The
Jean Coutu
Group (PJC) Inc.

MANAGEMENT PROXY CIRCULAR

Notice of 2014 Annual Meeting of the Shareholders

to be held on July, 8, 2014

This document tells you who can vote, what you will be voting on, and how to exercise the voting rights attached to your shares.

***Please read it carefully*.**

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The Jean Coutu Group (PJC) Inc.

NOTICE OF ANNUAL MEETING OF THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting of the shareholders (the "**Meeting**") of **THE JEAN COUTU GROUP (PJC) INC.** (the "**Corporation**") will be held at the offices of the Corporation at 551 Bériault Street, Longueuil, Province of Québec, Canada, on Tuesday, July 8, 2014 at 9:30 a.m. for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the year ended March 1, 2014 and the auditors' report thereon;
2. to elect the directors;
3. to appoint the independent auditors and authorize the directors to fix their remuneration;
4. to approve the adjustement of the subscription price for stock options issued under the Corporation's stock option plan;
5. to review and, if deemed appropriate, adopt the shareholder proposal attached as Schedule "G" to this Circular; and
6. to conduct such other business as may duly be brought forth during the Meeting.

You have the right to receive notice of and to vote at the Meeting if you were a shareholder of the Corporation on May 12, 2014 at the close of business, Eastern Daylight Time.

The following pages provide additional information relating to the matters to be dealt with at the Meeting.

The Corporation has elected to use the new Notice and Access rules adopted by the Canadian Securities Administrators to reduce the volume of paper in the Meeting materials distributed for the Annual Meeting of Shareholders. Instead of receiving this Management Proxy Circular with the form of proxy or voting instruction form, shareholders will receive a Notice of Meeting with instructions on how to access the remaining Meeting materials online. The Management Proxy Circular attached hereto and other relevant materials are available on the Internet at www.jeancoutu.com/en/corpo/investor-relations/financial-information/documents-relating-to-annual-meetings/ or on the Canadian Securities Administrators' website at www.sedar.com. Shareholders are advised to review the Meeting materials prior to voting.

Registered holders who wish to receive a paper copy of the Meeting materials may, at no cost, request printed copies by calling the toll-free number 1-866-962-0498, if they are in North America, or by calling 514-982-8716, if they are outside North America, and entering the control number indicated on their voting instruction form or proxy. Registers holders may also use the toll-free number to obtain additional information on how the notice and access rules work.

Beneficial owners who wish to receive a paper copy of the Meeting materials may, at no cost, request printed copies by calling the toll-free number 1-877-907-7643 and entering the control number indicated on their voting instruction form. Beneficial owners may also use the toll-free number 1-855-887-2244 to obtain additional information on how the notice and access rules work.

Paper copies of Meeting materials must be requested as soon as possible, but no later than June 23, 2014, in order to allow shareholders sufficient time to receive and review the Meeting documents and return the form of proxy in the prescribed time.

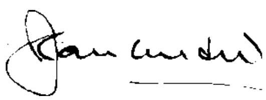
Any shareholder who expects to be unable to attend the Meeting is urged to complete and sign the enclosed form of proxy and return it in the enclosed envelope provided for that purpose or by fax.

In order to be valid, proxies must be received at the Montréal offices of Computershare Trust Company of Canada, located at 1500 University Street, Suite 700, Montréal, Québec, H3A 3S8, fax number: 1-866-249-7775, no later than July 4, 2014 or at the close of business on the last business day prior to the date of any adjournment thereof.

Longueuil, Province of Québec, ***April 29, 2014***

BY ORDER OF THE BOARD OF DIRECTORS,

The Chairman of the Board of Directors



Jean Coutu

MANAGEMENT PROXY CIRCULAR

Solicitation of Proxies

This Management Proxy Circular (the "Circular") is furnished in connection with the solicitation of proxies by the Management of The Jean Coutu Group (PJC) Inc. (the "Corporation") for use at the annual meeting of the shareholders of the Corporation (the "Meeting") to be held at the offices of the Corporation located at 551 Bériault Street in Longueuil, Province of Québec, Canada, on July 8, 2014 at 9:30 a.m., for the purposes set forth in the accompanying notice of meeting (the "Notice"). Unless otherwise indicated, the information contained herein is given as of April 29, 2014 and any and all dollar amounts set forth herein are expressed in Canadian dollars.

The solicitation is made primarily by mail, but officers and employees of the Corporation may nonetheless solicit proxies directly by telephone or through other personal solicitations but without additional compensation. The Corporation may also reimburse brokers and other persons who hold Class "A" Subordinate Voting Shares or Class "B" Shares on their behalf, or on behalf of nominees, to cover their expenses for the mailing of proxy documents to principals and to obtain their proxy. The cost of solicitation will be borne by the Corporation and is expected to be nominal.

Appointment of Proxyholders

The persons named in the enclosed form of proxy are directors of the Corporation. **A shareholder has the right to designate, as his representative, a person other than one of the persons named by Management and whose names are listed for such purpose in the attached form of proxy, to allow that person to attend and act on his behalf at the Meeting.**

To exercise this right, the shareholder must write the name of the person selected by the shareholder in the blank space provided for such purpose on the form of proxy. It is not necessary that the person selected be a shareholder of the Corporation.

To ensure that they are valid, completed proxies must be received at the Montréal office of Computershare Trust Company of Canada, located at 1500 University Street, Suite 700, Montréal, Québec, H3A 3S8 no later than **July 4, 2014** or at the close of business on the last business day prior to the date of any adjournment thereof, or they may be delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

Revocation of Proxies

A shareholder who signs a form of proxy may revoke the proxy at any time before it is used, in any manner authorized by law, including by way of a written instrument executed by him or by his representative duly authorized in writing or, if the shareholder is a corporation, by an officer or a proxy of such corporation duly authorized by it. Any such instrument must be deposited either with the Corporate Secretary of the Corporation at any time but no later than 48 hours prior to the time of the Meeting, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

Exercise of Voting Rights Attached to the Shares Represented by Proxy in Favour of Management

The enclosed form of proxy, if duly executed and transmitted, appoints the persons named therein or any other person named in the manner provided for above, to represent the shareholder with respect to the shares represented by the said proxy at the Meeting and the persons designated therein will vote or withhold from voting as specified by the shareholder.

Management undertakes that all voting rights will be voted in accordance with the instructions given by the shareholder on any ballot that may be called for. Unless otherwise indicated, the voting rights attached to the shares represented by such proxy will be voted IN FAVOUR of all matters described herein, except with respect to the shareholder proposal for which the voting rights will be voted AGAINST.

Management is not aware of any new matters or any amendment or variation of matters scheduled to be submitted at the Meeting, nor does it foresee that such possibilities might occur. If, however, any such matters should properly come before the Meeting, the persons designated in the enclosed form of proxy will vote thereon in accordance with their judgment pursuant to the discretionary authority conferred by the proxy with respect to such matters.

Notice to Non-Registered Holders

Shareholders who do not hold their shares in their own name, also known as non-registered holders or as beneficial holders ("Beneficial Holders"), should pay close attention to the information set forth in this section. Beneficial Holders should note that only proxies deposited by registered holders whose names appear on the records kept by the registrar and transfer agent of the Corporation as registered holders of Class "A" Subordinate Voting Shares or Class "B" Shares (the

"Shares") can be recognized and acted upon at the Meeting.

If the Shares appear in an account statement sent to a shareholder by a broker, the said Shares are most probably not registered in the name of the shareholder, but in the name of his broker or a representative of that broker. **As a result, each Beneficial Holder must ensure that his voting instructions are communicated to the appropriate person well before the Meeting.**

Under Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer, brokers and other intermediaries are required to request voting instructions from Beneficial Holders prior to shareholder meetings. Brokers and other intermediaries have their own procedures for sending materials and their own guidelines for the return of documents; these instructions are to be followed to the letter by the Beneficial Holders if the voting rights attaching to their Shares are to be cast at the Meeting.

In Canada, most brokers delegate the responsibility of obtaining their clients' instructions to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Beneficial Holders who receive a voting instruction form from Broadridge may not use the said form to vote directly at the Meeting.

If you have questions on how to exercise voting rights attached to Shares held through a broker or other intermediary, please contact the broker or intermediary directly.

Although a Beneficial Holder will not be recognized at the Meeting for the purposes of directly exercising voting rights attached to the Shares registered in the name of his broker (or a representative thereof), he may attend the Meeting as proxy of the registered holder and, as such, exercise the voting rights attached to such Shares.

Unless otherwise indicated, in this Management Proxy Circular, in the Form of Proxy and in the Notice of Meeting attached hereto, shareholders shall mean registered holders.

Voting Shares and Principal Holders Thereof

The authorized share capital of the Corporation consists of an unlimited number of Class "A" Subordinate Voting Shares without par value (the "**Subordinate Voting Shares**"), an unlimited number of Class "B" Shares without par value and an unlimited number of Class "C" Shares without par value.

Each Subordinate Voting Share confers upon its holder the right to one vote and the holders of Subordinate Voting Shares will be entitled to one vote per share at the Meeting. Each Class "B" Share confers upon its holder the right to ten votes and the holders of Class "B" Shares will be entitled to ten votes per share at the Meeting. As of April 29, 2014, 85,033,164 Subordinate Voting Shares (this number does not include the 199,247 shares held in trust by the Corporation for the Performance-based Share Plan described at page 32 of this Circular), 104,000,000 Class "B" Shares and no Class "C" Shares in the capital stock of the Corporation were outstanding. As a result, as of such date, the Subordinate Voting Shares represent 7.56 % of the total voting rights attached to all issued and outstanding shares of the Corporation. The shareholders may vote in person or by proxy.

The holders of Subordinate Voting Shares and Class "B" Shares registered on the list of shareholders drawn up at the close of business, Montréal time, on May 12, 2014 (the "**Record Date**"), will be entitled to vote at the Meeting and at any adjournment thereof, if present or represented by proxy thereat. The transferee of Subordinate Voting Shares acquired after the Record Date is entitled to exercise at the Meeting or at any adjournment thereof the voting rights attached to such shares by tendering duly endorsed share certificates representing them or by otherwise establishing that he owns the shares, and by requiring, at least ten days before the Meeting, the registration of his name on the list of shareholders entitled to receive the Notice, this list having been drawn up at the Record Date.

As of April 29, 2014, to the best knowledge of the Corporation's directors and officers based on shareholders' public filings, the only persons who beneficially own, or directly or indirectly control or direct, shares carrying more than 10% of the voting rights attached to any class of outstanding shares of the Corporation are the following:

Shareholder name	Number of Subordinate Voting Shares	Percentage of voting rights attached to all Subordinate Voting Shares	Number of Class « B » Shares	Percentage of voting rights attached to all Class « B" Shares	Total percentage of voting rights attached to all voting shares
Jean Coutu	2,926,310 [(1)]	3.43 %	104,000,000 [(2)]	100%	92.68 %
RBC Asset Management Inc. and Phillips, Hager & North Investment Management Ltd. (wholly-owned subsidiaries of Royal Bank of Canada)	13,703,335	16.08 %	-	-	1.22 %
Total	16,629,645	19.51 %	104,000,000	100%	93.9 %

(1) 80,800 of these shares are held by 3958230 Canada Inc., a corporation controlled by Mr. Jean Coutu, and 2,845,510 of these shares are held by Fondation Marcelle et Jean Coutu, a trust controlled by Mr. Jean Coutu and his family. Mr. Jean Coutu and Mesdames Marie-Josée Coutu and Sylvie Coutu, as tru stees of Fondation Marcelle et Jean Coutu, effectively share direction over the securities held by the Foundation of the Corporation's capital stock with another trustee.

(2) 97,000,000 of these shares are held by 3958230 Canada Inc. and 7,000,000 of these shares are held by 4527011 Canada Inc., two corporations controlled by Mr. Jean Coutu;

Rights Attached to Subordinate Voting Shares

In addition to conferring the right to one vote per share, the Subordinate Voting Shares, along with the Class "B" Shares, entitle the holder, on a *pari passu* basis, to receive any dividends, declared, paid or set aside by the Corporation. In accordance with the articles of the Corporation, if an "**Offer**" (as defined below) is made with respect to the Class "B" Shares to the holders of Class "B" Shares without being concurrently made upon the same terms to the holders of Subordinate Voting Shares, each Subordinate Voting Share will become exchangeable into 1 Class "B" Share at the holder's option in order to permit such holder to accept the offer, **subject however to the acceptance of such offer by the holders of a number of Class "B" Shares which entitles them, at such date, to more than 50% of the voting rights attached to all shares of the share capital of the Corporation carrying voting rights.**

"**Offer**" as defined in the articles of the Corporation means a take-over bid, a take-over bid by way of an exchange of securities or an issuer bid (as defined in the *Securities Act* (Québec), as currently in force or as it may be amended or re-enacted thereafter) in order to purchase Class "B" Shares; however, an offer does not include (i) an offer made at the same time, price and conditions to all holders of Class "B" Shares and all holders of Subordinate Voting Shares, (ii) an offer for all or any part of the Class "B" Shares issued and outstanding at the time of the offer, where the purchase price for each Class "B" Share does not exceed 115% of the average market price obtained by averaging the closing prices of the Subordinate Voting Shares during the twenty days of market activity preceding the date of the offer, or (iii) an offer made by one or more members of the Coutu family to one or more members of the Coutu family.

In case of liquidation or dissolution of the Corporation or any other distribution of its assets among the shareholders for the purposes of winding-up its affairs, the holders of Subordinate Voting Shares and the holders of Class "B" Shares shall be entitled to divide equally all of the assets of the Corporation available for payment or distribution, on a share for share basis, based upon the number of shares they hold respectively, without preference or distinction.

Notice and Access Rules

The Corporation has elected to use the new Notice and Access rules adopted by the Canadian Securities Administrators to reduce the volume of paper in the Meeting materials distributed for the Annual Meeting of Shareholders. Instead of receiving this Management Proxy Circular with the form of proxy or voting instruction form, shareholders will receive a Notice of Meeting with instructions on how to access the remaining Meeting materials online. The Corporation sent the Notice of Meeting and proxy form directly to registered shareholders. The Corporation intends to pay for intermediaries to deliver the Notice of Meeting, voting instruction form and other Meeting materials to the Beneficial Owners.

The Management Proxy Circular attached hereto and other relevant materials are available on the Internet at www.jeancoutu.com/en/corpo/investor-relations/financial-information/documents-relating-to-annual-meetings/ or on the Canadian Securities Administrators' website at www.sedar.com.

If you would like to receive a printed copy of the Meeting documents by mail at no cost, you must request one.

Registered holders who wish to receive a paper copy of the Meeting materials may, at no cost, request printed copies by calling the toll-free number 1-866-962-0498, if they are in North America, or by calling 514-982-8716, if they are outside North America, and entering the control number indicated on their voting instruction form or proxy.

Beneficial owners who wish to receive a paper copy of the Meeting materials may, at no cost, request printed copies by calling the toll-free number 1-877-907-7643 and entering the control number indicated on their voting instruction form.

To ensure you receive the materials in advance of the voting deadline and Meeting date, all requests must be received no later than June 23, 2014 to ensure timely receipt. If you do request the materials, another Voting Instruction Form or Proxy Form will not be sent to you, so please retain the one received with the Notice of Meeting for voting purposes.

To obtain a printed copy of the documents after the Meeting date, please call 1-866-906-9611 if you are a registered holder or 1-877-907-7643 if you are a beneficial holder.

Information about Nominees for Election as Directors

Management of the Corporation is proposing the election of fourteen directors for the current year. The directors are elected each year and the term of office of each of these directors expires upon the election of his successor unless he should resign or his office should become vacant because of death, removal or any other reason.

With the exception of Mr. Andrew T. Molson, all of the individuals nominated for election as directors are currently members of the Board and each was elected at the Corporation's annual shareholder meeting held on July 9, 2013, by at least a majority of the votes cast.

Management of the Corporation does not anticipate that any of the nominees mentioned below will be unable, or reluctant, for any reason whatsoever, to fulfill his duties as a director. Should this occur for any reason whatsoever, before the election, the persons named in the enclosed proxy form reserve the right to vote for another nominee of their choice unless the shareholder on the proxy form has indicated his intent to abstain from voting during the election of the directors.

The following table presents the names of the nominees as directors, place of residence, position within the Corporation, current principal occupation, term of office as director and the committees of the Board of the Corporation on which they serve. The table also indicates whether the nominees are independent, the number and class of voting shares of the share capital of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them, the number of share units held under the Deferred Share Unit ("**DSU**") Plan (see the section "Compensation of Directors" of this Circular) as well as the total market value of the securities held by them.

The nominees have themselves provided the Corporation with the information as of April 29, 2014, with the exception of the information regarding the meeting attendance to the Board meetings or the committees' meetings, which is provided for the period ended March 1, 2014.

On April 30, 2013, the Board of Directors of the Corporation adopted a majority voting policy, according to which a nominee of the Corporation who receives more "**abstentions**" than votes "**in favour**" during an election of directors by the shareholders is supposed to resign from the Board immediately following the shareholder meeting at which he was elected. This policy is reproduced in Schedule "A" of this Circular.

Furthermore, as indicated on the attached proxy form or voting instruction form, shareholders can vote for each director individually.

Unless otherwise indicated by the shareholder, the voting rights attached to the shares represented by any duly executed proxy will be exercised IN FAVOUR of the individual election of each of the nominees mentioned hereafter.

Lise Bastarache

Corporate Director and Economist

Candiac (Québec) Canada

Director since March 2003

Independent

Mrs. Lise Bastarache is an economist and a corporate director. She is a member of the Board of Directors of Laurentian Bank and Chartwell Seniors Housing (real estate investment trust). She holds a Bachelor's, a Master's degree and the course requirements of a Ph.D. in Economics. She has been a lecturer in Economics, a consultant for the Secor Group, as well as an economist and a senior manager for RBC Financial Group.

Securities held [1]	**Market value of securities held** [2]
12,853 DSUs	$278,267.45
Board/committees	**Meeting Attendance:**
Board of Directors	7 / 7
Audit Committee	4 / 4
Human Resources and Compensation Committee	5 / 5
Governance and Nominating Committee	3 / 3
Independent Committee[3]	2 / 2

François J. Coutu

President and Chief Executive Officer

Île-des-Sœurs (Québec) Canada

Director since December 1985

Non-independent

Mr. François J. Coutu, a pharmacist by profession, holds a Bachelor's degree in Business Administration from McGill University as well as a Bachelor's degree in Pharmacy from Samford University in the United States. He is a member of the Boards of Directors of Varad HTM Inc. and the School of Pharmacy of Samford University. He has been Chairman of the Board of the Canadian Association of Chain Drug Stores (CACDS) and has also sat on the Board of Rite Aid Corporation. President and Chief Executive Officer of the Corporation since October 2007, Mr. Coutu previously held the position of Vice-Chairman of the Board and President of Canadian Operations from 2005 to 2007, President and Chief Executive Officer from 2002 to 2005 and President and Chief Operating Officer of the Corporation from 1992 to 2002.

Securities held [1]	
None [4]	
Board/committees	**Meeting Attendance:**
Board of Directors	7 / 7

Jean Coutu, O.C., O.Q.

Chairman of the Board

Montréal (Québec) Canada

Founder

Director since June 1969

Non-independent

Mr. Jean Coutu, a pharmacist by profession, has been a director and the Chairman of the Board of the Corporation since its foundation in 1969. He has also served as President and Chief Executive Officer from 1969 to 1992 and thereafter continued as Chief Executive Officer from 1992 to 2002. From November 2005 to October 2007, Mr. Coutu served as President and Chief Executive Officer. Mr. Coutu is also the founder of the Québec Association of pharmacists-owners and the Fondation Marcelle et Jean Coutu whose mission is to support various initiatives to help fight poverty and enhance the wellness and education of people.

