



RICHELIEU HARDWARE LTD.

ANNUAL INFORMATION FORM

Year ended November 30, 2011

February 17, 2012

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IN THIS DOCUMENT, UNLESS THE CONTEXT REQUIRES OTHERWISE, THE USE OF THE TERMS “OUR” AND “WE”, THE “CORPORATION”, “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 Corporation 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 Corporation'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 Corporation 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, 2011. The financial information pertaining to all the subsidiaries named below is consolidated in the financial statements incorporated by reference herein. On November 30, 2011, total assets and sales of subsidiaries held by the Corporation represented 70 % of the consolidated assets and 67% of the consolidated sales of the Corporation.

Subsidiaries	Incorporated under the Laws of	Percentage of Ownership
Distributions 20-20 Inc.	Canada	100%
Les Industries Cedan inc.	Quebec	100%
Richelieu America Ltd.	Delaware, USA	100%
Richelieu Finances Ltd. ⁽¹⁾	Quebec	100%
Menuiserie des Pins Ltée	Quebec	75%
Provincial Woodproducts inc.	Nova Scotia	85%

(1) Richelieu Finance Ltd. is the owner of 100% of the shares of Richelieu Hardware Canada Ltd., a corporation incorporated under the laws of Ontario.

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 Corporation also ranks first in its specialty in North America. With 58 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 45 strategic acquisitions at a total cost of over \$172 million.

In addition to the cost savings derived from the acquisitions, the Corporation'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 Corporation's acquisition strategy can be measured by reviewing Richelieu's financial performance over the last five years. Since fiscal 2006, Richelieu's sales grew at an annual compound rate of 7.3% while net earnings increased at a compound rate of 4.3% per annum.

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

On November 4, 2009, the Corporation acquired the principal assets of Paint Direct Inc., a distributor of finishing products, located at Calgary, Alberta.

On December 1, 2009, the Corporation acquired the principal assets of Woodland Specialties Inc., a distributor of hardware products, high pressure laminates, finishing products for furniture and kitchen cabinet makers and other related products, located at Syracuse, New York.

On April 26, 2010, the Corporation acquired the principal assets of Raybern Company inc., located in Rocky Hill, Connecticut, a distributor of architectural and decorative hardware, finishing products, high-pressure laminates and other complementary products for kitchen cabinet makers and residential and commercial and woodworking segment.

On July 14, 2010, the Corporation acquired the principal assets of Gordon Industrial Materials Ltd., with distribution centres located in Montreal and Mississauga (ON), a distributor of products for the manufacturing of doors, decorative wall panels and other specialty products serving the hardware retailers, including renovation superstores and industrial markets.

On August 30, 2010, the Corporation acquired the principal assets of New Century Distributors Group LLC., located in Avenel, New Jersey, a distributor of specialized hardware products for kitchen cabinet makers and residential and commercial woodworking customers.

On September 27, 2010, the Corporation acquired the principal assets of E. Kinast Distributors Inc., located in Hanover Park in the Chicago area, Illinois, a distributor of laminates, finishing products and complementary products for kitchen cabinet makers and residential and commercial woodworking customers.

On November 29, 2010, the Corporation acquired the principal assets of PJ White Hardwoods Ltd., ("PJ White") headquartered and operating a distribution centre in Vancouver (B-C). This Corporation also operates three (3) other distribution centres in Victoria (B-C), Edmonton and Calgary (Alberta). PJ White is a distributor of a large variety of materials, decorative hardware as well as hardware products aimed at manufacturers and residential and commercial woodworking customers.

On January 10, 2011, the Corporation acquired the principal assets of Outwater Hardware located in Lincoln Park, New Jersey, distributor of specialized and decorative hardware which serves near 18,000 residential and commercial woodworking customers, kitchen and toilet cabinet makers and furniture manufactures across 50 states.

On January 31, 2011, the Corporation acquired all of the outstanding common shares of Madico Inc. located in Quebec City, Quebec, Canada, a manufacturer and distributor of protection products for hardwood floors, which serves client base of hardware retailers and renovation superstores, mainly in Canada and in the United States; and

On March 14, 2011, the Corporation acquired 85% of all of the outstanding common shares of Provincial Woodproducts Ltd, located in St-John's, Newfoundland, Canada, which operates a distribution centre of hardware, finishing products, panels and hardwood floors.

