the Board for approval, before release to the public:
 - i) interim unaudited financial statements and the notes and Management's Discussion and Analysis accompanying such financial statements;
 - ii) audited annual financial statements and the notes, auditors' report and Management's Discussion and Analysis accompanying such financial statements; and
 - iii) all public disclosure documents or regulatory filings pursuant to applicable standards containing or accompanying audited or unaudited financial information, including any prospectus, annual report, annual information form, information circular and press release of the Company.
- b) The Committee shall review and discuss any report or press release which accompanies published financial statements (to the extent such a report or press release discusses financial condition or operating results) for consistency of disclosure with the financial statements themselves.
- c) In its review of financial statements, the Committee should obtain an explanation from Management of all significant variances between comparative reporting periods and an explanation from Management for items which vary from expected or budgeted amounts as well as from previous reporting periods.
- d) The Committee shall meet with Management to review the process and systems in place for ensuring the reliability of public disclosure documents that contain audited and unaudited financial information and their effectiveness. As part of this process, the Committee shall require each of the Chief Executive Officer and Chief Financial Officer of the Company to provide a certificate certifying the matters such officers are required to certify under Applicable Requirements.

6. OTHER RESPONSIBILITIES

- a) The Committee shall review the appointments of the vice president finance and any key financial executives involved in the financial preparation and reporting process.
- b) The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- c) The Committee shall review such litigations, claims, transactions or other contingencies as the external auditors or any officer of the Company may bring to its attention, and shall periodically review the Company's risk management programs.
- d) The Committee shall review the conclusions of any review by any regulating authority regarding the Company.
- e) The Committee shall consider all other matters of a financial nature as delegated by the Board.
- f) The Committee shall review the Company's major financial exposures and the policy steps Management has taken to monitor and control such exposures, including the use of financial derivatives and hedging activities.
- g) The Committee shall review all related party transactions.
- h) The Committee shall review and make recommendations to the Board concerning the financial structure, condition and strategy of the Company and its subsidiaries, including with respect to annual budgets, long-term financial plans, corporate borrowings, investments, capital expenditures, long term commitments and the issuance and/or repurchase of stock.
- i) The Committee shall review material policies and practices of the Company respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives of the Company.
- j) The Committee shall review material tax policies and tax planning initiatives, tax payments and reporting and any pending tax audits or assessments.
- k) The Committee shall review the insurance coverage of the Company including the premiums and the quality of the insurer.

- l) The Committee shall receive and review periodic reports regarding statutory deductions and remittances, environmental matters, insurance coverage and banking ratios, ensure compliance thereof with applicable standards and assess the nature and extent of any non-compliance together with the reasons therefore and the Management's plan and timetable to correct any deficiencies.

7. CHARTER

- a) The Committee shall review and reassess the adequacy of this Charter at least annually and otherwise as it deems appropriate and recommend changes to the Board. The performance of the Committee shall be evaluated in reference to this Charter annually.

The Committee shall ensure that this Charter (or an approved summary thereof) is disseminated in accordance with Applicable Requirements.

Approved by the Board on January 25, 2006, revised and approved without modifications on July 9th, 2007.