Securities held [1]	
See "**Voting Shares and Principal Holders Thereof**" on page 6 of this Circular.	
Board/committees	**Meeting Attendance:**
Board of Directors	7 / 7

Marie-Josée Coutu

President of Fondation Marcelle et Jean Coutu

Outremont (Québec) Canada

Director since September 1997

Non-independent

A graduate of the University of Montréal and *HEC Montréal*, Mrs. Marie-Josée Coutu is the President of Fondation Marcelle et Jean Coutu (FMJC) since 1990, whose mission consists in providing financial support to social projects destined for underprivileged persons, mistreated women and children and the fight against drug use in Québec and Canada. The FMJC is also present in several developing countries. Mrs. Coutu is a member of the Board of the Institute for Research in Immunology and Cancer (IRIC) since 2008.

Securities held [1]	
None [4]	
Board/committees	**Meeting Attendance:**
Board of Directors	7 / 7
Governance and Nominating Committee	3 / 3

Michel Coutu

Montréal (Québec) Canada

Director since December 1985

Non-independent

President of MMC Consulting Inc.

Mr. Michel Coutu is President of MMC Consulting Inc. since 2010. He previously acted as President of the US Operations of the Corporation and as President and Chief Executive Officer of The Jean Coutu Group (PJC) USA, Inc. since 1986. Mr. Coutu holds a degree in Finance, a License in Law from the Sherbrooke University and a master in business administration (MBA) from the Simons School of Business (University of Rochester). He obtained, in 2005, a *Degree Honoris Causa* from the Massachusetts College of Pharmacy and Health Sciences. Mr. Coutu was also a member of the Boards of Directors of the United States National Association of Chain Drug Stores and Rite Aid Corporation. He is a Governor of the faculty of commerce of Sherbrooke University.

Securities held (1)

None (4)

Board/committees	**Meeting Attendance:**
Board of Directors	7 / 7
Governance and Nominating Committee	2 / 3

Sylvie Coutu

Outremont (Québec) Canada

Director since September 1997

Non-independent

President of Sylvie Coutu Design

Mrs. Sylvie Coutu obtained her Diploma in Interior Design in 1987. She has been the President of Sylvie Coutu Design since its foundation in 1992. From 1987 to 1992, she was involved in the planning and modernization of the Royal Bank of Canada’s network of branches and executive centers. She then actively participated in the development of the new design concepts of the Corporation, particularly in the design of the “Passion Beauté” boutiques and the new pharmacy departments. Mrs. Coutu is also actively involved in the Fondation Marcelle et Jean Coutu, as a volunteer and a Trustee. She is also a member of the Board of Directors of Fondation Miriam.

Securities held (1)

None (4)

Board/committees	**Meeting Attendance:**
Board of Directors	7 / 7

L. Denis Desautels, O.C., F.C.A.

Ottawa (Ontario) Canada

Director since January 2003

Independent

Corporate Director

Mr. L. Denis Desautels was Auditor General of Canada from 1991 to 2001. At the time of his appointment as Auditor General, he was a senior partner in the Montréal office of Ernst & Young. In his 27 years with Ernst & Young, he served the firm in various capacities and in a number of offices, namely Montréal, Ottawa and Québec City. He was Chairman of the Accounting Standards Oversight Council of the Canadian Institute of Chartered Accountants. He is director and Chair of the Audit Committee of Bombardier Inc. He also sits on the Board of Directors of the Ottawa Community Foundation and of the Oblate Fund of the Saint-Paul University as well as on the Board of Governors of the University of Ottawa. He was an Executive-in-residence at the Telfer School of Management of the University of Ottawa from 2001 to 2008.

Securities held (1)	Market value of securities held (2)
12,500 Subordinate Voting Shares	$270,625.00
Board/committees	**Meeting Attendance:**
Board of Directors	7 / 7
Audit Committee (Chair)	4 / 4
Human Resources and Compensation Committee	5 /5
Independent Committee(3)	2 / 2

Marcel E. Dutil

St-Georges-de-Beauce (Québec) Canada

Director since September 1995

Independent

Chairman of the Board of Canam Group Inc.

Mr. Dutil is the founder of Canam Group Inc., an industrial company that mainly designs and manufactures frames, joists and steel decks. Mr. Dutil currently serves on the Board of Canam Group Inc. He also served on the Board of National Bank of Canada.

Securities held (1)	Market value of securities held (2)
20,000 Subordinate Voting Shares(5) 57,944 DSUs	$1,687,487.60
Board/committees	**Meeting Attendance:**
Board of Directors	7 / 7
Audit Committee	4 / 4
Independent Committee(3)	2 / 2

Nicolle Forget
B. Sc. Com, ll.l., c.r.

Longueuil (Québec) Canada

Director since September 1993

Independent

Corporate Director

A graduate of the University of Québec at Montréal, the *HEC Montréal* and the University of Montréal, Mrs. Forget has been a member of the Québec Bar. She has also been a member of a number of administrative tribunals and Boards of Directors, including the Boards of Hydro-Québec, the Economic Council of Canada and Gaz Métro. She currently is a member of the Boards of Directors of Valener Inc. and its subsidiaries and sits on the Board of the *Collège des administrateurs de sociétés*.

Securities held (1)	Market value of securities held (2)
8,500 Subordinate Voting Shares 2,864 DSUs	$246,030.60
Board/committees	**Meeting Attendance:**
Board of Directors	7 / 7
Human Resources and Compensation Committee (Chair)	5 / 5
Governance and Nominating Committee	3 / 3

Dr Robert Lacroix
Ph. D., C.M. O.Q.

Montréal (Québec) Canada

Director since September 2006

Independent

Professor *Emeritus* at the University of Montréal

Dr. Lacroix holds a Ph.D. in Economics from the *Université de Louvain* and is a Professor *Emeritus* at the University of Montréal where he has held several administrative positions, including that of Rector from 1998 to 2005. He was Chairman of the Board of the Association of Universities and Colleges of Canada and also Chairman of the Board of the Quebec University Rectors and Principals. Dr. Lacroix is also a director of Pomerleau Inc. and served as a director of Industrial Alliance from 2004 to 2011 and of CAE from 2006 to 2013.

Securities held (1)	Market value of securities held (2)
3,450 Subordinate Voting Shares 33,035 DSUs	$789,900.25
Board/committees	**Meeting Attendance:**
Board of Directors	7 / 7
Audit Committee	4 / 4
Governance and Nominating Committee	3 / 3

Me Yvon Martineau LL.B., MBA

Saint-Jean-sur-Richelieu (Québec) Canada

Director since December 1985

Independent

Senior Counsel, Blake, Cassels & Graydon LLP

Mtre Yvon Martineau has been Senior Counsel at the law firm of Blake, Cassels & Graydon LLP since March 2009. From 1993 to 2009, he was a Senior Partner at the law firm Fasken Martineau DuMoulin LLP. He holds a License in Law from Laval University and a Master's degree in Business Administration (MBA), Finance from *HEC Montréal*. He is currently the Corporation's Vice-Chairman of the Board. Mtre Martineau is also a member of the Boards of Directors of Groupe Accueil International ltée, Plaisirs Gastronomiques inc. and Berger-Levrault International Ltd.

Securities held [(1)]	Market value of securities held [(2)]
2,000 Subordinate Voting Shares 64,219 DSUs	$1 433,641.35
Board/committees	**Meeting Attendance:**
Board of Directors	6 / 7
Governance and Nominating Committee (Chair)	3 / 3

Andrew T. Molson

Westmount (Québec) Canada

Independent

Chairman of RES PUBLICA Consulting Group

Mr. Molson is chairman of RES PUBLICA Consulting Group, a Montreal-based holding and management company for two leading professional services firms, NATIONAL Public Relations and Cohn & Wolfe Canada.

A seventh-generation member of the Molson brewing family, Mr. Molson is vice-chairman of the board of directors of Molson Coors Brewing Company. He is also a member of the board of directors of Groupe Deschênes Inc. and the Montreal Canadiens Hockey Club, Inc. and serves on several non-profit boards, including the Institute for Governance of Private and Public Organizations, the Montreal General Hospital Foundation, the Concordia University Foundation, the Molson Foundation and La Fondation Montréal Inc.

Mr. Molson became a member of the Quebec Bar in 1995 after studying law at Laval University in Quebec City. He also holds a bachelor of arts degree from Princeton University and a masters of science in corporate governance and ethics from University of London (Birkbeck College).

Securities held [(1)]
None

Cora Mussely Tsouflidou

Prévost (Québec) Canada

Director since July 2012

Independent

Director of the group of Cora companies

Mrs. Cora Mussely Tsouflidou, who graduated from Classical Studies in 1967 from Ste-Croix College (Montreal), is founder, owner and director for the group of Cora companies, working in the restaurant industry as the franchisor of the Cora Concept. Mrs. Tsouflidou also directs the Cora Foundation, whose mission is to provide breakfasts to schoolchildren in underprivileged neighborhoods across Canada. She is a graduate of the *Collège des administrateurs de sociétés*. Mrs. Tsouflidou also sits on the Board of Directors of Femmessor.

Securities held (1)	
None	
Board/committees	**Meeting Attendance:**
Board of Directors	7 / 7
Human Resources and Compensation Committee	5 / 5

Annie Thabet

Ile-des-Sœurs (Québec) Canada

Director since July 2010

Independent

Partner, Celtis Capital

A chartered professional accountant, Mrs. Thabet holds a Bachelor in Commerce from Sherbrooke University and a Master’s degree in Business Administration (MBA) from Concordia University and is a director accredited by the Institute of Corporate Directors. Mrs. Thabet is a partner with Celtis Capital, a firm specialized in transactional services in relation to mergers and acquisitions, divestitures and corporate finance, and assets management that she co-founded in 2003. Her prior experience includes investment management at Société générale de financement du Québec and consulting at Price Waterhouse. Mrs. Thabet is Governor of Réseau Capital, the Québec venture capital and private equity association, and Governor and director of the *Fondation de recherche en administration* of Sherbrooke University. She also is a director of Manac Inc., FIER Côte-Nord, the Institute of Corporate Directors – Québec and Sommet Capital 2000.

Securities held (1)	Market value of securities held (2)
7,570 Subordinate Voting Shares 3,424 DSUs	$238,020.10
Board/committees	**Meeting Attendance:**
Board of Directors	7 / 7
Human Resources and Compensation Committee	5 / 5

(1) Securities held: Approximate number of shares of each class of voting shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised, and number of DSUs held as at April 29, 2014.
(2) According to the closing price of the Subordinate Voting Shares on the TSX on April 29, 2014 ($21.65).
(3) During the fiscal year, an independent committee of the Board of Directors was created to study certain transactions entered into between the Corporation and companies belonging to Mr. Jean Coutu in connection with a donation of shares by a corporation held by Mr. Jean Coutu to Fondation Marcelle et Jean Coutu. Two meetings of this committee, composed of Lise Bastarache, Denis Desautels and Marcel Dutil, were held during the fiscal year. The committee was dissolved because the mandate entrusted to it no longer had any purpose.
(4) Messrs. François J. and Michel Coutu as well as Mrs. Marie-Josée and Mrs. Sylvie Coutu are children of Mr. Jean Coutu.
(5) These shares are held by Placement CMI inc., a company controlled by Mr. Marcel E. Dutil.

To the best knowledge of the Corporation, no director of the Corporation is, as at April 29, 2014, or has been, within ten years before the date hereof, a director or executive officer of any corporation that, while the person was acting in such capacity or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

BOARD OF DIRECTORS RELATIONSHIPS

None of the directors of the Corporation serve together on the Board of Directors of other public companies.

CORPORATE GOVERNANCE

The Board of Directors of the Corporation has delegated to the Governance and Nominating Committee the responsibility of periodically reviewing its corporate governance practices in light of the changing requirements in this respect. Further to the recommendations of that committee, the Board constantly reviews its structure, practices and composition, and periodically initiates the changes that it considers necessary and relevant for its effectiveness.

The corporate governance of the Corporation takes into consideration the control held by its significant shareholder while favouring the efficient administration of the Corporation by its Management. The Board of Directors considers that the corporate governance practices adopted by the Corporation suit its current situation and are efficient, and that the structures and processes necessary to ensure its independence from Management are in place.

In accordance with Policy Statement 58-201, Regulation 58-101 and Regulation 52-110 of the Canadian Securities Administrators, the Corporation must disclose its corporate governance practices. This information is presented in Schedule “B” of this Circular and in the section “**Audit Committee Information**” below.

AUDIT COMMITTEE INFORMATION

Audit Committee Report

The Audit Committee of the Board of Directors of the Corporation is composed exclusively of “**independent**” directors as defined in Regulation 52-110 respecting Audit Committees, including a financial expert, Mr. L. Denis Desautels.

The Audit Committee assumes the responsibilities delegated to it in writing by the Corporation’s Board of Directors, as reproduced in Schedule “D” of this Circular. As per its mandate, the Audit Committee was created to monitor, on a continuous basis, the process through which the Corporation’s financial information and internal controls are disclosed. Indeed, the preparation and presentation of the Corporation’s financial statements, their integrity, as well as the efficiency of the internal audits are the responsibility of Management. Management is also responsible for maintaining adequate internal controls and procedures, as well as for the use of appropriate principles and standards regarding accounting and presentation of financial statements.

The independent auditors are responsible for auditing the Corporation’s annual financial statements, as per professional standards. These auditors consult with the Audit Committee and report their written disclosures in regards to (i) their independence from the Corporation; (ii) critical accounting policies and practices used in the audit; (iii) the acceptability and quality of the Corporation’s accounts and (iv) the matters required to be communicated under the generally accepted auditing standards.

Without the presence of Management, the Audit Committee meets regularly with representatives of the independent auditors and the Senior Director, Internal Audit, in order to review the results of their audits, their assessment of internal controls, the quality of the accounting, the financial reporting and other appropriate matters.

The Audit Committee examined the audited financial statements and the Corporation’s management discussion and analysis for the fiscal year ended March 1, 2014 and consulted with senior Management and representatives of the independent auditors. Satisfied with the information provided by Management and the independent auditors in regards to the integrity of the financial statements, the Audit Committee recommended that the Board of Directors approve the audited consolidated financial statements for filing with securities authorities to which the Corporation is subject.

During the 2014 fiscal year, the Audit Committee of the Corporation obtained a written confirmation from Deloitte LLP, Chartered Professional Accountants, confirming their independence according to the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*. The Audit Committee also examined and approved the fees paid for auditing services and other related services.

The Audit Committee has reviewed the qualifications and performance of the independent auditors and recommended that the Board of Directors renew the mandate of Deloitte LLP, Chartered Professional Accountants.

The current report is dated April 29, 2014, and was submitted by L. Denis Desautels, Chair of the Committee, Lise Bastarache, Marcel E. Dutil and Robert Lacroix.

Financial Literacy of the Members of the Audit Committee

The following section indicates, for each member of the Audit Committee, their name, as well as their relevant education and experience regarding the execution of their responsibilities as a member of the said committee.

L. Denis Desautels. Mr. Desautels has chaired the Audit Committee since 2003. He has been a chartered accountant since 1966. Mr. Desautels has practiced as a certified public accountant, auditor and one of the senior partners of the firm Ernst & Young LLP (formerly Clarkson Gordon) from 1964 to 1991. In 1991, Mr. Desautels was appointed Auditor General of Canada, a position that he held until 2001. In this capacity, he was notably responsible for the auditing of financial statements of the Government of Canada, the governments of the Territories and several crown corporations. He is presently a member of audit committees of two listed companies and three non-profit organizations, which provides him with a first-hand opportunity to appreciate the role and the functioning of an audit committee.

Over the course of his career, Mr. Desautels has acquired competence in the audit of major public and private companies and he is consequently quite familiar with generally accepted accounting principles. He is capable of understanding financial statements and accounting problems of a degree of complexity that is comparable to those that could be found in the financial statements of the Corporation. In addition, his experience as independent auditor during 37 years has allowed him to acquire a solid understanding of internal controls and of the process leading to the preparation of financial statements.

Lise Bastarache. Mrs. Bastarache was, until January 2005, Regional Vice President, Private Banking Québec for RBC Financial Group. She joined the Economics Department of RBC Financial Group in 1996, where she acted as Deputee Chief Economist before joining the Commercial Markets Group as Analyst in 2000. Mrs. Bastarache holds a Bachelor's degree and a Master's degree in Economics from the University of Québec at Montréal as well as the course requirements of a Ph.D. in Economics from McGill University. As a Commercial Markets' Analyst for RBC, Mrs. Bastarache has analyzed the financial statements of many large corporations that presented accounting problems generally comparable in scope and complexity to those found in the financial statements of the Corporation.

In addition, as Vice President of RBC Private Banking, Mrs. Bastarache was ultimately responsible for the internal controls and for the preparation of the income statements of her division. Since January 2005, Mrs. Bastarache continues to act as member of various boards of directors and committees. She is a member of the audit committee of two publicly-traded companies.

Marcel E. Dutil. Mr. Dutil is Chairman of the Board of Directors and was President and Chief Executive Officer of the Canam Group Inc., a company that he created in 1973 following the acquisition of Les Aciers Canam Inc. As Chairman of the Board of Directors and Chief Executive Officer of the Canam Group Inc. and as director of several public companies since 1974, such as Border Trust, National Bank of Canada, Transcontinental inc., Québec Telephone and others, Mr. Dutil has acquired a good understanding of generally accepted accounting principles in Canada and has regularly been called upon to analyze and evaluate financial statements presenting accounting problems generally comparable in scope and complexity to those that could reasonably be expected to be found in the financial statements of the Corporation. He has acted as a member of several audit committees for more than 20 years, including Québec Telephone, Maax Inc. and National Bank of Canada.

Robert Lacroix. Mr. Lacroix holds a Ph.D. in Economics from the *Université de Louvain* and was a professor in the Department of Economics of the University of Montréal from 1970 to 2006. He is now Professor *Emeritus*. From 1998 to 2005, Mr. Lacroix was also Rector of the University of Montréal and in this quality, he also served on the budget and the finance committees. As such, he managed an operating and research budget surpassing one billion dollars. As Rector and member of these committees, he acquired a solid comprehension of internal controls and the establishment process of financial statements.

Mr. Lacroix was a member of the audit committee of the University of Montréal during his mandate as Rector and in this capacity he had to analyze financial statements presenting accounting problems generally comparable to those that could reasonably be expected to be found in the financial statements of the Corporation. He is a former member of the audit committee of Industrial Alliance and a member of the audit committees of Pomerleau Inc. and of the Corporation.

Policy Regarding Approval of Services Rendered by Independent Auditors

Upon the recommendation of the Audit Committee, the Corporation has adopted a policy concerning the scope of the services rendered by the independent auditors. The content of the policy is reviewed annually by the Committee. The policy requires the Audit Committee to pre-approve all audit and non-audit services. This policy forbids the Corporation from engaging auditors to provide certain non-audit services to the Corporation and its subsidiaries, including bookkeeping or other services related to accounting records or financial statements, financial information systems design and implementation, appraisal or valuation services, actuary services, internal audit services, investment banking services, management functions or human resources functions and legal services. The policy allows, under particular circumstances, the Corporation to engage the services of auditors to provide non-audit services, other than the prohibited services, when the Audit Committee specifically approves these services.

All audit and non-audit services provided by the Corporation's independent auditors for the fiscal year ended March 1, 2014 were pre-approved by the Corporation's Audit Committee.

A copy of the policy concerning the scope of the services rendered by independent auditors may be obtained free of charge upon request to the Corporate Secretary of the Corporation, at its head office located at 530 Bériault Street, Longueuil, Québec, J4G 1S8.