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 90,000 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;
- **Protection products for hardwood floors;**
- **Ergonomic workstation components;**
- **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 years 2010 and 2011. As at November 30, 2011, Richelieu carried over 90,000 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 70,000 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 34 sales locations across Canada and its 24 sales locations across the United States, Richelieu's extensive client base comprises close to 70,000 active customers. Of this total, over 62,000 customers are manufacturers of kitchen and bathroom cabinets, furniture and doors and windows which, in fiscal 2011,

accounted for approximately 85% of Richelieu's total sales. The 8,000 other accounts are comprised of retailers, including hardware superstores, which accounted for the remaining 15% of Richelieu's sales during the same period.

In fiscal 2011, 39% of Richelieu's total sales were in Eastern Canada, 19% in Ontario, 23% in Western Canada and 19% in the United States and abroad. In the same year, Richelieu's five largest customers accounted for approximately 11% of Richelieu's total sales.

Furthermore, in 2011, almost 15% of Richelieu's total sales were made online, through its transactional website. On the www.richelieu.com website, clients can access their accounts, select and order products they need, if desired, choose the direct payment method and benefit from structured, complete and very readily accessible technical information.

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 69% of the purchases are made from foreign manufacturers. In fiscal 2011, Richelieu's five largest suppliers accounted for approximately 29% of Richelieu's total purchases, with the largest supplier accounting for approximately 15%. 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 1,569 persons as at November 30, 2011. Of these, 1,405 employees were involved in distribution activities and 164 were involved in the manufacturing operations.

Seven collective agreements cover approximately 18% 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, 2012
Cedan – four-year contract	October 31, 2013
Richelieu (St. Laurent Warehouse) – six-year contract	November 30, 2013
Distributions 20-20 – contract expired and under negotiation	October 31, 2011
Menuiserie des Pins – six-year contract	March 30, 2014
Division Reliable – four- year contract	December 31, 2015
PJ White Hardwoods – four-year contract	February 24, 2013

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 Corporation has adopted various strategies adapted to the major risk factors below.

Economic conditions

The Corporation'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 Corporation's financial performance.

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 Corporation's products are regularly sourced from abroad through its import business. Thus, 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 Corporation's ability to adjust its selling prices within a relatively short timeframe so as to protect its profit margins, although significant volatility in foreign currencies can have an adverse impact on its sales.

Sales made abroad are mainly recorded in the United States and account for some 20% of total sales. Any volatility 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 Corporation'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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation's financial performance.

About one-quarter of Richelieu's workforce is unionized. The Corporation'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 Corporation'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 Corporation adjusts its organizational structure as needed and strengthens the teams at the various levels of its business. It should be noted that approximately 64% 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 Corporation'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 Corporation 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 Corporation's dividend policy, as amended on September 30, 2003, which provides for the payment to the shareholders of a quarterly dividend. At its January 27, 2011 meeting, the Board of Directors approved the maintenance of the quarterly dividend to \$0.11 per share. The following table shows the dividends declared by the Corporation and paid to shareholders over the last three financial years.

	2011	2010	2009
Dividend paid per Share	\$0.44	\$0.36	\$0.32

ITEM 5. CAPITAL STRUCTURE

The authorized share capital of the Corporation 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, 2012, there were 20,866,459 issued and outstanding common shares.

ITEM 6. MARKET FOR SECURITIES

The common shares of the Corporation 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 Corporation on such stock exchange for the fiscal year ended on November 30, 2011.

Month	High (\$)	Low (\$)	Trading Volume
December 2010	31.48	29.96	196,751
January 2011	31.75	29.23	193,289
February 2011	30.95	29.37	309,527
March 2011	31.06	30.00	329,561
April 2011	30.35	29.71	324,897
May 2011	30.00	28.02	225,437
June 2011	28.90	26.51	130,321
July 2011	28.12	26.30	175,045
August 2011	28.97	25.20	293,847
September 2011	28.86	24.35	271,325
October 2011	27.40	24.41	341,136
November 2011	28.01	26.12	203,307

ITEM 7. DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS

The following table indicates, as of the present date, for each director of the Corporation, 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
PIERRE BOURGIE ⁽¹⁾ Quebec, Canada	President and CEO of Société Financière Bourgie (1996) inc.	2010
ROBERT CHEVRIER Quebec, Canada	President, Société de gestion Roche Inc.	1991
DENYSE CHICOYNE ⁽¹⁾ Quebec, Canada	Corporate Director	2005
ROBERT COURTEAU ⁽²⁾ Quebec, Canada	President and Chief Executive Officer of Couteau 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	Partner, RSM Richter Inc.	1993
RICHARD LORD Quebec, Canada	President and Chief Executive Officer of the Corporation	1988
JOCELYN PROTEAU ⁽²⁾ Quebec, Canada	Corporate Director	2005

1) Member of the Audit Committee.