Appointment and Compensation of Independent Auditors

The following table presents, by category, the fees billed by the independent auditors of the firm Deloitte LLP for the fiscal years ended March 1, 2014 and March 2, 2013.

Category of Fees	2014	2013
	($)	($)
Audit Fees	572,315	561,282
Audit Related Fees	43,860	27,500
Tax Fees	-	-
Other Fees	697,671	226,987
Total	1,313,846	815,769

In the table above, the terms in the column "**Category of Fees**" have the following meanings: "**Audit Fees**" include the aggregate fees billed by Deloitte LLP for the audit of annual consolidated financial statements, the review of the interim financial statements and other audits and regulatory filings; "**Audit-Related Fees**" include the aggregate fees billed by Deloitte LLP for assurance and other related services reasonably associated with the performance of the audit or review of the financial statements and are not reported under Audit Fees, including the audit of the retirement plans and the consultation relative to the accounting and financial disclosure standards; "**Tax Fees**" include the aggregate fees billed by Deloitte LLP for professional services rendered for tax compliance, tax advice as well as tax planning services related, among other things, to the preparation of income tax returns of the Corporation, to capital tax and sales tax; and "**All Other Fees**" include the aggregate fees billed by Deloitte LLP for professional services rendered for the detailed design of the new distribution centre in Varennes.

The Board of Directors and Management of the Corporation, upon the recommendation of the Audit Committee, propose that Deloitte LLP, Chartered Professional Accountants, be appointed independent auditors of the Corporation and that the directors of the Corporation be authorized to fix their remuneration.

Unless indicated otherwise by the shareholder, the voting rights attached to the shares represented by any proxy duly signed will be exercised IN FAVOUR of the appointment of Deloitte LLP as independent auditors and of the authorization of the Board of Directors to fix their remuneration. Deloitte LLP have been the auditors of the Corporation for more than five years.

REPORT OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

This report, dated April 29, 2014, has been submitted by all of the members of the Human Resources and Compensation Committee of the Corporation (the "**Committee**").

Composition of Committee

During the fiscal year ended March 1, 2014, the Committee was composed of five directors, none of whom were part of Management, namely: Nicolle Forget, Chair of the Committee, Lise Bastarache, L. Denis Desautels, Cora Mussely Tsouflidou and Annie Thabet.

All members of the Committee are deemed independent as that term is defined by applicable securities legislation.

Compensation Literacy of Committee

All members of the Committee are experienced in the field of compensation of officers and the Board of Directors is of the view that members of the Committee collectively possess the knowledge, experience and profile necessary to fulfil the mandate of the Committee.

The Committee understands the long-term impacts of the executive compensation policies and programs and the related constraints. The Committee is also aware of the issues related to executive employment contracts and their implications. Please see the section entitled "**Information about Nominees for Election as Directors**" of this Circular for a description of the experience of each member of the Committee. Given that the members have acquired their skills as part of their education and training, their experience as directors or executive officers of private or public companies, or their experience as officers in charge of human resource matters, the Committee benefits from diversified and complementary skills with respect to compensation.

Functioning and Achievements of the Committee in the 2014 Fiscal Year

The Committee's mandate is approved by the Board of Directors and is revised on an annual basis. It is attached as Schedule "E" to this Circular and a brief description of the mandate is presented in the section "**Corporate Governance**" of this Circular.

During the 2014 fiscal year, the Committee held five meetings.

During the meetings, the Committee's efforts were focused on, among other matters, officer and key employee succession planning. It followed up on various files related to executive compensation.

COMPENSATION GOVERNANCE

Terms of Reference to Determine Executive Compensation

In order to determine the compensation of the Corporation's executive officers and to clarify the roles played by various individuals in compensation matters, a few years ago, the Corporation adopted the "**Executive Compensation Policy**" (the "**Policy**"). The Policy was completely reviewed during the 2012 fiscal year.

The Policy applies to the President and Chief Executive Officer, the Senior Vice-Presidents and the Vice-Presidents of the Corporation (the "**Executive Officers**").

The Policy therefore applies to the Chief Executive Officer, the Chief Financial Officer and the three other highest paid officers of the Corporation, who together make up the Named Executive Officers for the purposes of this Circular in accordance with applicable securities legislation (the "**Named Executive Officers**").

The Policy is administered by the Board of Directors of the Corporation, which bases its decisions on the work carried out and the recommendations made by the Committee.

In addition to approving the Policy, the Board of Directors approves the compensation components and the various compensation plans.

In order to make its recommendations to the Board of Directors on compensation matters, the Committee relies on its skills and its knowledge of the Corporation, its operations and the market in which it develops. The Committee may also base itself on recommendations made by compensation advisers, as set out in the section entitled "**Compensation Adviser**" below.

The compensation of the President and Chief Executive Officer of the Corporation is determined by the Board of Directors in accordance with the by-laws of the Corporation, taking into account the parameters set out in the Policy. The compensation of the Senior Vice-Presidents and Vice-Presidents is determined by the President and Chief Executive Officer, provided that, in compliance with the by-laws of the Corporation, the compensation of the following senior executives is approved by the Board of Directors: the chief executive officer, the chief operating officer and the chief financial officer (regardless of their respective titles).

Executive Compensation of the Significant Shareholder Family Members

In accordance with the will expressed by Mr. Jean Coutu, the significant shareholder of the Corporation, the Policy stipulates that the compensation of members of his family is established in order that it does not include shares in the Corporation.

The terms and conditions of the Policy set out the parameters for the compensation of the significant shareholder's family members such that their compensation is neither lower nor higher than that of the other Executive Officers of the Corporation in similar positions.

Any issues relating to the determination of the compensation of the significant shareholder's family members are submitted to the Committee, which makes the relevant recommendations to the Board of Directors with respect to the decisions to be made in such regard. In accordance with the provisions of the Quebec *Business Corporations Act*, non-independent directors declare their interest in adopting the resolutions submitted to the Committee or the Board of Directors on such issues and do not participate in the relevant discussions.

Executive Compensation Review Procedures

The Committee generally ensures that the compensation structure and levels in place favour the achievement of short - and long-term objectives that the Corporation has set for itself. In particular, the Committee is responsible for ensuring that executive compensation is linked to measures that help create shareholder value, as described in the section entitled "**Components of Executive Compensation**" of this Circular.

Executive compensation depends first and foremost on the experience of each officer in his or her field of professional activity. The experience acquired within the Corporation or one of its subsidiaries or within the industry, as the case may be, is also taken into consideration by the Committee.

The Committee has implemented a procedure to assess the competence of Executive Officers with regard to the effectiveness with which pre-set objectives are reached. The level of responsibility of each Executive Officer is also assessed by the Committee to ensure that any difference in executive compensation is fair and equitable.

Lastly, the Committee ensures that the various compensation programs enable the Corporation to retain key executive talent with the knowledge and expertise required to develop and execute the Corporation's business plans. To this end, the Committee must, in particular, recommend a compensation package that is competitive in the market, as described below.

The Committee reviews executive compensation annually, including base salary, short-term incentive compensation, long-term incentive compensation, and pension plans. Compensation plans are updated where necessary to reflect salary forecasts based on independent surveys for comparable roles.

The annual review of Executive Officer base salaries is based, among other things, on results of surveys conducted by several recognized and independent firms such as Morneau Shepell, Mercer, Aon Hewitt, Groupe Hay, Normandin Beaudry, Towers Watson and Saucier Conseil. The results of these surveys of annual salary increases granted by companies to senior executives or non-union employees are provided by geographic region and sector.

In order to assess the overall competitiveness of the Corporation's executive compensation programs and to formulate recommendations in that respect, the Committee ensures that the Corporation's compensation programs are examined and compared with a group of comparable companies via independent external surveys and a review of the management proxy circulars of these companies.

The Committee ensures that the overall executive compensation and its components fall within the median for comparable companies where the Corporation reaches target performance levels, and between the median and the 75th percentile where higher levels are reached.

Compensation of Directors

The charter of the Governance and Nominating Committee stipulates that the committee shall annually review the compensation of the directors of the Corporation. In order to do so, the Governance and Nominating Committee reviews relevant studies and statistics in order to ensure that the compensation of directors remains competitive and representative of the responsibilities of the members of the Board of Directors and the various committees.

Please see the section entitled "**Compensation paid to Directors**" on page 42 of this Circular to see the compensation paid to the directors.

During the fiscal year, the Governance and Compensation Committee did not retain the services of a compensation adviser to assist it in analyzing the structure of the Corporation's director compensation.

Compensation Adviser

The Committee can select and hire an adviser to advise members on questions concerning executive compensation. It can determine fees and terms related to the hiring of such advisers. In order to come to its decisions, the Committee shall examine, where applicable, the analysis of an outside compensation adviser and any other factor that it deems appropriate.

During the 2012 fiscal year, the Committee retained the services of Mercer to advise it in connection with its overall review of the Corporation's executive compensation. In connection with this mandate, Mercer conducted and submitted to the Committee a study entitled "**Study of executive compensation and review of long-term incentive plans**." The Mercer representatives participated in some Committee meetings on the review of executive compensation in order to advise the members on the various decisions made in this regard. They also assisted the Management of the Corporation in implementing the Committee's recommendations and the decisions of the Board of Directors with respect to changes to the Policy and existing incentive plans as well as the implementation of share ownership guidelines for Executive Officers and other compensation practices.

During the 2014 fiscal year, the Committee retained representatives of Groupe Hay to advise it on certain matters relating to the short-term and long-term incentive compensation plans and the composition of the comparison group used to perform the comparative compensation analysis and the grant criteria for short-term incentive compensation plans.

Executive compensation—related fees

During the 2014 fiscal year, the Corporation paid Groupe Hay $71,860 for consulting services related to executive compensation.

During the 2013 fiscal year, the Corporation did not retain the services of any external compensation adviser for advice related to executive compensation.

Other fees

During the 2014 fiscal year, the Corporation paid Groupe Hay $83,650 for consulting services related to succession planning for executives and certain other officers and to the preparation of the Corporation's Management Proxy Circular for the shareholder meeting.

During the 2013 fiscal year, the Corporation paid Mercer a total of $10,475 in fees for consulting services related to the preparation of the Corporation's Management Proxy Circular for the shareholder meeting.

None of the Corporation's policies stipulate that the Board of Directors or the Committee must pre-approve the other services compensation advisers may provide to the Corporation at the request of the Corporation's management.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Objective

The purpose of the Policy is to interest talented individuals in becoming part of the Corporation's senior management and to motivate them to achieve superior performance. It is established based on internal equity principles taking into consideration the role, nature and level of responsibility assumed by each Executive Officer and external equity principles reflected by fair, equitable and competitive compensation terms compared to the Corporation's comparator market. Its purpose is to maintain compensation within the median for target performance levels and between the median and the 75th centile for results exceeding expectations. Moreover, the Policy was designed to ensure a high level of performance by Executive Officers and their contribution to the creation of short-term and long-term value for the Corporation's shareholders. To that end, the Policy offers short-term variable compensation linked to the Corporation's profitability which, in the long term, allows Executive Officers to share in the economic value created for the shareholders.

Lastly, the purpose of the Policy is to recruit and retain competent Executive Officers and to achieve the Corporation's objectives, while protecting the interests of its shareholders.

These guidelines are included in the Policy, which is periodically updated by the Committee. The current version of the Policy took effect on January 1, 2012. Its content formed the subject of an in-depth review during the 2012 fiscal year. It was also amended on January 9, 2013.

One of the principal objectives of the Policy is to align executive compensation with the financial performance of the Corporation. The following tables present changes in certain financial parameters and compensation of **Mr. François J. Coutu, President and Chief Executive Officer**.

Parameters	Performance during fiscal year (in millions of $)				
	2014 (1)	2013 (1)	2012 (1) (2)	2011 (1)	2010 (3)
Revenue	2,733.3	2,739.5	2,733.1	2,612.8	2,543.1
OIBA (4)	334.5	323.0	311.2	290.5	268.8

(1) Information disclosed in accordance with International Financial Reporting Standards.
(2) The 2012 fiscal year included 53 weeks.
(3) Information disclosed in accordance with Canadian Generally Accepted Accounting Principles, which preceded the application of the International Financial Reporting Standards.
(4) Operating income before amortization.

Components	Compensation ($)				
	2014	2013	2012 (1)	2011	2010
Base salary	916,975	892,818	889,051	845,568	824,424
Annual bonus (2)	1,026,095	996,385	937,156	826,112	835,501
Stock Appreciation Rights (SARs) (3)	156,952	114,125	213,608	185,192	275,939
Total direct compensation (4)	2,100,022	2,003,328	2,039,815	1,856,872	1,935,864

(1) The 2012 fiscal year included 53 weeks.

(2) This table reflects the bonus "**earned**" during the fiscal year without taking into account the fact that the bonus was paid before or after the end of the fiscal year.

(3) The fair value on the date of grant indicates the value of SARs during the indicated fiscal years based on the Black-Scholes model, including an adjustment for performance based on the Monte Carlo model. The Black-Scholes model is used because it allows for calculating theoretical fair market value of SARs using share values, dividends, interest rates, time remaining prior to exercise and estimated volatility. The Corporation then adjusts fair market value of SARs based on the Monte Carlo model. This method allows for calculation, based on a multiple probabilities model, of the percentage of acquisition of SARs to use to assess fair market value of SARs granted. The following data represents the hypotheses used in the evaluation of the price of SARs according to the Black-Scholes model:

	2014	2013	2012	2011	2010
Anticipated annual dividend	1.85%	1.90%	1.91%	2.40%	1.96%
Anticipated volatility	16.45%	17.02%	25.15%	31.40%	34.06%
Risk-free interest rate	1.19%	1.29%	1.05%	2.22%	2.71%
Anticipated duration (years)	3.5	3.5	3.5	4	4

(4) Excluding the value of pension plans.

Analysis of Executive Compensation

During the 2012 fiscal year, the Committee retained the services of Mercer to conduct an analysis of the compensation of the Executive Officers and to provide advice in such respect to the Committee. This analysis and advice included, without limitation, benchmarking the compensation and reviewing of the Policy and compensation programs, including short-term and long-term incentive plans and retirement plans applicable to all Executive Officers of the Corporation.

The comparable group used for this purpose was established in accordance with the following selection criteria:

- Canadian companies with annual revenues of over $700 million and annual median revenues close to the Corporation's sales (between $2 billion and $3 billion).
- Companies forming part of industries comparable to that of the Corporation, i.e. distribution, retail sales or consumer goods.
- Companies meeting one or more of the following criteria:
  - Be listed on a stock exchange and be independent (not a subsidiary of another company);
  - Be a Canada-wide company;
  - Have a significant shareholder (family company);
  - Have its head office in Quebec.

It is updated occasionally to reflect changes in the corporations that constitute it.

The following 20 companies were chosen for the benchmarking:

Comparison Group for the Comparative Analysis of Compensation

- Alimentation Couche-Tard Inc.
- BMTC Group Inc.
- Tim Hortons Inc.
- Canada Bread Company, Limited
- Canadian Tire corporation, Limited
- Colabor Group Inc.
- Dorel Industries Inc.
- Empire Company Ltd.
- Uni-Sélect Inc.
- Indigo Books & Music Inc.
- Leon's Furniture Limited
- Loblaws
- Maple Leaf Foods Inc.
- Metro Inc.
- The North West Company
- Reitmans Canada Ltd.
- Rona Inc.
- Saputo Inc.
- Sears Canada Inc.
- Corporation Shoppers Drug Mart

The Committee reviewed the comparison group during the 2014 fiscal year and is of the opinion that is still relevant for the purposes of establishing points of comparison for the compensation of the Executive Officers of the Corporation as it is composed of companies operating in similar fields as the Corporation or having organizational properties comparable to those of the Corporation. The Committee is therefore of the opinion that the major issues at stake with respect to its executive compensation are likely to be similar to those related to the executive compensation in these companies.

Compensation Risk Management

The Corporation proactively manages the risks related to its compensation policies and practices. The purpose of such proactive management is to ensure that no compensation program or practice of the Corporation, whether alone or in relation with other programs and practices, prompts the Corporation's employees to adopt behaviour that could have a material adverse effect on the Corporation's results.

When reviewing executive compensation during the 2012 fiscal year, the members of the Committee considered the potential consequences of the risks associated with the Policy and the incentive plans implemented on January 1, 2012. With the potential risks in mind, the Committee reviewed the Corporation's policies and practices with respect to the compensation of the Corporation's other employees.

In connection with the work that led to the recommendations it made to the Board of Directors regarding the implementation of a new executive compensation plan, the Committee relied on the recommendations made by a compensation expert to assess, choose and develop compensation practices and plans that would prevent Executive Officers from taking risks that are inappropriate or excessive for the Corporation.

At the end of the 2012 fiscal year, the Committee, supported by a compensation adviser, implemented a grid to assess the Corporation's executive compensation practices that allows the Corporation to identify the various sources of compensation-related risk. The risk assessment is carried out based on an analytical framework that makes it possible to review the various aspects of the Corporation's compensation plans, the interaction between the plans and the underlying governance process.

With respect to the Corporation's employees other than Executive Officers, their compensation is composed of a base salary and, in some cases, a bonus plan. The Corporation's compensation practices for such employees are described in a compensation policy that aims for compensation around the median of the reference market. The bonus plan is based on an individual performance assessment in relation to objectives set for each employee covered by such a plan and a component based on the Corporation's financial performance measured in terms of OIBA growth. The plan includes a maximum expressed as a percentage of the base salary. The Committee concluded that there is no significant risk related to the practices and policies currently in place for employees of the Corporation other than Executive Officers.

The Corporation's compensation policies and plans encompass each of the significant compensation aspects of all of its employees. The compensation governance rules are clearly defined and rigorously applied by the Corporation's management under the supervision of the Committee and the Board of Directors.

The performance objectives and criteria used for compensation purposes are generally linked to the Corporation's business plan and objectives and are established and verified in order to ensure that the employees who benefit from it do not take any risks that are inappropriate or excessive for the Corporation.

Moreover, all of the Corporation's risks and uncertainties, which might include, if applicable, compensation-related risks, are regularly assessed as part of the Corporation's risk management program. If any compensation-related risks were to be identified, they would be submitted to the members of the Board of Directors for their consideration and would be disclosed quarterly in the Management's Discussion and Analysis of the Corporation.

In connection with the analysis of the risks related to the Policy, the Committee noted that the lack of a recovery policy could represent a risk for the Corporation, as it was possible for a significant portion of the compensation to be paid in a context of inaccurate calculation basis. During the 2013 fiscal year, the Board of Directors therefore amended the Policy in order to include the terms and conditions of a policy to recover any sums paid under variable compensation plans in the event of a major restatement of the financial statements in specific circumstances.

At the end of the 2014 fiscal year, the Committee had not identified any risk arising from the Corporation's compensation policies and practices reasonably likely to have a material adverse effect on the Corporation. In view of the nature of the Corporation's operations, the Committee is of the opinion that it has a low exposure to compensation-related risks.

Components of Executive Compensation

Executive compensation is comprised of the following:

- Base salary;
- Short-term incentive compensation: annual bonus;
- Long-term incentive compensation: share purchase options, stock appreciation rights or performance based shares;

- Base retirement plan and supplemental retirement plan; and
- Benefits and group insurance plans.

The relative weighting assigned to the base salary and bonuses varies depending on the level and nature of the Executive Officer's position within the organization.

1) Base Compensation

The base salary of each Executive Officer is determined in accordance with a salary structure anchored around the market median where the salary of each officer is positioned taking into account:

- the reference salary determined by comparing the employees of the same level with each other;
- the executive's particular situation; and
- the Corporation's budgetary constraints.