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

Mr. Pierre Bourgie is President of Société Financière Bourgie (1996) inc., and President of Ipso Facto, a corporation specialized in the real estate financing. From 1998 to 2009, he was President of Les Partenaires de Montreal, a corporation offering financing to companies.

Mr. Robert Chevrier is President of Société de gestion Roche Inc., a holding and investment corporation. 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 currently President and Chief Executive Officer of Couteau Mainville Management Inc. since April 2011. He is also Chair of the Finance and Technology Committee of the Montreal Heart Institute. From April 2009 to April 2011, he was Senior Vice President Business Solutions of Fujitsu Canada Inc. From June 2007 to April 2009, he was President and Chief Executive Officer of Couteau Mainville Management Inc. From February 2005 to June 2007, he was 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 corporation. From 1997 to 2001, he was Vice-president and Chief Information Officer and Group Vice-president, Industrial Products Division of Westburne inc..

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 employed by RSM Richter Inc. since September 2006 and he is now a Partner of the firm. He is a director and Chair of the Audit Committee of Canadian Helicopters Group Inc. and Supremex inc. Previously, from January 2006 to May 2006, he was Chief Financial Officer of Europe's Best Inc. From November 1987 to January 2006, he worked for Schrodgers & Associates Canada Inc. and its predecessor corporations in senior managerial positions. .

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 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.

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 Corporation.

Name and Province of Residence	Position	Principal Occupation	With the Corporation since
RICHARD LORD Quebec, Canada	President and Chief Executive Officer	n/a	1988
ANTOINE AUCLAIR ⁽¹⁾⁽²⁾ Quebec, Canada	Vice President and Chief Financial Officer	n/a	2011
NORMAND GUINDON ⁽¹⁾ Quebec, Canada	Vice President and General Manager - Operations	n/a	2008
GUY GRENIER ⁽¹⁾ Quebec, Canada	Vice President, Sales and Marketing- Industrial	n/a	1989
CHRISTIAN LADOUCEUR ⁽¹⁾ Quebec, Canada	Vice President, Sales and Marketing – Retailers	n/a	2008
ÉRIC DAIGNAULT Quebec, Canada	General Manager of Divisions	n/a	2000
MARION KLOIBHOFFER ⁽¹⁾ Ontario, Canada	General Manager - Central Canada	n/a	1986
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. Antoine Auclair is Vice President and Chief Financial Officer of the Corporation since November 21st, 2011 and replaces Mr. Alain Giasson. Prior to joining Richelieu, from 2006 to November 2011, he was Vice President and Controller of CAE inc. He was Vice President and Controller of Bell Nordiq inc. from 2005 to 2006 and he held various positions for Bombardier inc. from 1995 to 2006.

⁽²⁾**Mr. Alain Giasson** was Vice President and Chief Financial Officer of the Corporation from August 2004 to November 2011⁽²⁾. From 1993 to 2001, he held various positions with Davidson Industries Inc. and he was Executive Vice President and Chief Financial Officer when the Corporation 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. Normand Guindon is Vice President and General Manager - Operations 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. Guy Grenier is with the Corporation since April 1989 and is Vice President, Sales and Marketing – Industrial, since 2004.

Mr. Christian Ladouceur is Vice President, Sales and Marketing – Retailers, 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 Corporation since August 1989 and is General Manager, Central Canada since 1990.

Mr. John Statton is with the Corporation 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 Solelectron (Corporation 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 Quevillon is Director-Logistic and Supply Chain since May 2008. From 2005 to 2008, she worked for Premier Horticulture Inc., a corporation specialized in manufacturing and distributing of peat moss products and was Vice President, Logistic and Supply Chain when she left the corporation. From 2000 to 2005, she was Director of Supply Chain for the North American division of Orica, an Australian corporation.