The salary progression within this structure, which is assessed annually, but which may also be assessed at any other time depending on the circumstances, is based on evaluation criteria related to four specific dimensions:

- Skills: encompassing the necessary experience and knowledge depending on the roles and responsibilities of the relevant position;
- Impact: taking into account the ability to influence to achieve results as well as strategic communication;
- Conduct: alignment with the Corporation's values, which are leadership, integrity, professionalism, creativity, innovation, team spirit, team work, performance, excellence, responsibility, autonomy and quality; and
- Involvement: representing reliability and regularity of performance, effort employed, results achieved and sustained performance.

Furthermore, to ensure that the base compensation paid to Executive Officers is established in an objective manner, the Corporation has adopted a salary scale for senior executive positions and has established a salary progression mechanism that takes into account the knowledge, conduct and reliability of the Executive Officers.

2) Short-term Incentive Compensation

Short-term incentive compensation includes bonuses, which, in accordance with the corporate culture of the Corporation, are aimed at recognizing the achievement of objectives, encouraging team spirit among Executive Officers and stimulating the creation of value for the shareholders of the Corporation.

The Policy provides that the bonus is established taking into account the objectives set by the Corporation and the individual contribution of each Executive Officer. The bonus is expressed as a percentage of the annual base salary.

Bonus payments may be higher than target levels, not exceeding the maximum level, if the results exceed the objectives. Payments are also subject to weightings of a financial target and individual performance targets, determined as follows for each position:

Position	Target Bonus as a % of base salary			Maximum Bonus as a % of base salary		
	Individual target	Financial target	Total	Individual targets	Financial target	Total
President and Chief Executive Officer	30%	70%	100%	30%	105%	135%
Senior Vice-President	18%	42%	60%	18%	62%	80%
Vice-President	15%	35%	50%	15%	40%	55%

In accordance with the Policy, the Board of Directors may, at its discretion and upon the Committee's recommendation, award a special bonus to an Executive Officer under certain conditions in order to acknowledge special efforts or accomplishments. It may also reduce the bonus recommended for an Executive Officer where it believes that such bonus is not justified in light of the performance of the Executive Officer.

Financial objective of the Named Executive Officers

The bonus paid to the Named Executive Officer for the financial objective is calculated as follows:

Base salary x target bonus as a % of base salary X percentage of financial objective achieved

For the 2014 fiscal year, the portion of the bonus based on the financial objective was determined based on the operating income before amortization (OIBA) of the Corporation, namely $334.5 million, which was adjusted to exclude certain unusual items. The OIBA achieved and adjusted for the 2014 fiscal year was $336.8 million. The $2.3 million in adjustments mainly represent non-operational items that do not affect the assessment of Named Executive Officer performance, such as the impact of changes in the market price of the Corporation's shares on share-based compensation and gains and losses on disposals of property, plant and equipment.

To determine the extent to which the financial objective has been achieved, the Board of Directors, upon the Committee's recommendation, establishes at the beginning of the year an OIBA growth scale based on achievement of an OIBA target determined by considering the Corporation's budget. The achieved and adjusted OIBA during the 2014 fiscal year represented 103.4% of the OIBA target. For each percentage point of achieved and adjusted OIBA, the percentage of the target achieved is increased by 5%. Consequently, for the achieved and adjusted OIBA of 103.4% of the OIBA target for the 2014 fiscal year, each Named Executive Officer achieved 117% of the financial objective.

The table below shows the calculation of the percentage of the bonus paid for the financial objective for the 2014 fiscal year by position of the Named Executive officer:

Position	Target Bonus as a % of base salary (i)	Percentage of financial objective achieved (ii)	Weighting of objective achieved as a % of base salary (1) (i) X (ii)
President and Chief Executive Officer	70%	117%	81.90%
Senior Vice-President	42%	117%	49.14%

(1) The weighting of the objective achieved as a percentage of base salary is capped at the maximum percentage of base salary allowed for the financial objective bonus, namely 105% for the President and Chief Executive Officer and 62% for the Senior Vice-Presidents.

Individual objectives of the Named Executive Officers

Regarding the portion of the bonus that is tied to achievement of specific individual objectives, those objectives are established at the beginning of the fiscal year, upon the recommendation of the President and Chief Executive Officer (or the Board of Directors, for the President and Chief Executive Officer). The level of achievement of these objectives is measured at year-end, on the basis of the percentages previously allocated to the different objectives. In keeping with the Corporation's risk management principles, the individual objectives established must not, at any time, encourage or cause such Executive Officer to take actions or make decisions that could constitute a risk for the Corporation.

In general, the objectives should reflect the main attributes for the position and the current and future needs of the Corporation in line with the business plan, as well as, if applicable, any progress to be achieved in terms of personal development. There is no maximum to the number of objectives that may be fixed, provided they are achievable given the nature of the task to be accomplished. The results to be achieved should be realistic given the time involved, resources and other duties which must be performed.

The bonus paid to the Named Executive Officers in relation to the individual objectives is calculated using the following formula:

Base salary x target bonus as a % of base salary X percentage of individual objectives achieved

The percentage of base salary represented by the target bonus paid in relation to the individual objectives is 30% for the President and Chief Executive Officer and 18% for the Senior Vice-Presidents. The achievement of the each individual objective of each Named Executive Officer is quantified when performance is assessed and the percentage of the individual objectives achieved is the sum of the percentages achieved for the respective objectives on the basis of the following parameters:

	Percentage to be applied to the weighting of the objective
Objective met within the time limit	100%
Objective partially met or met after the time limit provided	1 to 99%
Objective not at all met	0%

Assessment and total short-term incentive compensation paid to the Named Executive Officers

The Board of Directors has assessed the performance of the President and Chief Executive Officer, Mr. François J. Coutu, with respect to his individual objectives for the 2014 fiscal year. These objectives were related to development and strategic planning projects, including the building of a new distribution centre. The Board of

Directors has determined that the objectives of the President and Chief Executive Officer have been satisfactorily met. Based on the achievement of the Corporation's financial objective and the assessment of his individual performance, a total bonus of $1,026,095 has been paid to the President and Chief Executive Officer for the 2014 fiscal year.

The President and Chief Executive Officer has assessed the performance of the Senior Vice-President, Finance and Corporate Affairs, Mr. André Belzile, with respect to his individual objectives for the 2014 fiscal year. These objectives were related to financial planning of operations, corporate finance matters and the project for a new distribution centre. It has been determined that Mr. Belzile's objectives have been satisfactorily met. In light of the achievement of the Corporation's financial objective and the assessment of his individual performance, a total bonus of $298,786 has been paid to Mr. Belzile for the 2014 fiscal year.

The President and Chief Executive Officer has assessed the performance of the Senior Vice-President, Purchasing and Marketing, Mr. Alain Lafortune, with respect to his individual objectives for the 2014 fiscal year. These objectives were related to revenue improvement, market releases, merchandizing, marketing and inventory management. It has been determined that Mr. Lafortune's objectives have been satisfactorily met. In light of the achievement of the Corporation's financial objective and the assessment of his individual performance, a total bonus of $260,280 has been paid to Mr. Lafortune for the 2014 fiscal year.

The President and Chief Executive Officer has assessed the performance of the Senior Vice-President, Network Operations, Mr. Normand Messier, with respect to his individual objectives for the 2014 fiscal year. These objectives were related to managing real estate operations and maintaining relations with the franchisees. It has been determined that Mr. Messier's objectives have been satisfactorily met. In light of the achievement of the Corporation's financial objective and the assessment of his individual performance, a total bonus of $259,159 has been to Mr. Messier for the 2014 fiscal year.

The President and Chief Executive Officer has assessed the performance of the Senior Vice-President, Pharmacy and Government Affairs, Mr. Richard Mayrand, with respect to his individual objectives for the 2014 fiscal year. These objectives were related to enhancing the customer experience and managing files relating to the practice of pharmacy. It has been determined that Mr. Mayrand's objectives have been satisfactorily met. In light of the achievement of the Corporation's financial objective and the assessment of his individual performance, a total bonus of $240,983 has been paid to Mr. Mayrand for the 2014 fiscal year.

Payment

Since fiscal 2013, bonuses have been paid after the end of the fiscal year (in a single payment), after being determined based on the OIBA achieved and adjusted at the end of the said year and the assessment by the immediate superior of the level at which the individual objectives have been achieved.

3) Long-term incentive compensation

Stock Options

In 1995, the Corporation established a fixed price Stock Option Plan for the officers and employees of the Corporation and its subsidiaries (the "**Stock Option Plan**") in order to, in particular, (i) align incentives for Executive Officers with the interests of shareholders, (ii) encourage share ownership and (ii) encourage the Corporation's long-term growth.

Under the Stock Option Plan, participants are granted options that can be exercised to purchase Subordinate Voting Shares on payment of the subscription price. The options may be exercised cashless if the Executive Officer chooses to sell his or her shares underlying the exercised options.

No optionee may hold options to purchase more than 5% of the number of shares issued and outstanding of the Corporation and the number of shares which can be issued (or reserved for the purposes of issuance) to insiders under any share-based remuneration arrangement may not at any time exceed 10% of the number of issued and outstanding shares. In addition, the number of shares issued to insiders under any shares based compensation arrangement over a period of one year may not exceed 10 % of the issued and outstanding shares.

If a change of control of the Corporation was proposed, the Board of Directors could decide how would be treated all options granted under the Stock Option Plan and not already acquired, including requiring the acceleration of the period of time for the acquisition of such options by the optionees.

The level of the grant varies based on the position held by the Executive Officer. The Committee may also take into account the performance, level of responsibility and individual contribution of an Executive Officer, as well as previous years' awards. Grants are established within a range representing between zero and one time the base salary for Senior Vice-Presidents who are Named Executive Officers.

The Board of Directors, upon recommendation of the Human Resources and Compensation Committee, manages the Stock Option Plan, designates the optionees and updates a policy which sets the amount of shares covered by each option. The Board is also responsible for determining the vesting date and related rights, and establishing the exercise price, the expiration date and any other terms and conditions relating to each option, as the case may be, in conformity with the applicable securities legislation.

Unless otherwise determined by the Board of Directors, upon recommendation of the Human Resources and Compensation Committee, options terminate upon the earlier of the following dates :

1) The date established by the Board of Directors;
2) 60 days following the date on which (i) the optionee resigns or voluntarily leaves his/her employment with the Corporation or one of its subsidiaries, or (ii) retires and has not yet accumulated five years of continuous service with the Corporation or one of its subsidiaries at the time of retirement;
3) the date of termination of the optionee's employment for just cause;
4) six months following the date on which the optionee's employment with the Corporation or one of its subsidiaries, as the case may be, is terminated for any other reason or cause, including death, disability, illness, or where the optionee retires and has accumulated at least five years of continuous service with the Corporation or one of its subsidiaries at the time of retirement.

The Stock Option Plan further provides that the options may not be assigned, encumbered, pledged, transferred or disposed of in any way other than by will or in accordance with succession law.

The Stock Option Plan provides that the Directors may, upon recommendation of the Human Resources and Compensation Committee, amend the Stock Option Plan in whole or in part, provided that any change regarding: (i) increasing the maximum number of shares that can be authorized pursuant the Stock Option Plan, (ii) reducing the subscription price of an option, (iii) extending the term of an option or (iv) change to reduce the period permitted to exercise options previously granted, other than for the options under the offers for shares of the Stock Option Plan, must be approved by holders of a majority of the shares in question. Therefore, the directors may, upon receipt of regulatory approvals required if any, in their sole discretion, make any other changes to the Stock Option Plan which is not provided above. Without limiting the generality of the foregoing, the directors could: (i) amend the Stock Option Plan in any administrative or clerical way or in order to clarify a provision, (ii) amend the terms for the exercise of the options, (iii) amend the conditions governing the cancellation of options, that is to say in case of termination of employment, disability, death or retirement and (iv) terminate the Stock Option Plan.

The Stock Option Plan is periodically reviewed by the Committee to ensure it meets the Corporation's objectives. In 2012, in connection with the overall review of executive compensation, the Board of Directors approved a new version of the plan for officers of the Corporation, which has been in effect since January 1, 2012.

The rights and obligations of the Corporation and its Executive Officers with regard to the granting of stock options, as well as the conditions relating to the exercise thereof, are more fully described in the table below and in the letter given to each Executive Officer with the annual grant of stock options.

The table below shows the main terms and conditions that apply to the Stock Option Plan:

Elements	General terms and conditions of the Stock Option Plans
Subject shares	The number of shares issuable under the Stock Option Plan may not exceed 10,000,000 shares of the Corporation
Vesting criteria	Be an executive officer and not be a member of the significant shareholder's family
Grant date	Set in advance by the Committee on an annual basis (usually in December)
Term	• Options granted before January 1, 2012: 10 years (maximum period under the Stock Option Plan) • Options granted since January 1, 2012: 7 years (period determined by the Board of Directors)
Vesting type	• Options granted before January 1, 2012: in annual blocks of 20% each[(1)] • Options granted since January 1, 2012: in annual blocks of 25% each[(1)]

Elements	General terms and conditions of the Stock Option Plans
Price at grant(2)	Cannot be lower than the average volume-weighted price of the shares on the Toronto Stock Exchange for the five trading days immediately preceding the option grant date(3)
Number	Equal to the following: Base salary / average weighted price of the shares on the Toronto Stock Exchange for the five trading days immediately preceding the option grant date(4)

(1) The first block may be exercised as of the grant date.
(2) The Corporation does not re-price or replace the options if the share price decreases after the grant date.
(3) The options may be exercised cashless if the Executive Officer chooses to sell his or her shares underlying the exercised options.
(4) The number of options to be issued is subject to the range provided for in the Policy. In order to ensure that the Executive Officers do not receive a greater number of options than under the previous annual grant due solely to a decrease in the Corporation's share price, the share price used to determine the number of options to be issued cannot be less than the share price used for the previous annual option grant.

Since the inception of the Stock Option Plan, the Board of Directors of the Corporation has granted, taking into account subdivisions, a total of 9,879,547 options, 2,082,354 of which have been cancelled, 7,221,811 of which have been exercised and 575,382 of which are still outstanding. The stock options granted pertain solely to Subordinate Voting Shares and represent less than 5% of the total outstanding shares

During the 2014 fiscal year, a total of 144,540 stock options with an exercise price of $18.60 were awarded to a total of eleven participants in the Stock Option Plan. These option awards represent 0.08% of the total outstanding shares of the Corporation as of April 29, 2014.

Approval of the Adjustment of the Subscription Price of Options Issued under the Stock Option Plan

On October 8, 2013, the Board of Directors of the Corporation declared a special cash dividend of $0.50 per Class "A" Subordinate Voting Share and Class "B" Share (multiple voting) (the "**Special Dividend**"). The special dividend was paid on December 2, 2013 to all shareholders of the Corporation on record on November 25, 2013 (the "**Record Date for the Purposes of the Special Dividend**").

Under the Stock Option Plan, no dividend shall be paid in securities or otherwise to the optionees when cash dividends such as the special dividend are paid on the Corporation's shares, even though the value of their options may be affected by such dividends.

To compensate the optionees for the loss in value suffered owing to payment of the special dividend, the Board of Directors approved, on October 8, 2013, on the recommendation of the Committee, subject to the approval of the Toronto Stock Exchange and the approval of the Adjustment Resolution (as defined below) in the manner described herein, an adjustment (the "**Adjustment**") of the subscription price (the "**Adjusted Subscription Price**") of stock options held by Executive Officers of the Corporation at the record date for purposes of the special dividend (i.e. November 25, 2013) (the "**Adjusted Options**") in order for the subscription price of each Adjusted Option to be decreased by an amount equal to $0.17 (the "**Adjustment Amount**"), the whole effective at the beginning of the day of November 21, 2013 (the "**Effective time**"). The adjustment applies to 877,154 options, 95.7 % of which have been awarded to reporting insiders.

The Toronto Stock Exchange has conditionally approved the adjustment, subject to the approval of the Adjustment Resolution at the Meeting in the manner described herein, and provided the Adjustment Amount is equal to the lesser of the following values: (i) the amount of the Special Dividend declared per share ($0.50), and (ii) the difference between (a) the average volume-weighted price of the Class "A" Subordinate Voting Shares on the Toronto Stock Exchange for the five (5) day period ending immediately before the beginning of ex-distribution trading in the shares, i.e. two trading days before the Record Date for the Purposes of the Special Dividend (in this case, November 21, 2013) (the "**Ex-distribution Date**") and (b) the average volume-weighted price of the Class "A" Subordinate Voting Shares on the Toronto Stock Exchange for the five (5) day period commencing on the Ex-distribution Date. The average volume-weighted price of the Class "A" Subordinate Voting Shares on the Toronto Stock Exchange for the five (5) day period ending immediately before November 21, 2013 was $18.4420, and the average volume-weighted price of the Class "A" Subordinate Voting Shares on the Toronto Stock Exchange for the five (5) day period commencing on the Ex-distribution Date was $18.2755, meaning that the Adjustment Amount was set at $0.17.

Under the rules of the Toronto Stock Exchange, the Adjustment must be approved by means of a resolution passed by simple majority of the votes cast by the holders of Class "A" Subordinate Voting Shares and Class "B" Shares of the Corporation present and voting in person or by proxy at the Meeting that, for the purposes of obtaining such approval, are authorized to vote on the basis of their respective residual equity interests in the Corporation (i.e. for the purposes of voting on the

Adjustment Resolution, the holders of Class "A" Subordinate Voting Shares and the holders of Class "B" shares shall all be entitled to one vote per share), excluding the votes of securities held directly or indirectly by "reporting insiders" of the Corporation, within the meaning of *Regulation 55-104 respecting Insider Reporting Requirements and Exemptions,* who have a direct or indirect equity interest in the Corporation and benefit directly or indirectly from the adjustment and the votes of associates or affiliates of such insiders (the "**Approval of the Disinterested Holders**").

As at April 29, 2014, the Reporting Insiders of the Corporation and associates or affiliates of such insiders did not hold any Class "B" Shares and held a total of 54,550 Class "A" Subordinate Voting Shares, representing 0.06% of the Class "A" Subordinate Voting Shares issued and outstanding, for a residual equity interest of 0.0003% in the Corporation. Consequently, the votes of the securities held by them will be excluded for the purposes of obtaining the Approval of the Disinterested Holders.

Pursuant to the terms of the Stock Option Plan, no Class "A" Subordinate Voting Share may be issued under the amended terms of the Adjusted Options before the Adjustment Resolution has been approved at the Meeting. Consequently, any holder of Adjusted Options exercising an Adjusted Option as of the Effective Time, but before the Approval of the Disinterested Holders, if applicable, shall pay the full subscription price for the Adjusted Options, it being understood that further to the Approval of the Disinterested Holders, if applicable, the subscription price of the Adjusted Options will be adjusted retroactively and such holders will receive from the Corporation, for each adjusted option so exercised, as a retroactive subscription price adjustment, a payment corresponding to the adjustment, the whole without interest. Any holder of Adjusted Options exercising an Adjusted Option after the Approval of the Disinterested Holders, if applicable, may pay the Adjusted Subscription Price in respect of such option.

At the Meeting, the shareholders will be asked to examine and, if they deem fit, pass a resolution substantially in the form reproduced below (the "**Adjustment Resolution**") approving, ratifying and confirming the Adjustment:

> **"BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS OF THE CORPORATION THAT:**
>
> 1. a downward adjustment (the "**Adjustment**") of the subscription price of the stock options held by the Executive Officers of The Jean Coutu Group Inc. ("**Corporation**") on the Record Date for the Purposes of the Special Dividend declared on October 8, 2013 by the Board of Directors of the Corporation (namely, November 25, 2013) (the "**Adjusted Options**"), by an amount of $0.17 per Adjusted Option (the "A**djustment Amount**"), substantially in the manner described in this Circular, be hereby approved, ratified and confirmed, so that the subscription price of each Adjusted Option is decreased by an amount equal to the Adjustment Amount (the "**Adjusted Subscription Price**");
>
> 2. the beginning of the day of November 21, 2013 be, and it is hereby approved, ratified and confirmed as being, the exact effective time of the adjustment (the "**Effective Time**");
>
> 3. the Corporation be, and it is hereby, authorized to provide to any holder of Adjusted Options who has exercised an Adjusted Option as of the Effective Time but before the Meeting is adjourned, for each Adjusted Option so exercised, as a retroactive adjustment of the subscription price, a cash payment in the Adjustment Amount, the whole without interest;
>
> 4. any holder of Adjusted Option exercising an Adjusted Option as of the adjournment of the Meeting, if applicable, may pay the Adjusted Subscription Price with respect of such option; and
>
> 5. any Director or executive officer of the Corporation be authorized and instructed, and each of them is hereby authorized and instructed, on behalf and in the name of the Corporation, to sign and deliver, or to cause to be signed and delivered, all documents and to do or cause to be done all things that such Director or such executive officer deems necessary or desirable to give effect to this resolution."

To take effect, the Adjustment Resolution must be approved by the disinterested holders.

The Board of Directors believes that the Adjustment Resolution is in the best interests of the Corporation and therefore recommends that the shareholders vote in favour of the Adjustment Resolution. It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote the proxy IN FAVOUR of the Adjustment Resolution at the Meeting.

Information Regarding the Equity Compensation Plan

The following table summarizes, as of March 1, 2014, the compensation plans pursuant to which equity securities of the Corporation may be issued.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) [1]
Equity Compensation Plan approved by securityholders	575,382 (or 0.68% of the number of Subordinate Voting Shares)	$14.76	2,202,807 (or 2.58% of the number of Subordinate Voting Shares)

(1) At the annual general meeting of the shareholders of the Corporation held on July 10, 2012, the shareholders approved an increase in the number of subordinate voting shares of the Corporation that may be issued under the Stock Option Plan from 8,000,000 to 10,000,000 shares.

During the fiscal year ended on March 3, 2012, the Corporation established a Performance-based Share Plan. The applicable regulations in that regard do not require that this plan be approved by the shareholders. Its terms are described on page 32 of this Circular. No equity securities of the Corporation may be issued under this plan.

Stock Appreciation Rights Plan

On April 28, 2008, the Board of Directors of the Corporation, upon the recommendation of the Committee, approved a stock appreciation rights plan (the "**SAR Plan**"), amended by the Board of Directors on January 1, 2012. The SAR Plan is intended for the Executive Officers who are members of the significant shareholder's family.

Among the Named Executive Officers, only the President and Chief Executive Officer is entitled to SARs. In accordance with the Policy, the grant must be established within a range representing between zero and two times his base salary.

The SAR Plan allows eligible Executive Officers to receive, at the time of exercising the SARs, an amount in cash equal to the difference between the fair market value of a subordinate class "A" voting share of the Corporation and the value, at the date of registration, of the right, multiplied by the number of SARs granted.

Under the SAR Plan, no dividend is credited or paid, in any form whatsoever, to holders of SARs when cash dividends such as the $0.50 Special Dividend paid by the Corporation on December 2, 2013, are paid on shares of the Corporation, even though the value of the SARs is affected by such dividends. To compensate the holders of SARs for the loss in value suffered owing to the payment of the Special Dividend, on October 8, 2013, the Board of Directors of the Corporation, upon the recommendation of the Human Resources and Compensation Committee, approved a resolution under which, to the extent that an adjustment is made to the subscription price of the options issued under the Stock Option Plan, an identical adjustment shall be made to the registered price of the SARs held by Executive Officers on November 21, 2013.

The rights and obligations of the Corporation and its Executive Officers with respect to the granting of SARs, and the terms and conditions relating to the vesting of such SARs, are set out in the SAR Plan and in the SAR grant agreement delivered to each Executive Officer with the annual grant of SARs.

The number of SARs granted to the Executive Officers is determined, within the range provided for in the Policy, by dividing their base salary as of the date of the grant by the average volume-weighted price of the shares of the Corporation on the Toronto Stock Exchange for the five trading days immediately preceding the date the rights were granted. In order to ensure that Executive Officers do not receive a greater number of SARs than under the previous annual grant owing solely to a decrease in the Corporation's share price, the share price used to determine the number of SARs to be issued cannot be less than the share price used when SARs for the preceding year were granted.

Finally, the SAR Plan provides that if a change of control is proposed, the Board of Directors may, to the extent that it deems necessary or fair to do so and at its full discretion, decide how the SARs awarded under the SAR Plan and not vested shall be dealt with; for example, the Board of Directors may, in particular, require that the said SARs be vested at an earlier date and that the time period given to fulfill any conditions or restrictions related to such vesting be shortened.

The following table sets out the relevant details of the SARs granted to the President and Chief Executive Officer that were outstanding at any time during the fiscal year 2014:

Date of grant	Number of SARs granted (1)	Vesting date	Expiry date	Vesting as of March 1st, 2014
January 20, 2010	83,872	January 20, 2013 (2)	December 31, 2013 (3)	15% threshold reached
January 19, 2011	86,136	January 19, 2014 (2)	December 31, 2014 (4)	15% threshold reached
January 18, 2012	134,250	January 18, 2015	December 31, 2015 (5)	Threshold to be determined on the date of vesting(8)
January 18, 2013	121,410	January 18, 2016	December 31, 2016 (6)	Threshold to be determined on the date of vesting(8)
January 17, 2014	100,610	January 17, 2017	December 31, 2017 (7)	Threshold to be determined on the date of vesting(8)

(1) The following table illustrates how the number of SARs granted is calculated:

Date of grant	Base salary on date of grant	Grant level according to base salary	Weighted average share price (exercise price)	Number of SARs granted
January 20, 2010	$842,070	100%	$10.04	83,872
January 19, 2011	$864,806	100%	$9.31	86,136
January 18, 2012	$888,588	200%	$13.24	134,250
January 18, 2013	$913,025	200%	$15.04	121,410
January 17, 2014	$935,850	200%	$18.60	100,610

(2) The SARs granted as of January 20, 2010 and January 19, 2011 could be vested and exercised in full if one of the rates of increase in the Corporation's share price during the vesting period was reached and maintained for five consecutive trading days, as determined based on the average volume-weighted share price on the Toronto Stock Exchange during those five days and, if applicable, based on the corresponding vesting percentage.

(3) On the vesting date, i.e. January 20, 2013, the annualized rate of increase in the share price of 15% was reached. Therefore, 200% of these SARs vested and were exercised on November 29, 2013. Before tax deductions, the President and Chief Executive Officer received $1,363,759 further to such exercise.

(4) At the acquisition date, i.e. January 19, 2014, the annualized rate of increase in the share price of 15% was reached. Therefore, 200% of these SARs were acquired and could be exercised by December 31, 2014.

(5) These SARs will be vested and exercisable in full from the expiry date of the vesting period if the performance objectives described below are reached and, if applicable, based on the corresponding vesting percentage. The vesting of these SARs is based on the performance ranges of the following two financial measures, the results of which have equal weighting when determining the vesting percentage:

I. The TSR (Total Shareholder Return) relative to a peer group. For the purposes of the vesting, the reference TSR is based on the average TSR over a period of five consecutive days during the 90 days preceding the vesting date. The period of five consecutive days used for comparison with the peer group is that where the Corporation's TSR is highest when compared to its peers. The TSR for a given year is calculated on the basis of the following formula: (dividends paid on the share + Δ share price between the end and the beginning of the year)/share price at the beginning of the year.

II. The growth rate of the earnings per share (EPS) (EPSG) in relation to fixed targets, calculated on the basis of the following formula: EPSG2012-2015 = (EPS2012 + EPS2013 + EPS2014) / (3 x EPS2011) - 1. The EPS will be adjusted based on certain non-recurring and non-operating items over which the Executive Officers have no direction, such as gains or losses on investments, unusual income tax adjustments or changes in the issued and outstanding capital stock of the Corporation.

	Performance range (i)		
	SAR vesting	50% of the TSR-related grant vs a peer group (ii)	50% of the EPSG-related grant vs a fixed target
Minimum	0% of SARs granted are vested if	≤ 25th percentile	< 0%
Threshold	50% of SARs granted are vested if	= median (50th percentile)	= 8%
Target	100% of SARs granted are vested if	= 75th percentile	= 16%
Maximum	200% of SARs granted are vested if	≥ 90th percentile	≥ 24%

(i) There is interpolation between the performance levels, if applicable. As a result, where the actual performance is between two performance levels provided in the scale, the SARs are vested on a pro rata basis (or gradually) between those levels.

(ii) The peer group comprises the companies that make up the comparison group of the Corporation for the purposes of a comparative analysis of compensation.

(6) These SARs will be vested and exercisable in full from the expiry date of the vesting period if the performance objectives established on the same *basis as those for the January 18, 2012 grant are reached, except for the formula to calculate the growth rate of the earnings per share, which will* be as follows: EPSG2013-2016 = (EPS2013 + EPS2014 + EPS2015) / (3 x EPS2012) - 1.

(7) These SARs will be vested and exercisable in full from the expiry date of the vesting period if the performance objectives established on the same basis as those for the January 18, 2012 grant are reached, except for the formula to calculate the growth rate of the earnings per share, which will be as follows: EPSG2014-2017 = (EPS2014 + EPS2015 + EPS2016) / (3 x EPS2013) – 1 and except for EPSG-related targets versus a fixed target, which are as follows:

	50% of the EPSG-related grant vs a fixed target
Minimum	< 0%
Threshold	= 2.5%
Target	= 5%
Maximum	≥ 10%

(8) The Corporation is not presenting any estimate of the actual vesting rate for SARs granted on this date because such estimate would involve the use of forward-looking information or information that is not known to the Corporation at this time of the vesting period of these SARs. The summary compensation table on page 35 of this Circular includes an estimate of the value of the SARs awarded to the President and Chief Executive Officer.

Performance-based Share Plan

In accordance with the Policy, a performance-based share plan ("**PBS**") (the "**PBS Plan**") was implemented on January 1, 2012 for Executive Officers. The purpose of the Plan, which is for the benefit of the Named Executive Officers, save and except for the President and Chief Executive Officer, is to compensate the Corporation's Executive Officers for their contribution to the creation of economic value for the Corporation and its shareholders.

Henceforth, the Board of Directors may grant shares annually, upon the Committee's recommendation, with the shares grants expressed as a percentage of the annual base salary and based on the average weighted price of the Corporation's shares on the Toronto Stock Exchange for the five days preceding the date of the grant.

The level of the grant varies depending on the position held by the Executive Officer. Grants are established within a range representing between 0 and a 0.25 times the base salary for Senior Vice-Presidents who are Named Executive Officers. In determining the grant criteria it recommends, the Committee may take into account the performance of an Executive Officer, his or her level of responsibility and individual contribution, and previous years' awards.

The PBSs are vested in full as at the expiry of the vesting period if the Corporation's performance objectives described below are achieved and, if applicable, based on the relevant vesting percentage.

Dividends are credited in shares to the PBS holder's account where cash dividends are paid on the Corporation's shares.

The PBSs vest based on the performance ranges of the following two financial measures, the results of which have equal weighting in the determination of the vesting percentage:

I. The TSR (*Total Shareholder Return*) relative to a peer group. For the purposes of vesting, the reference TSR is established based on the average TSR over a period of five consecutive days during the 90 days preceding the vesting date. The period of five consecutive days used for comparison with the peer group is that where the Corporation's TSR is highest when compared to its peers. The TSR for a given year is calculated on the basis of the following formula: (dividends paid on the share + Δ share price between the end and the beginning of the year)/share price at the beginning of the year.

II. The growth rate of the earnings per share (EPS) (EPSG) in relation to fixed targets, calculated on the basis of the following formula for the 2012 fiscal year: $EPSG_{2012\text{-}2015} = (EPS_{2012} + EPS_{2013} + EPS_{2014}) / (3 \times EPS_{2011}) - 1$; and on the basis of the following formula for the 2013 fiscal year: $EPSG_{2013\text{-}2016} = (EPS_{2013} + EPS_{2014} + EPS_{2015}) / (3 \times EPS_{2012}) - 1$; and the formula for the 2014 fiscal year: $EPSG_{2014\text{-}2017} = (EPS_{2014} + EPS_{2015} + EPS_{2016}) / (3 \times EPS_{2013}) - 1$. The EPS will be adjusted based on certain non-recurring and non-operating items over which the Executive Officers have no control, such as gains or losses on investments, unusual income tax adjustments or changes in the issued and outstanding capital stock of the Corporation.

	Performance range (i)		
	PBS vesting	50% of the TSR-related grant vs a peer group (ii)	50% of the EPSG-related grant vs a fixed target (iii)
Minimum	0% of PBSs granted are vested if	≤ 25th percentile	< 0%
Threshold	50% of PBSs granted are vested if	= median (50th percentile)	= 8%
Target	100% of PBSs granted are vested if	= 75th percentile	= 16%
Maximum	150% of PBSs granted are vested if	≥ 90th percentile	≥ 24%

(i) There is interpolation between the performance levels, if applicable. As a result, where the actual performance is between two performance levels provided in the scale, the PBSs are vested on a pro-rata basis (or gradually) between the two levels.

(ii) The peer group comprises the companies that make up the comparison group of the Corporation for purposes of the comparative compensation analysis.

(iii) The EPSG-related targets versus a fixed target are as follows for the grant for the 2014 fiscal year:

	50% of the EPSG-related grant vs a fixed target
Minimum	< 0%
Threshold	= 2.5%
Target	= 5%
Maximum	≥ 10%

The rights and obligations of the Corporation and its Executive Officers with respect to the granting of PBSs, as well as the conditions relating to the vesting of these PBSs, are set out in the PBS Plan and in the grant agreement delivered to each Executive Officer with the annual grant of PBSs.

The number of PBSs granted to each Executive Officer is determined, within the range provided for in the Policy, by dividing base salary as of the date of the grant by the volume-weighted average price of the shares of the Corporation on the Toronto Stock Exchange for the five trading days immediately preceding the date the PBSs were granted. In order to avoid that the Executive Officers receive a greater number of PBSs than under the previous annual grant due solely to a decrease in the Corporation's share price, the share price used to determine the number of PBSs to be issued cannot be less than the share price used when PBSs for the preceding year were granted.

During the 2012 fiscal year, 50,510 PBSs were granted to a total of eleven participants in the PBS Plan. The PBSs granted represent 0.02% of the total outstanding shares of the Corporation as of May 2, 2012. During the 2013 fiscal year, 51,150 PBSs were granted to a total of twelve participants in the PBS Plan. The PBSs granted represent 0.02% of the total outstanding shares of the Corporation as of April 30, 2013. During the 2014 fiscal year, 37,940 PBSs were granted to a total of eleven participants. The PBSs granted represent 0.02% of the total outstanding shares of the Corporation as of April 29,2014.

The PBSs granted during the 2012 fiscal year mature on January 18, 2015; those granted during the 2013 fiscal year, on January 18, 2016; and those granted during the 2014 fiscal year, on January 17, 2017. The PBSs that are not vested by then will be cancelled.

The Corporation is not presenting any estimate of the actual vesting rate for PBSs granted on the date hereof because such estimate would involve the use of forward-looking information or information that is not known to the Corporation at this time. The summary compensation table on page 35 of this Circular includes an estimate of the value of the PBSs awarded to the Named Executive Officers.

At the time the PBSs were granted in 2012 and 2013, a number of shares equal to 150% of the shares that may be granted to the holders of PBSs if they are vested were purchased on the secondary market. In 2014, a number of shares equal to 100% of the shares were purchased. The purchased shares are held in a trust fund set up pursuant to a trust agreement entered into on January 6, 2012, between the Corporation and Computershare Trust Company of Canada. Year after year, the number of shares held in trust will be adjusted where the trust is composed of shares that cannot and will not be vested under a PBS agreement due to an individual ceasing to be eligible or the expiry of the PBS because the performance objectives set out in the PBS agreement have not been met or for another reason. Moreover, additional shares are purchased on a regular basis in order to reflect the number of additional shares that may be granted to the holders of PBSs in connection with the payment of cash dividends on the Corporation's shares.

No equity securities of the Corporation may be issued under this plan.

4) Defined Benefit Retirement Plans

The Corporation offers its Named Executive Officers two defined benefit pension plans funded entirely by the Corporation.

Firstly, a base pension plan (the "**Registered Base Pension Plan**") set up on January 1, 2000 covering the years of service as of such date pursuant to which the maximum pension payable is determined by the *Income Tax Act* (Canada).

Secondly, a supplemental pension plan which covers the excess salary over the maximum salary allowed for tax purposes under the Registered Base Pension Plan.

In accordance with these plans, the Executive Officers designated therein are entitled to a life annuity at retirement, the amount of which is calculated as follows:

- for each year of service after January 1, 2000, the equivalent of 2% of the average salary of the best three consecutive years; and
- for each year of service prior to January 1, 2000, the equivalent of 2% of the average salary of the best three consecutive years less $2,494 per year or any other greater amount specified by the Income Tax Act (Canada) as being the defined benefit limit during the year of retirement of the Executive Officer.

For Mr. François J. Coutu, a separate basic retirement plan was created in 2009, further to which the payable annuity is limited to the maximum annuity determined by the *Income Tax Act* (Canada). Furthermore, based on tax limitations applicable to registered basic plans, only the years of service of Mr. François J. Coutu subsequent to January 1, 1991 were recognized pursuant to this plan.

For the calculation of the life annuity, the years of service may not exceed 35 years. The life annuity granted by the plan is payable without reduction provided the Executive Officer is 60 years old or has 35 years of service and the death benefit after retirement is a 60% life annuity reversible to the spouse or, in the absence of an eligible spouse, a guarantee of the balance of 120 payments to the beneficiaries of the Executive Officer.

For a tabular analysis of these plans, see the table entitled "**Defined Benefits Plan Table**".

5) Other Benefits

The Executive Officers benefit from a group insurance plan which includes life insurance, long-term disability insurance and medical and dental insurance for which the Corporation pays the entire premium. They are also entitled to an annual medical check-up. The Corporation also provides them with an automobile, the type of which depends on their position in the Corporation.

Share Ownership Guidelines for Executive Officers

As of January 1, 2012, the members of the Board of Directors implemented guidelines for the purpose of encouraging Executive Officers to invest in the Corporation by asking them to hold a certain number of shares so as to:

- align the interests of Executive Officers with those of shareholders;
- ensure that Executive Officers bear the same risk as shareholders;
- ensure that Executive Officers are aligned with long-term value for shareholders; and
- increase Executive Officers' commitment towards the Corporation's future.

These guidelines do not apply to Executive Officers who are members of the significant shareholder's family because, in accordance with the Policy, such executives cannot hold shares in the Corporation.

In accordance with such guidelines, each Senior Vice-President who is a Named Executive Officer must hold a number of shares equal to 1 ½ times his annual base salary.

The threshold for each Executive Officer is determined and confirmed annually by the Corporate Secretary of the Corporation on the date the salary increase is awarded. To that end, the value of the shares is determined based on the higher of: (i) the cost of acquiring the shares for the Executive Officer; and (ii) the closing price of the shares on the stock exchange on the trading day preceding the valuation day.