Ms. Hélène Lévesque is President of Experlead Corporation, 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, 2012 the directors and executive officers of the Corporation, as a group, were the beneficial holders, directly or indirectly, of 1,585,487 common shares of the Corporation representing approximately 7.6 % of the outstanding common shares.

CEASE OF TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

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 corporation on December 6, 2003.

ITEM 8. LEGAL PROCEEDINGS

Currently, the Corporation 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 Corporation, 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 Corporation's last fiscal year.

ITEM 10. TRANSFER AGENT AND REGISTRARS

The transfer agent and register of the Corporation'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, 2011. 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 Corporation 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. Pierre Bourgie graduated from Ottawa University with a Bachelor degree in Business Administration. Mr. Bourgie is currently President of Ipso Facto inc., a corporation specialized in the real estate financing. He acted as the Chair of the Audit committee of Saputo inc. from 1997 to 2008. He was also member of the Audit Committee from 2001 to 2010 and member of the risk management committee from 1998 to 2009 for the National Bank of Canada. Furthermore, he acted as the President of les Partenaires de Montreal, a Corporation specialized in offering financing to companies. His training and experience give him a good understanding of the accounting principles used by Richelieu and he is able to generally assess the application of the generally accepted accounting principles. In his past experience, he 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. 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 employed by RSM Richter Inc, where he acted first as Vice President and since 2011, he is Partner of the firm. He is director and Chair of the Audit Committee of Canadian Helicopters Group Inc. and Supremex inc. Before that, he worked as Chief Financial Officer of Europe's Best Inc. and as Vice President and Partner at Schrodgers & 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.

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 and Chair of the Pension Committee of the Canada Post Corporation;; director and member of the Audit Committee of Deans Knight Income 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, 2011 and 2010, the Corporation paid the following fees to Ernst & Young LLP.

	Fees 2011	Fees 2010
Total Audit Fees	\$282,500	\$236,000
Total Audit-related Fees	\$82,600	\$64,675
Total Tax Fees	\$5,000	\$5,000
Total Fees	\$370,100	\$305,675

ITEM 14. ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com. Financial information relating to the Corporation is provided in the consolidated financial statements and the management's discussion and analysis for its financial year ended November 30, 2011, both of which may be obtained on SEDAR or upon request

to the Vice President and Chief Financial Officer of the Corporation 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 Corporation, stock options and interest of insiders in material transactions, if any, are contained in the Management Proxy Circular dated February 17, 2012 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 Corporation 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 Corporation and the auditing of its financial statements.

The Audit Committee must, amongst other things:

- oversee the integrity of the Corporation's financial reports and financial reporting process, including the audit process and the Corporation'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 Corporation'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 Corporation's financial statements are complete and accurate and are in accordance with applicable accounting practices 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 Corporation, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Corporation, 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 Corporation. Management is also responsible for maintaining appropriate accounting and financial reporting practices 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 Corporation's annual financial statements in accordance with Canadian 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 Corporation 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 Corporation 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 Corporation shall elect three or more directors to serve on the Committee until the close of the next annual meeting of the shareholders of the Corporation 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 Corporation 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 Corporation 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 Corporation 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 letter addressed to Management 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 Corporation's accounting principles and practices used in its financial reporting, changes in the Corporation'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 Corporation, the Corporation'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 Corporation;
- v) the treatment for financial reporting purposes of any significant transactions which are not a normal part of the Corporation'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 Corporation'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 Corporation's procedures and internal controls.
- b) The Committee shall establish procedures for:
 - i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or audit matters; and;
 - ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

5. CORPORATION 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 Corporation related to a significant acquisition.
- 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 Corporation 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 Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- c) The Committee shall review such litigations, claims, transactions or other contingencies as the external auditors or any officer of the Corporation may bring to its attention, and shall periodically review the Corporation's risk management programs.
- d) The Committee shall review the conclusions of any review by any regulating authority regarding the Corporation.
- e) The Committee shall consider all other matters of a financial nature as delegated by the Board.
- f) The Committee shall review the Corporation'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 Corporation 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 Corporation respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives of the Corporation.
- 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 Corporation 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.
- b) 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, on January 28, 2010 and on January 27, 2011; modified by the Audit Committee on October 4th, 2011; recommended to the Board by the Human Ressource and Governance Committee and approved by the Board on October 6th, 2011; modified on January 25th 2012 by the Audit Committee and approved by the Board on January 26th, 2012.