Until an Executive Officer to which the guidelines apply has reached the share ownership threshold, such executive must hold a number of shares the value of which equals 50% of the after-tax net gain realized in accordance with each of the long-term incentive plans from which he benefits. This rule does not apply to the options exercised by an Executive Officer if they were granted prior to January 1, 2012. The guidelines therefore do not provide for a minimum time limit within which Executive Officers must satisfy their obligation to hold shares, but it is expected that the share ownership threshold will be reached within a reasonable time while taking into account the obligation to hold shares at the time options or SARs are exercised.

Each Executive Officer must hold his minimum share ownership for as long as he holds a senior executive position within the Corporation.

Executive Officers are not authorized to use financial instruments of any type whatsoever to protect themselves from a decrease in the value of the shares they may eventually acquire under the Corporation's incentive plans or the shares they already hold.

The following table shows the extent to which the share ownership guidelines are respected in respect of the Named Executive Officers:

Name and position	Number of shares to be held for 2014 under the guidelines (1)	Number of shares held (2)
François J. Coutu President and Chief Executive Officer	None	n/a
André Belzile Senior Vice-President, Finance and Corporate Affairs	37,105	35,000
Alain Lafortune Senior Vice-President, Purchasing and Marketing	32,358	5,161
Normand Messier Senior Vice-President, Network Operations	32,358	5,500
Richard Mayrand Senior Vice-President, Pharmacy and Government Affairs	30,088	0

(1) The market price used is that of December 31, 2013, i.e. $18.41.
(2) The number of shares held is as of April 29, 2014.

Compensation of Named Executive Officers

SUMMARY COMPENSATION TABLE (1)

Name and position	Fiscal year	Salary	Share-based awards (2)	Option (3) /SAR (4)-based awards	Non-equity incentive plan compensation (annual incentive plans) (5)	Pension plan value (6)	Other compen-sation (7)	Total compensation
		($)	($)	($)	($)	($)	($)	($)
François J. Coutu President and Chief Executive Officer	2014	916,975	n/a	156,952	1,026,095	179,400	-	2,279,422
	2013	892,818	n/a	114,125	996,385	197,200	-	2,200,528
	2012	889,051	n/a	213,608	937,156	164,100	-	2,203,915
André Belzile Senior Vice-President, Finance and Corporate Affairs	2014	446,216	86,414	69,278	298,786	111,600	-	1,012,294
	2013	434,461	58,677	81,826	295,433	105,900	-	976,297
	2012	430,926	79,776	95,041	274,069	85,400	-	965,212
Alain Lafortune Senior Vice-President, Purchasing and Marketing	2014	389,127	75,401	60,421	260,280	78,800	-	864,029
	2013	378,876	51,134	71,355	255,590	81,400	-	838,355
	2012	375,793	69,523	82,906	237,201	70,700	-	836,123
Normand Messier Senior Vice-President, Network Operations	2014	389,127	75,401	60,421	259,159	114,600	-	898,708
	2013	378,876	51,134	71,355	256,272	86,100	-	843,737
	2012	375,793	69,523	82,906	239,004	99,500	-	866,726
Richard Mayrand Senior Vice-President, Pharmacy and Government Affairs	2014	361,836	70,035	56,176	240,983	87,000	-	816,030
	2013	346,090	47,561	66,342	234,095	120,500	-	814,588
	2012	334,386	63,273	75,427	211,065	113,000	-	797,151

(1) The 2012 fiscal year included 53 weeks.
(2) In comparison with the data presented in the 2012 Proxy Circular, the values of the awards for the 2012 fiscal year have been adjusted following changes made to the calculation method of the vesting criteria during the 2013 fiscal year. The values of the awards disclosed for the 2013 fiscal year take the same adjustments into account.

The fair value on the grant date indicates the value of PBSs granted during the fiscal year indicated and value is determined using the Monte Carlo model. This fair value does not differ from the fair value determined in accordance with International Financial Reporting Standards IFRS 2.
The following information represents the assumptions used to determine the value of the PBS price according to the Monte Carlo model:

	2014	2013	2012
Anticipated annual dividend	$0.34	$0.28	$0.24
Anticipated volatility	16.45%	17.02%	20.08%
Risk-free interest rate	1.19%	1.20%	1.02%
Anticipated term (years)	3	3	3

The Monte Carlo model is used because it allows the theoretical fair value of a PBS to be calculated using the share price, as well as the anticipated dividends, interest rates, time remaining before exercise and volatility. This model also allows for calculation, based on a multiple probabilities model, the expected level of achievement of a performance condition which affects the rate of acquisition of the PBS to be used to establish the value of the PBS.

(3) The fair value on the grant date indicates the value of options granted during the fiscal year indicated and value is determined using the Black-Scholes model. This fair value does not differ from the fair value determined in accordance with International Financial Reporting Standards IFRS 2.
The following information represents the assumptions used to determine the value of the stock option price according to the Black-Scholes model:

	2014	2013	2012
Anticipated annual dividend	1.85%	1.90%	1.92%
Anticipated volatility	19.68%	24.69%	29.75%
Risk-free interest rate	1.59%	1.29%	1.26%
Anticipated term (years)	5	5	5

The Black-Scholes model is used as it allows the theoretical fair value of an option to be calculated using the share price, as well as the anticipated dividends, interest rates, time remaining before exercise and volatility.

(4) In comparison with the data presented in the 2012 Proxy Circular, the values of the awards for the 2012 fiscal year have been adjusted following changes made to the calculation method of the vesting criteria during the 2013 fiscal year. The values of the awards disclosed for the 2013 fiscal year take the same adjustments into account.
For SARs granted to the President and Chief Executive Officer, the value was determined according to the Black-Scholes model including a performance adjustment according to the Monte Carlo model. The Black-Scholes model is used because it allows for calculating theoretical fair market value of SARs using share values, dividends, interest rates, time remaining prior to exercise and estimated volatility. The Corporation then adjusts fair market value of SARs based on the Monte Carlo model which allows for calculation, based on a multiple probabilities model, of the percentage of vesting of SARs to be used to assess fair market value of SARs granted.
The following data represents the assumptions used for the evaluation of the SAR price according to the Black-Scholes model:

	2014	2013	2012
Anticipated annual dividend	1.85%	1.90%	1.91%
Anticipated volatility	16.45%	17.02%	25.15%
Risk-free interest rate	1.19%	1.29%	1.05%
Anticipated term (years)	3.5	3.5	3.5

(5) This table reflects the bonus “earned” during the fiscal year without taking into account the fact that the bonus was “paid” prior to or after the end of the fiscal year.

(6) This column includes all compensation relating to defined benefit plans. These include service costs for the fiscal year and other compensatory items.

(7) As the total amount of other benefits (or bonuses) does not exceed the lesser of $50,000 or 10% of the base salary paid to each of the Named Executive Officers for the fiscal years indicated, this column has been left blank.

TABLE OF OPTIONS AND SARs EXERCISED DURING THE LAST FISCAL YEAR

(Nom)	Securities acquired on exercise (number)	Value realized ($)
François J. Coutu	83,872	1,363,759
André Belzile	226,150	1,563,886
Alain Lafortune	167,411	1,211,971
Normand Messier	94,511	432,484
Richard Mayrand	22,700	61,077

INCENTIVE PLAN AWARDS TABLE (OUTSTANDING SHARE- AND OPTION-BASED (OR SAR) AWARDS)								
	Share-based awards				Option-based awards/SARs			
Name	Non-vested share or share unit [1]	Market or payment value of non-vested- share-based awards [2]	Market or payment value of vested share-based awards (not paid or distributed) [3]	Vesting date	Securities underlying unexercised options/SARs [4]	Option/SAR exercise price	Option/SAR expiration date	Value of unexercised in-the-money options/ SARs [2] [5]
	(number)	($)	($)		(number)	($)		($)
François J. Coutu	n/a	n/a	n/a		172,272	9.31	Dec. 31, 2014	2,003,523
					67,125	13.24	Dec. 31, 2015	516,863
					60,705	15.04	Dec. 31, 2016	358,160
					50,305	18.60	Dec. 31, 2017	117,714
					350,407			**2,996,260**
André Belzile	4,085	85,540	n/a	Jan. 18, 2015	8,386	9.31	Jan. 19, 2021	97,529
	3,695	77,373	n/a	Jan. 18, 2016	32,660	13.24	Jan. 18, 2019	251,482
	3,060	64,076	n/a	Jan. 17, 2017	29,540	15.04	Jan. 18, 2020	174,286
					24,480	18.60	Jan. 17, 2021	57,283
	10,840	**226,989**			**95,066**			**580,580**
Alain Lafortune	3,560	74,546	n/a	Jan. 18, 2015	19,200	15.65	Oct. 26, 2014	101,568
	3,220	67,427	n/a	Jan. 18, 2016	8,768	14.92	Jan. 17, 2017	52,783
	2,670	55,910	n/a	Jan. 17, 2017	7,312	9.31	Jan. 19, 2021	85,039
					7,122	13.24	Jan. 18, 2019	54,839
					25,760	15.04	Jan. 18, 2020	151,984
					21,350	18.60	Jan. 17, 2021	49,959
	9,450	**197,883**			**89,512**			**496,172**
Normand Messier	3,560	74,546	n/a	Jan. 18, 2015	7,312	9.31	Jan. 19, 2021	85,039
	3,220	67,427	n/a	Jan. 18, 2016	28,490	13.24	Jan. 18, 2019	219,373
	2,670	55,910	n/a	Jan. 17, 2017	25,760	15.04	Jan. 18, 2020	151,984
					21,350	18.60	Jan. 17, 2021	49,959
	9,450	**197,883**			**82,912**			**506,355**
Richard Mayrand	3,240	67,847	n/a	Jan. 18, 2015	13,357	14.69	Jan. 18, 2016	83,481
	2,995	62,715	n/a	Jan. 18, 2016	13,520	14.92	Jan. 17, 2017	81,390
	2,480	51,931	n/a	Jan. 17, 2017	4,390	10.04	Jan. 20, 2020	47,851
					12,952	9.31	Jan. 19, 2021	150,632
					25,920	13.24	Jan. 18, 2019	199,584
					23,950	15.04	Jan. 18, 2020	141,305
					19,850	18.60	Jan. 17. 2021	46,449
	8,715	**182,493**			**113,939**			**750,692**

(1) Number of securities the Named Executive Officer may obtain based on the higher of the minimum or achieved financial performance objectives, where applicable, at the end of the 2014 fiscal year.

(2) This value is determined based on the number of securities the Named Executive Officer may obtain based on the higher of the minimum or achieved financial performance objectives, where applicable, at the end of the 2014 fiscal year.

(3) The PBSs granted have not yet reached the three-year vesting period.

(4) This number refers to SARs granted to the President and Chief Executive Officer and to the stock options granted to the other Executive Officers.

(5) The value of each option is equal to the closing price of the Corporation's Subordinate Voting Shares on March 1, 2014, less the option exercise price. The same methodology is used for the SARs granted to Mr. François J. Coutu.

INCENTIVE PLAN AWARDS TABLE (Value vested or earned during the year)			
Name	Share-based awards—value vested during the year (1)	Option/SAR-based awards—value vested during the year (2)	Non-equity incentive plan compensation—value earned during the year (3)
François J. Coutu	n/a	1,607,298	1,026,095
André Belzile	n/a	219,700	298,786
Alain Lafortune	n/a	191,600	260,280
Normand Messier	n/a	191,600	259,159
Richard Mayrand	n/a	155,028	240,983

(1) The PBSs granted have not yet reached the three-year vesting period.

(2) The value of the rights upon vesting is equal, for each option vested during the fiscal year, to the closing price of the Corporation's Subordinate Voting Shares on the vesting date less the exercise price of the option vested.

(3) Represents the amounts paid under the short-term incentive compensation.

DEFINED BENEFITS PLAN TABLE (1)								
Name	Years of credited service (2)		Annual benefits Vested (3)		Defined benefit obligation at beginning of year (5)	Compensa-tory change (6)	Non-compensa-tory change (7)	Defined benefit obligation at end of year (8)
	Basic plan	Supple-mental plan	At year end	At age 65(4)				
			($)	($)	($)	($)	($)	($)
François J. Coutu	23.2	33.2	544,200	690,200	8,310,000	179,400	1,037,400	9,526,800
André Belzile	9.8	9.8	74,500	268,700	1,100,800	111,600	167,400	1,379,800
Alain Lafortune	14.2	22.0	134,700	152,400	1,807,400	78,800	313,600	2,199,800
Normand Messier	12.4	23.6	133,400	133,400	2,176,600	114,600	206,100	2,497,300
Richard Mayrand	14.2	17.3	96,400	221,000	1,564,900	87,000	233,800	1,885,700

(1) The table shows the combined results of the basic plan and the supplemental plan.

(2) The years of credited service in the supplemental plan start from the date of appointment as Vice-President, while in the basic plan they start only on January 1, 1991 for Mr. François J. Coutu and on January 1, 2000 or the date of joining, if later, for the Vice-Presidents.
For Mr. Normand Messier, the total number of years of credited service (23.6 years) for the supplemental plan exceeds his actual number of years of service within the Corporation by six years (17.6 years). This difference results in an increase of $27,300 in the benefits payable at the end of the fiscal year.

(3) Based on the current salary and the service credited at the end of the fiscal year or at age 65, as the case may be.

(4) Normand Messier was 66.6 years old at the end of the fiscal year and the benefits payable were assessed on that date.

(5) The value of the obligation on March 2, 2013 has been discounted at an annual rate of 4.50%.

(6) Includes the value of the service credited for the period from March 2, 2013 to March 1, 2014, as well as any gain or loss resulting from a variation in the salary that is different from the one anticipated.

(7) Includes all variations of the obligation which are not compensatory, such as interest on the obligation for the period and the gains and losses associated with any change assumptions. The only change assumption as of March 1, 2014 is the changeover to the CPM2014-B mortality table. For the fiscal year, this change in mortality table increased the value of non-compensatory items of the Named Executive Officers as follows, which amounts are included in the amount disclosed in the table:

François J. Coutu	$675,500
André Belzile	$109,000
Alain Lafortune	$226,900
Normand Messier	$192,200
Richard Mayrand	$151,800

(8) The value of the obligation as at March 1, 2014 is discounted at an annual rate of 4.50%.

Other Post-Employment and Change of Control Benefits

The Corporation does not offer any post-retirement benefits other than benefits under the pension plans.

Furthermore, Messrs. François J. Coutu and André Belzile enjoy benefits in the event of termination of employment without cause or in cases of change of control. Pursuant to their respective agreements:

- In the event that the Corporation terminates the employment of Mr. François J. Coutu, except for cause, he will be entitled, as liquidated damages, to a lump sum amount equal to compensation received during his two most recent years of employment with the Corporation. Compensation shall include base compensation and short-term incentive compensation. Furthermore, in the event the employment of Mr. François J. Coutu is terminated as a result of any change of control of the Corporation, except for cause, he shall be entitled, as liquidated damages, to a lump sum amount equal to compensation received, as previously calculated, for the three most recent years of employment with the Corporation.

- In the event that the Corporation terminates the employment of Mr. André Belzile, except for good cause, he shall be entitled, as liquidated damages, to a lump sum amount equal to twice his base salary.

No terms and conditions, such as non-competition or confidentiality clauses, shall apply for the purpose of receiving such benefits.

The three remaining Named Executive Officers do not have contractual benefits in the event of termination of employment without good cause or of change of control.

See the following table for further information regarding payments, amounts payable and estimated supplemental benefits for the benefits which would be paid in the event of a termination of employment and change of control. These amounts were calculated as of March 1, 2014.

ESTIMATED BENEFITS IN THE EVENT OF TERMINATION OF EMPLOYMENT (1)

	Retirement	Voluntary departure	Termination of employment following a change of control	Termination of employment without good cause	Termination of employment for good cause
	($)	($)	($)	($)	($)
François J. Coutu	n/a	n/a	5,658,441	3,832,234	n/a
André Belzile	n/a	n/a	892,432	892,432	n/a
Alain Lafortune	n/a	n/a	n/a	n/a	n/a
Normand Messier	n/a	n/a	n/a	n/a	n/a
Richard Mayrand	n/a	n/a	n/a	n/a	n/a

(1) In the event their employment is terminated, the Named Executive Officers will also receive the pension benefits described in the "Annual benefits vested at end of year" column of the Defined Benefits Plan Table on page 38 of this Circular.

Rules of Conduct with Respect to the Trading of Corporation's Securities by Insiders

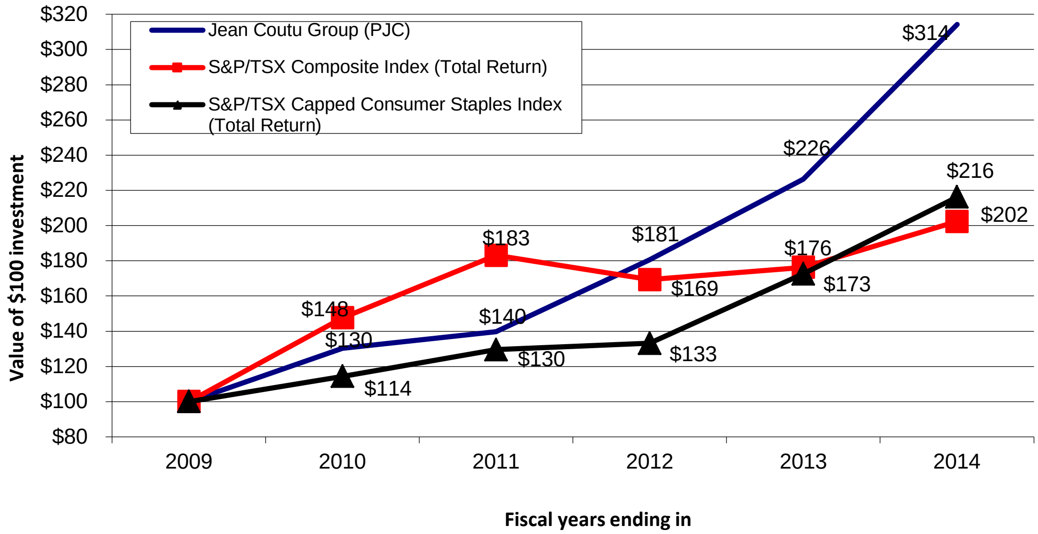
The rules of conduct related to the trading of Corporation securities by insiders provide that officers may trade Corporation securities solely during a predetermined period and may not trade such securities where they hold material confidential information. Furthermore, officers of the Corporation shall obtain approval of the Corporation prior to any operation involving Corporation shares in any circumstances.

Performance Based Compensation Analysis

The following graph compares the total cumulative return for $100 invested in the Subordinate Voting Shares on February 28, 2009 with the cumulative return of two indexes on the Toronto Stock Exchange for the last five fiscal years.

The year-end values of each investment are based on share appreciation plus dividends paid in cash, with the dividends reinvested on the date they were paid.

Annual performance of PCJ.A versus S&P/TSX Indices:
Fiscal years ending in 2009 through 2014



As described in the section entitled "**Components of Executive Compensation**," a portion of the compensation of the Named Executive Officers is related to variable components, the value of which is aligned with the Corporation's business plan and long-term shareholder interests.

During the five fiscal year period ending March 1st, 2014, the Corporation made business decisions that altered the Corporation's capital structure. While those decisions had major repercussions on the Corporation's performance, they were made with a view to sustainable long-term growth. The Committee is of the view that its executive compensation program fosters sustainable growth and compensates properly the performance level achieved for the current year and in the long term. The performance targets established by the Corporation are demanding in light of the adverse economic conditions during the period.

The following elements were considered in the analysis of the alignment between the compensation of the Named Executive Officers and long-term shareholder interests:

- Total compensation was used, excluding the value of the pension plans.
- Where applicable, the amounts of salary and bonus were reallocated to the fiscal years for which they were in fact earned.

The following table provides a comparison of the variation of the total return for shareholders of the Corporation with the compensation of the Named Executive Officers and the variation of the OIBA during the past five fiscal years.

	2010	2011	2012	2013	2014
Variation of total shareholder return (PJC.A) (%)	30	7	29	25	39
Total compensation of the Named Executive Officers (in millions of $) (excluding value of pension plans)	4.6	4.6	5.2	5.1	5.3
OIBA (in millions of $) (1)	268.8	290.5	311.2	323.0	334.5
Total compensation of the Named Executive Officers (excluding value of pension plans) as a percentage of OIBA (%)	1.7	1.6	1.7	1.6	1.6

(1) The OIBA is calculated in accordance with the Canadian Generally Accepted Accounting Principles prior to the application of the International Financial Reporting Standards for fiscal year 2010 and in accordance with International Financial Reporting Standards for the 2011 to 2014 fiscal years.

The above table shows changes in NEOs compensation compared to total shareholder return ("**TSR**"). Despite the difficult regulatory environment in which the Company has evolved over the past five years, the TSR was positive with an annual growth of between 7% and 39%. In addition, as shown by the graph showing the annual variation of the stock value in relation to two relevant indices, the TSR of the Company was significantly higher than that of the market. It is notable that the TSR grew the most in 2014. Also, it is important to note that a special dividend of $0.50 per share was paid during fiscal 2014 and there was a significant share buyback that represented 20.46% of outstanding shares.

The above table also indicates that the evolution of the compensation of the Named Executive Officers is comparable to that of the OIBA. The OIBA is indeed a representative measure of the results over which the Named Executive Officers exercise control, especially since it is an important measure of the calculation of the annual bonus. Furthermore, for the entire period observed, we note a positive correlation between total Named Executive Officer compensation (excluding the value of the pension plans) and the OIBA. During fiscal 2014, the OIBA was $334.5 million, an increase of 3.6% over that in the previous year. Meanwhile, the total compensation for NEOs increased slightly to $ 5.3 million, or 1.6% of OIBA. Over the five-year period beginning in fiscal year 2010 and ending in 2014, the OIBA grew by 24.4% while NEOs compensation increased by 15.2% for the same period. Thus, the ratio of total compensation of NEOs (excluding pension) compared to OIBA declined during this period, from 1.7% of OIBA in 2010 to 1.6% in 2014.

Compensation of Directors

1) Directors' Compensation Policy

The purpose of the Corporation's Directors Compensation Policy is to (i) recruit and retain the most competent individuals to sit on the Board of Directors of the Corporation and its committees and (ii) offer compensation that is proportional to the risks and responsibilities associated with effective performance of a director's duties.

For the 2014 fiscal year, the directors, other than Messrs. Jean Coutu and François J. Coutu, received an annual compensation based on the compensation policy as follows:

- A lump sum amount of $50,000 as members of the Board of Directors;
- A lump sum amount of $3,000 as members of the Governance and Nominating Committee and the Human Resources and Compensation Committee;
- A lump sum amount of $3,500 as members of the Audit Committee;
- A lump sum amount of $6,000 for the Chair of each committee, with the exception of the Chair of the Audit Committee, who received $12,000 (these amounts replacing, for the Chairs, the lump sum amount of $3,000 or $3,500, as the case may be, payable to committee members); and
- Directors' fees of $2,000 per meeting of the Board of Directors of the Corporation as well as meetings of its committees and any ad hoc committee set up from time to time by the Board of Directors of the Corporation. For meetings of the Board of Directors and committees held by telephone, directors' fees were $750.

Mr. Jean Coutu, as Chairman of the Board, received for the 2014 fiscal year, a lump sum of $429,434 and received no other form of compensation from the Corporation.

Mr. François J. Coutu received no compensation as a director.

The Corporation offers no pension plan to its directors.

2) Deferred Share Unit Plan

The Corporation implemented a Deferred Share Unit plan for its directors who are not executive officers of the Corporation. This plan, entirely optional, allows such directors to receive up to 100% of their total compensation in share units.

- The value of a unit is calculated based on the weighted average price of Subordinate Voting Shares on the Toronto Stock Exchange during the last five days of trading preceding the end of a quarter.
- When a dividend is paid, additional units are credited to the account of the director in accordance with the actual amount of the dividend that would have been paid out if these had been shares rather than units.
- The units are credited to the participating director's account on the last day of the quarter.
- For directors who participate in this plan and reside in Canada, these units are converted into cash only when the director's term ends, regardless of the reason, in accordance with the price of the shares at that time.

- No share is purchased or issued by the Corporation on behalf of the director when the plan is in effect or following the departure of the director. The units take the form of an accounting entry for the benefit of the director.

Compensation Paid to Directors

The following table shows the compensation paid to each director who is not an executive officer for the services rendered during the fiscal year ended March 1, 2014.

DIRECTORS' COMPENSATION TABLE

	Lump sum cash compensation of directors	Lump sum cash compensation of committee chairs	Directors' fees	Total	Deferred Share Units (DSU)	Percentage of all compensation received in DSUs	Other compensa-tion
	($)	($)	($)	($)	(number)	(%)	($)
Lise Bastarache	59,500	n/a	40,750	100,250	1,742	50 (1)	n/a
Jean Coutu	429,434	n/a	n/a	429,434	n/a	0	n/a
Marie-Josée Coutu	53,000	n/a	20,000	73,000	n/a	0	n/a
Michel Coutu	53,000	n/a	18,000	71,000	n/a	0	500,000 (2)
Sylvie Coutu	50,000	n/a	14,000	64,000	n/a	0	n/a
L. Denis Desautels	53,000	12,000	34,750	99,750	n/a	0	n/a
Marcel E. Dutil	53,500	n/a	26,000	79,500	4,357	100	n/a
Nicolle Forget	53,000	6,000	28,750	87,750	n/a	0	n/a
Robert Lacroix	56,500	n/a	28,000	84,500	n/a	0	n/a
Yvon Martineau	50,000	6,000	18,000	74,000	4,052	100	n/a
Cora M. Tsouflidou	53,000	n/a	22,750	75,750	n/a	0	n/a
Annie Thabet	53,000	n/a	22,750	75,750	2,077	50	n/a
Dennis Wood (3)	53,500	n/a	12,000	65,500	n/a	0	n/a

(1) From 15% in DSUs until the third quarter, Mrs. Bastarache changed to 50% in DSUs.
(2) During the 2014 fiscal year, Mr. Michel Coutu received this compensation for services rendered to the Corporation in accordance with the terms and conditions of the consulting agreement entered into by and between Mr. Coutu and the Corporation on March 1, 2011.
(3) Mr. Wood retired as a director of the Corporation on January 7, 2014.

INCENTIVE PLAN AWARDS TABLE

(Outstanding share-based or option-based (or SAR) awards)

	Share-based awards		
	Shares or share units that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of share-based awards that have vested (not paid out or distributed)
	(number)	($)	($)
Lise Bastarache	n/a	n/a	269,137
Marie-Josée Coutu	n/a	n/a	n/a
Michel Coutu	n/a	n/a	n/a
Sylvie Coutu	n/a	n/a	n/a
L. Denis Desautels	n/a	n/a	n/a
Marcel E. Dutil	n/a	n/a	1,213,329
Nicolle Forget	n/a	n/a	59,998
Robert Lacroix	n/a	n/a	691,748
Yvon Martineau	n/a	n/a	1,344,752
Cora Mussely Tsouflidou	n/a	n/a	n/a
Annie Thabet	n/a	n/a	71,700
Dennis Wood (1)	n/a	n/a	n/a

(1) Mr. Wood retired as a director of the Corporation on January 7, 2014.

INCENTIVE PLAN AWARDS TABLE (Vested value or value earned during the year)				
Name	Award date	Option-based awards – value vested during the year	Share-based awards – value vested during the year (1)	Compensation under a non-share-based incentive plan – value earned during the year (2)
		($)	($)	($)
Lise Bastarache (3)	June 1, 2013 August 31, 2013 November 30, 2013 March 1, 2014	n/a	4,031 3,431 13,438 11,813	n/a
	Total		**32,713**	
Marie-Josée Coutu		n/a	n/a	n/a
Michel Coutu		n/a	n/a	n/a
Sylvie Coutu		n/a	n/a	n/a
L. Denis Desautels		n/a	n/a	n/a
Marcel E. Dutil (4)	June 1, 2013 August 31, 2013 November 30, 2013 March 1, 2014	n/a	19,375 21,375 21,375 17,375	n/a
	Total		**79,500**	
Nicolle Forget		n/a	n/a	n/a
Robert Lacroix		n/a		n/a
Yvon Martineau (5)	June 1, 2013 August 31, 2013 November 30, 2013 March 1, 2014	n/a	20,000 18,000 18,000 18,000	n/a
	Total		**74,000**	
Cora M. Tsouflidou		n/a	n/a	n/a
Annie Thabet (6)	June 1, 2013 August 31, 2013 November 30, 2013 March 1, 2014	n/a	10,625 9,625 8,625 9,000	n/a
	Total		**37,875**	
Dennis Wood (7)		n/a	n/a	n/a

(1) As indicated on page 42 of this Circular, the value of a unit is calculated based on the weighted average price of Subordinate Voting Shares on the Toronto Stock Exchange during the last five trading days preceding the end of a quarter.
(2) Represents the amounts paid under the short-term incentive compensation.
(3) Since the third quarter, Mrs. Bastarache has been receiving 50% of her compensation in DSUs and 50% in cash.
(4) Mr. Marcel E. Dutil receives 100% of his compensation in DSUs.
(5) Mtre Yvon Martineau receives 100% of his compensation in DSUs.
(6) Since the third quarter, Mrs. Thabet has been receiving 50% of her compensation in cash and 50% in DSUs.
(7) Mr. Wood retired as a director of the Corporation on January 7, 2014.

3) Minimum Director Share Ownership Requirement

From a long-term perspective, and in order to align their interests with those of the shareholders, on April 28, 2008 the Board of Directors adopted a minimum share ownership requirement encouraging directors who are not family members of the significant shareholder to invest in the Corporation. To do this, directors are encouraged to purchase shares of the Corporation on the secondary market or choose to receive deferred share units as part of their compensation, as described above.

Directors have three years from the date of commencing their mandates to acquire a participation in the Corporation corresponding to a minimum of 12,500 shares and/or deferred share units of the Corporation. Directors are required to maintain this level of participation throughout their mandate.

On October 9, 2012, the Board of Directors amended the policy to increase the minimum number of shares or deferred share units of the Corporation to be held by each director from 10,000 to 12,500. As part of this amendment, it was agreed that the directors in office at such time who did not already own 12,500 shares and/or deferred share units would have three years to increase their participation.

In addition, to ensure compliance with its policy, the Board of Directors amended, during the 2014 fiscal year, the text of the Deferred Share Units Plan for Directors in order to specify that 50% of a Director's compensation shall be granted in the form of deferred share units until he reaches the required threshold for the ownership of shares or share units under the Minimum Director Share Ownership Requirement.

SHARE OWNERSHIP BY DIRECTORS
(excluding family members of the significant shareholder)

	Director since	Fiscal year	Number of shares held	Number of DSUs held (1)	Total number of shares and DSUs held	Compliance with share ownership requirement (2)	Deadline for compliance with share ownership requirement
Lise Bastarache	March 2003	2014	-	12,853	12,853	Yes	n/a
		2013	-	10,568	10,568		
		Variation	-	2,285	2,285		
L. Denis Desautels	January 2003	2014	12,500	-	12,500	Yes	n/a
		2013	12,500	-	12,500		
		Variation	-	-	-		
Marcel E. Dutil	September 1995	2014	20,000	57,944	77,944	Yes	n/a
		2013	20,000	51,050	71,050		
		Variation	-	6,894	6,894		
Nicolle Forget	September 1993	2014	8,500	2,864	11,364	No	October 9, 2015
		2013	7,500	2,737	10,237		
		Variation	1,000	127	1,127		
Robert Lacroix	September 2006	2014	3,450	33,035	36,485	Yes	n/a
		2013	3,450	31,560	35,010		
		Variation	-	1,475	1,475		
Yvon Martineau	December 1985	2014	2,000	64,219	66,219	Yes	n/a
		2013	2,000	57,349	59,349		
		Variation	-	6,870	6,870		
Cora M. Tsouflidou	July 2012	2014	-	-	-	No	October 9, 2015
		2013	-	-	-		
Annie Thabet	July 2010	2014	7,570	3,424	10,994	No	October 9, 2015
		2013	7,570	1,218	8,788		
		Variation	-	2,206	2,206		

(1) The numbers indicated in this column include the additional units credited as a dividend to the account of the directors holding deferred share units.
(2) 12,500 shares or DSUs of the Corporation.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As of March 1, 2014, neither the Corporation nor any of its subsidiaries had any outstanding loans, other than routine indebtedness as defined by the Canadian Securities Administrators, with any of its current or former directors, officers or employees in their personal capacity and/or with one of their related companies.

INSURANCE OF DIRECTORS AND OFFICERS

The Corporation provides liability insurance for the benefit of its directors and officers and those of its subsidiaries as a group. The total amount of the coverage for the period beginning December 3, 2013 and ending December 3, 2014 is $50,000,000 subject to a deductible of $250,000 to be paid by the Corporation in the event of a claim. Relative to the coverage year as defined in the policy, the Corporation has paid a premium in the amount of $216,350.

INTEREST OF INFORMED PERSONS AND OTHER PERSONS IN MATERIAL TRANSACTIONS

Mr. Jean Coutu, Chairman of the Board of the Corporation, personally, by participating in three Jean Coutu stores franchised under the PJC Jean Coutu banner, as well as through certain associate corporations, is involved in a number of transactions with the Corporation and its subsidiaries. The same is true of Mr. François J. Coutu, President and Chief Executive Officer of the Corporation, as franchisee of two stores franchised under the PJC Jean Coutu banner as well as for Mr. Jean-Michel Coutu (a grand-son of Mr. Jean Coutu) as franchisee of two stores franchised under the PJC Jean Coutu banner. These transactions, together, have no material impact on the Corporation nor its subsidiaries and are concluded in the normal course of the Corporation's business, in accordance with the same terms and conditions as those applicable to other PJC Jean Coutu franchisees. These transactions involve the supply of products and the payment of royalties, rent, interest, store opening expenses, accounting and management fees as well as fees for information technology services.

ADDITIONAL INFORMATION

The Corporation's financial information for the fiscal year ended March 1, 2014 is included in its audited consolidated financial statements and management's discussion and analysis. Copies of these documents and additional information concerning the Corporation (including the Corporation's Annual Information Form) can be found on SEDAR at www.sedar.com and may also be obtained upon request from the Corporate Secretary of the Corporation at its head office: 530 Bériault Street, Longueuil, Québec, J4G 1S8, telephone: 450-646-9760. The Corporation may charge a reasonable amount for any request from someone who is not a shareholder of the Corporation, unless the Corporation is making a distribution of its securities by way of a simplified prospectus, in which case these documents will be provided free of charge.

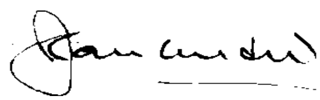
Anyone wishing to contact the Corporation or obtain additional information is invited to visit the Website of the Corporation at the following address: www.jeancoutu.com.

APPROVAL BY DIRECTORS

The Board of Directors of the Corporation has approved the form, the content and the sending of this Circular.

Longueuil, Province of Québec, this 29th day of April 2014

The Chairman of the Board of Directors



Jean Coutu

SCHEDULE "A": MAJORITY VOTING POLICY FOR THE ELECTION OF DIRECTORS

1. Under this "Majority Voting" Policy, a nominee of the Corporation who receives more abstentions than votes "in favour" during an election of directors by the shareholders is supposed to offer to resign from the Board immediately following the shareholder meeting at which he or she was elected.

2. Upon receipt of such resignation, the Corporate Governance and Nominating Committee shall study such resignation and shall recommend that the Board accept or not accept it.

3. The Board shall decide to accept or not accept the resignation(s) in the 90 days following the shareholder meeting. Save in exceptional circumstances, the resignation(s) shall be accepted by the Board.

4. This decision shall be announced immediately in a press release, which, should the resignation(s) not be accepted, shall also set out the reasons for such non-acceptance.

5. The director who offered to tender his or her resignation shall not take part in the deliberations and decisions of the committees or the Board relating to such matter.

6. The policy does not apply to an uncontested election of directors, i.e., where the number of nominees corresponds to the number of directors to be elected to the Board and where no proxy document supporting the nomination of one or more other persons who are not part of the list of nominees proposed by the Management of the Corporation and supported by the Board has been disseminated.

7. Subject to restrictions that may be imposed by business corporation legislation, when the Board accepts a director's offer of resignation and said director resigns, the Board may wait until the next annual meeting of shareholders to fill the vacancy. It may also choose to appoint a new director that, in its opinion, merits the trust of the shareholders. It may also decide to call a special meeting of shareholders and present the new nominee in order to fill the vacancy.

SCHEDULE "B": CORPORATE GOVERNANCE DISCLOSURE

Board of Directors

As of April 29, 2014, the Board of Directors, through its Governance and Nominating Committee, established that seven of the thirteen directors, namely: Lise Bastarache, L. Denis Desautels, Marcel E. Dutil, Nicolle Forget, Robert Lacroix, Cora Mussely Tsouflidou and Annie Thabet, are considered independent as they are not and were not in the past party to any material relationship with the Corporation, its subsidiaries or controlling shareholder that may, in the opinion of the Board of Directors, reasonably interfere with the independent judgment of the directors. In so doing, the Governance and Nominating Committee refers itself to the independence standards defined by the Canadian Securities Administrators and considers all significant relationships with the Corporation that include (i) any position held within the Corporation, (ii) any position held by a member of their immediate family, (iii) existing ties with the Corporation's independent auditors, (iv) positions held with other entities who have the same persons as part of their Board or committees as does the Corporation or its subsidiaries, (v) compensation or consulting fees received and (vi) the fact that such person is at the same time a director and an employee of a company which controls the other or of companies which are controlled by the same person.

For the purpose of determining the independence of the directors, the Governance and Nominating Committee analyzes the information supplied by the directors or the candidates through their certification of compliance with the Code of Ethics of the Corporation. As the case may be, all disclosures of conflicts of interests during the year are also considered.

As officers of the Corporation and its subsidiaries, the Governance and Nominating Committee does not consider Jean Coutu and François J. Coutu as independent directors. Due to their personal ties to certain of the officers and to the controlling shareholder, Marie-Josée Coutu, Michel Coutu and Sylvie Coutu are not independent directors. Finally, Mtre Yvon Martineau is not considered an independent director because of his role as legal counsel of the Corporation and the controlling shareholder.

At the annual meeting of July 8, 2014, if the candidates nominated in this Circular are elected, the Board of Directors will again be comprised of a majority of independent directors since eight of the fourteen nominated candidates will be considered independent.

The duties of the Chairman of the Board, which are outlined in Schedule "E" of this Circular, are currently assumed by Mr. Jean Coutu, founder and major shareholder of the Corporation. As mentioned above, he is a non-independent director.

The independent directors, as defined by the Canadian Securities Administrators, did not hold any meeting during the fiscal year ended March 1, 2014. However, to ensure that (i) the Board of Directors remains independent in its judgement; (ii) the independent directors exercise leadership; and (iii) there are free discussions between the independent directors, they hold *in camera* meetings, should the need arise, either after each regular Board meeting, or in between, without the presence of Management and non-independent directors of the Board of Directors, with the exception of Mtre Yvon Martineau, who attends and generally presides over these meetings. In fact, all the independent directors are of the opinion that Mtre Martineau's knowledge, experience and contribution to these discussions are beneficial and improve the general effectiveness of these meetings. In addition, at these meetings, Mtre Martineau acts independently of the controlling shareholder and Management. The independent directors also believe that Mtre Martineau has the impartiality necessary to attend these meetings and that his participation is in the interests of the Corporation. A report of the discussions is normally filed with the Chairman of the Board following these meetings. Therefore, five meetings of that kind were held during the fiscal year ended on March 1, 2014.

In addition, the members of the Human Resources and Compensation Committee and of the Governance and Nominating Committee hold *in camera* meeting after each meeting.

Annually, the Human Resources and Compensation Committee reviews the succession plan for the Named Executive Officers, including that of the President and Chief Executive Officer, during an *in camera* meeting.

The other directorships of the directors of the Corporation are presented under the section "**Information about Nominees for Election as Directors**" of this Circular. In addition, as the case may be, the directors who serve together on the Board of Directors of other public companies are listed on page 16 of this Circular.

The attendance by the directors to Board and committees meetings held over the course of the fiscal year ending March 1, 2014 is listed in the section "**Information about Nominees for Election as Directors**" of this Circular.

The table below shows the frequency of the meetings of the Board and of its committees for the twelve-month period ending March 1, 2014:

Meetings of the Board and its committees	Number of meetings held
Board of Directors (six regular)	7
Audit Committee (four regular)	4
Human Resources and Compensation Committee (four regular) (one special)	5
Governance and Nominating Committee (three regular)	3

Mandate of the Board of Directors

The mandate of the Board of Directors can be found in Schedule "C" of this Circular.

Position Description

The Board of Directors has developed written position descriptions for the Chair of the Board and the Chair of each Board committee. These descriptions appear in Schedule "F" of this Circular.

The Board of Directors drew up a position description for the President and Chief Executive Officer. His responsibilities include (i) the establishment and implementation of a strategic plan, (ii) the organisation, planning, management, coordination and control of the Corporation's activities in accordance with the strategic plans and/or the business plans approved by the directors in compliance with allocated budgets, (iii) the management of the Corporation's investments and (iv) the establishment and implementation of a succession plan.

Under the supervision of the Human Resources and Compensation Committee, the Corporation has implemented a process to determine the general objectives of the Corporation that must be met by the President and Chief Executive Officer and the other senior officers.

Orientation and Continuous Education

The Corporation's directors are experienced, with many sitting on or having sat on Boards of Directors of several other public companies.

New directors receive all documentation pertinent to the affairs of the Corporation, including historical public information about the Corporation, articles of incorporation, by-laws as well as the mandate of the Board of Directors and its committees.

As well, new directors meet with the Chairman of the Board to discuss the operation of the Corporation and expectations regarding its directors. The Corporate Secretary also briefs new directors on the Corporation's practices in regards to governance and the role of the Board and its committees. New directors can also tour the Corporation's main installations and meet with members of senior Management in order to discuss the Corporation's primary objectives, core changes that have occurred within the Corporation or the evolution of applicable laws and regulations and their effect on the Corporation operations.

In order to help directors familiarize themselves with the Corporation's activities, all meetings are held at the Corporation's head office.

During the course of their regular meetings or training days set aside for such purpose, the directors attend presentations on various aspects of the Corporation's operations, the industry in which it operates or its franchisee network. In addition, the Corporate Secretary of the Corporation apprises the members of each committee of regulatory and legislative developments as well as governance good practices that apply to their areas of activity.

Finally, all the directors are members of the Institute of Corporate Directors, which gives them access to its publications and activities so they can further develop their skills and knowledge, especially with respect to director obligations and governance trends.

Corporate Ethics

The Corporation adopted a Code of Ethics, to which the employees, officers and directors of the Corporation must comply. This Code of Ethics is available on SEDAR (www.sedar.com) and on the Corporation's website (www.jeancoutu.com). It can also be obtained upon request from the Corporation's Corporate Secretary at the head office at 530 Bériault Street, Longueuil, Québec, J4G 1S8, telephone: 450-646-9760.

Annually, the compliance to the Code of Ethics is attested in writing by each individual to whom the Code of Ethics applies. Furthermore, all employees, officers and directors who have knowledge of any facts or situations that may constitute an infraction to the law or to the Code of Ethics must inform the designated authority without delay.

The directors must annually disclose any interest, direct or indirect, including any business relationship, likely to enter in conflict with the best interests of the Corporation. Each year, a questionnaire is completed by each director in order to ensure that they are not in an undeclared conflict situation. Should such situation occur, the director must refrain from voting and participating in the deliberations with relation to this interest and shall not try to influence any decision pertaining to this subject. The director must also withdraw himself from all meetings or discussions pertaining to subjects for which he is in conflict.

The Board of Directors, through its Governance and Nominating Committee, monitors the enforcement of the Code of Ethics. The Governance and Nominating Committee is assisted in this task by the Senior Director, Internal Audit. In addition, the committee annually reviews the certifications of each director and officer confirming his or her compliance with the Code of Ethics of the Corporation, through reports prepared by the Corporate Secretary and the Senior Director, Internal Audit.

No derogation to the Code of Ethics was requested by the directors or executive officers during the fiscal year and no breach was reported.

Additionally, the Board has approved the implementation of a Procedure for Employees, Third parties and Suppliers regarding the filing of a Complaint relative to Questionable Accounting or Auditing Practices whereby employees, third parties and suppliers, under the protection of anonymity and in a confidential manner, can bring attention to reprehensible practices concerning accounting, internal controls, auditing matters and possible or actual violations of the law. More information is available on the Corporation's Website (www.jeancoutu.com).

The Board of Directors also approved a Confidentiality and Disclosure Policy, that reminds the directors, officers and employees of the Corporation who have confidential information likely to affect the price or value of the shares of the Corporation or of any third party involved in important negotiations, that they are prohibited from trading securities of the Corporation, or any concerned entity, during the cease trading order or until the information has been fully disclosed and a reasonable period has passed for the information to be broadly disseminated. This policy also contains rules concerning Corporation communications to investors in compliance with all relevant legal and regulatory requirements.

Nomination of Directors

In collaboration with the Chair of the Board, the Governance and Nominating Committee recommends to the Board the nomination of candidates for the position of director. This committee is comprised of six directors, three of whom are independent: Yvon Martineau (Chair), Lise Bastarache, Marie-Josée Coutu, Michel Coutu, Robert Lacroix and Nicolle Forget. As outlined in its charter, the committee's independence is reinforced, if deemed necessary, by the recourse to and reliance on external consultants.

To fulfill this responsibility, the committee takes into account the size of the Board, the Corporation's needs as well as the particular skills and qualifications of the members already on the Board. Guided by the strengths of the Board and the evolution of the Corporation's needs, the committee determines which qualifications, aptitudes and personal qualities are sought in directors to add value to the Corporation. The committee uses a skills matrix to assess the required skills for nominees to the Board and to identify the skills required on the Board in general. The matrix sets forth the skills and characteristics wanted of all directors. The committee periodically reviews the matrix to reflect the needs on the Board and the Corporation's strategic priorities. The Committee uses the matrix to identify gaps in skills and to search for qualified candidates.

If necessary, the committee refers to a candidate database which it revises periodically. The Board or Management may suggest nominees to the committee. It may also seek assistance from independent consultants to identify and attract potential candidates. Potential nominees are interviewed by the Chairman of the Board and the other Board members, as needed. An invitation to join the Board is only made once the Board has achieved a consensus with respect to the proposed nominee.

All minutes of the meetings of the Governance and Nominating Committee are submitted to the Board of Directors and a report is presented by the Chair. The Governance and Nominating Committee met three times over the course of the fiscal year ending March 1, 2014.

The Governance and Nominating Committee charter is available on the Corporation's Website (www.jeancoutu.com). A copy of this document can also be obtained upon request from the Corporation's Corporate Secretary at the head office at 530 Bériault Street, Longueuil, Québec, J4G 1S8, telephone: 450-646-9760.

Compensation

The Human Resources and Compensation Committee is comprised of five independent directors: Nicolle Forget (Chair), Lise Bastarache, L. Denis Desautels, Cora Mussely Tsouflidou and Annie Thabet. As outlined in its charter, the committee's independence is reinforced, if deemed necessary, by the recourse to and reliance on external consultants.

The mandate of the Human Resources and Compensation Committee provides that it shall present recommendations to the Board of Directors relative to the level of compensation and other benefits awarded to executive officers. To this end, the committee must annually examine and approve pertinent corporate objectives for its executive officers and evaluate their performance in accordance with the determined objectives. The committee must also examine the salaries and other benefits awarded to the Corporation's officers, the rights and benefits awarded to the Corporation's salaried employees and managers, including long-term incentive plans and pension plans, the disclosure of the compensation of the executive officers and the Corporation's administrative structure and the development of a succession plan for key employees of the Corporation.

All minutes of the meetings of the Human Resources and Compensation Committee are submitted to the Board of Directors of the Corporation and a report is presented by the Chair. The Human Resources and Compensation Committee met five times over the course of the fiscal year ending March 1, 2014.

The Human Resources and Compensation Committee charter can be found at Schedule "E" of this Circular. A copy of this document can also be obtained upon request from the Corporation's Corporate Secretary at the head office at 530 Bériault Street, Longueuil, Québec, J4G 1S8, telephone: 450-646-9760.

See page 20 for information regarding the services of the compensation adviser hired during the fiscal year.

Board Standing Committees

The Board's standing committees include the Human Resources and Compensation Committee, the Governance and Nominating Committee and the Audit Committee. The various committee charters are available on the Corporation Website (www.jeancoutu.com). A copy of these documents can also be obtained upon request from the Corporation's Corporate Secretary at the head office at 530 Bériault Street, Longueuil, Québec, J4G 1S8, telephone: 450-646-9760.

Evaluation

The Board has implemented a self-assessment procedure of the Board of Directors by its members. The evaluation is performed annually for the Board of Directors and each of its committees.

In particular, questionnaires are distributed to each director in order to evaluate the efficiency of the Board and its committees and, to submit, if necessary, certain recommendations. These questionnaires are revised periodically to ensure that their questions allow the operation of the Board and its committees to be properly evaluated based on the mandates given to each of them.

The results of the Board's evaluation are confidentially compiled by the Corporate Secretary and the Chair of the Governance and Nominating Committee who then submits the results at the next regularly scheduled meeting of the committee. The results, including, any recommendations, if any, are then submitted to the Chair of the Board. As for the results of the committees' evaluations, they are confidentially compiled by the Chair of each committee with the support of the Corporate Secretary. Similarly, the results are presented at the next regularly scheduled meeting of each committee prior to being submitted to the Chair of the Board.

The Governance and Nominating Committee has established a questionnaire by which each individual member evaluates his performance and contribution as a director. The results of this questionnaire are submitted directly to the Chair of the Board and discussed during the annual meeting between the Chair and each member of the Board. These meetings enable each member to follow up on the evaluation and address his particular concerns, if any.

SCHEDULE "C": MANDATE OF THE BOARD OF DIRECTORS

The objective of this document is to succinctly describe the roles and responsibilities of the Board of Directors of the Corporation (the "**Board**") regarding management and governance.

Stewardship Responsibility

The shareholders of the Corporation elect the Board so that it will supervise the business, commercial and internal, of the Corporation. More particularly, the role of the Board is to review the strategic orientation of the Corporation, attribute to management the responsibility of realizing this orientation, to define the limits of the powers and the authority of management and to monitor the Corporation's performance with regard to objectives it has set.

Responsibilities

As part of its responsibilities, the Board:

- ensures itself, to the extent feasible, as to the integrity of the President and Chief Executive Officer and other executive officers, and that those senior officers create a culture of integrity throughout the Corporation;
- adopts a strategic planning process which takes into account, among other things, the opportunities and risks for the Corporation;
- identifies the main risks to which the activities of the Corporation are exposed and ensures the implementation of the appropriate systems to manage these risks;
- sees that the Corporation is managed in such a manner as to preserve the integrity and the accuracy of the financial reports, of the internal controls and the disclosure controls of information, as well as the integrated management systems;
- reviews and approves, upon the recommendation of the Human Resources and Compensation Committee, the appointment, the remuneration and the performance of senior management, as well as the plan aiming at ensuring the recruiting of new Board directors;
- chooses, upon the recommendation of the Governance and Nominating Committee, the candidates to be elected as directors;
- adopts a corporate communication policy;
- reviews and approves all material continuous disclosure documents, including the annual information form, management's discussion and analysis, press releases related to the financial results, the corresponding financial statements and the management proxy circular; and
- supervises, via the Governance and Nominating Committee, the governance practices of the Corporation.

Expectations Regarding Directors

In the exercise of their functions, the directors must act with integrity and good faith in the best interests of the Corporation, with the care, diligence and the competence that would demonstrate in similar circumstances a prudent person.

Each director should:

- assume, with the other directors, his role relative to administration which consists in managing and overseeing the management of the businesses of the Corporation in accordance to legal requirements;
- understand the vision and the objectives of the Corporation;
- understand the governance methods of the Corporation;
- adequately prepare for meetings of the Board and meetings of committees by reviewing the documentation addressed to him, when such documentation is sent in advance;
- attend as many meetings as possible and participate actively in the deliberations and decisions of the Board;
- ensure that personal interests do not conflict in practice or appear to conflict with the interests of the Corporation, and report any conflict of interest as provided in the Code of Ethics of the directors and officers of the Corporation;
- each year confirm compliance with the Code of Ethics of the directors and officers of the Corporation;
- scrupulously preserve the confidentiality of information concerning the Corporation and the deliberations of the Board;
- act independently from management (applies to directors who are not members of the management team);

- hold, for the duration of his mandate, a minimum of 12,500 shares and/or deferred share units of the Corporation. The directors have three years in order to acquire such participation; and

- in all instances, have access to management to exercise his functions.

Method of Operation

Meetings of the Board are held quarterly, or more frequently as required. In addition, a special meeting of the Board is held annually in order to approve the Corporation's strategic plan and budget.

The Chairman of the Board, in collaboration with the President and Chief Executive Officer and the Corporate Secretary, determines the agenda for each meeting of the Board. The agenda and the relevant documents are provided to directors of the Corporation on a timely basis.

Independent directors meet after each regular meeting of the Board, or more frequently, as required.

SCHEDULE "D": CHARTER OF THE AUDIT COMMITTEE

Composition

a) The Audit Committee of the Corporation (the "**Committee**") shall consist of at least three members and a maximum of seven.

b) Each member of the Committee shall sit on the Board of Directors of the Corporation.

c) Each member of the Committee shall be independent.

d) Each member of the Committee shall be financially literate.

1. **Election of members.** The members, as well as the Chair of the Committee, are elected by and among the directors of the Corporation during the first meeting of the Board of Directors immediately following the annual shareholders' meeting of the Corporation.

2. **Term of mandate.** The mandate of each member of the Committee begins at the date of the meeting of the Board of Directors during which he is elected to this position and expires at the date of the first meeting of the Board of Directors during which his successor is duly elected or appointed, unless he resigned or his position became vacant as a result of his death, removal or any other cause.

3. **Death, incapacity or resignation of a member.** In the event that the Board of Directors must fill a Committee vacancy resulting from the death, incapacity or resignation of a member, the member of the Committee appointed to fill the Committee vacancy is dispensed from the application of paragraphs c) and d) of section 1 for a period ending at the later of the two following dates:

   a) the next annual shareholders' meeting of the Corporation; or

   b) six months after the event leading to the vacancy.

   The present section shall not apply if the Board of Directors of the Corporation has reasons to believe that this exemption could significantly reduce the capacity of the Committee to act independently and to comply with other regulatory requirements.

4. **Meeting of the Committee.** The Committee is required to meet at least four times a year in the place, and at the date and time determined by the Corporate Secretary after consultation with the Chairman and the members of the Committee. A member of the Committee may request the holding of an extraordinary meeting at any time by sending to the Corporate Secretary a notice to this effect.

5. **Calling of meeting.** A notice with the time, date, place and object of any meeting of the Committee shall be sent by any mode of transmission allowed by law or communicated by telephone to each member and to the auditors of the Corporation at least two days before the date of the meeting.

6. **Attendance by telephone.** The members of the Committee may participate in a meeting via any means allowing all participants to communicate orally between themselves, including via conference call.

7. **Quorum.** The quorum of the Committee consists of the majority of its acting members.

8. **Chairman.** The meetings of the Committee are presided over by a member of the Committee chosen by the Board of Directors and, in his absence, by a member chosen among the members then attending.

9. **Procedure.** Committee meeting procedures are the same as those in effect during the meetings of the Board of Directors.

10. **Majority required.** The questions debated during a Committee meeting are decided by the majority of votes cast.

11. **Compensation.** The members of the Committee receive, for their services on the said committee, the compensation determined by a resolution of the Board of Directors of the Corporation.

12. **Powers.** The Committee has the following powers:

    a) to communicate directly with or to meet privately with any manager or employee of the Corporation, as well as its internal and/or independent auditors;

    b) to hire independent attorneys and/or other counsellors it deems necessary to assist it in its functions;

    c) to determine and pay the fees of the counsellors from whom it receives services.

13. **Mandate.** The preparation and the presentation of the financial statements of the Corporation, their accuracy, as well as the efficiency of the internal audits, is the responsibility of management. Management is also responsible for maintaining

adequate internal control and procedures, as well as for the use of appropriate principles and standards regarding accounting and presentation of financial statements. The independent auditors are responsible for the audit of annual financial statements in accordance with generally accepted accounting principles.

The Committee is created to review, on a continuous basis, the relevancy and the efficiency of these activities and to assist the Board of Directors in overseeing the accuracy of the financial statements of the Corporation, the relevancy and the efficiency of internal controls, the competence and independence of independent auditors, and the compliance by the Corporation with legal and regulatory requirements.

The Committee must review its mandate annually.

The Committee's mandate extends to the Corporation, its divisions and subsidiaries and is described more particularly as follows:

13.1 Responsibilities with respect to financial disclosure and financial reports

- the Committee reviews the quarterly financial statements and the management's discussion and analysis (MD&A) of the Corporation before their approval by the Board of Directors;
- it ensures that the Corporation complies with regulatory standards relating to the preparation and the disclosure of the financial statements and the MD&A;
- it inquires about changes to accounting policies having a material impact on the presentation of financial statements;
- it reviews and ensures that all claims and/or lawsuits, which may have a material impact on the finances of the Corporation, are correctly recorded in the financial statements;
- it ensures that the financial statements of the Corporation are accurate, reliable and honest;
- it evaluates the decisions made by management and/or by the independent auditors relating to the presentation of financial statements;
- it reviews the press releases concerning the annual and interim financial results of the Corporation before their approval by the Board of Directors;
- it ensures that the Corporation's disclosure practices and policy comply with the regulatory requirements applicable to the Corporation;

13.2 Relationship with independent auditors

- it recommends to the Board of Directors the appointment of the independent auditors as well as their fees, and reviews their employment perquisites, as well as other services they may be called upon to provide to the Corporation and the circumstances which may justify and warrant a change of independent auditors, whom report directly to the Committee;
- it oversees the work of the independent auditors employed to deliver an audit report or render other audit, review or attestation services to the Corporation, including the resolution of disagreements between management and the independent auditors concerning financial information;
- it discusses and reviews the competence, independence and objectivity of the independent auditors and of the partner of the independent audit firm in charge of the mandate with the Corporation, as well as the rotation of the partner in charge or of the other associates involved with the audit team;
- it reviews the mandate and the independent audit program, the letter of recommendation which follows the annual audit and the corresponding follow-ups, the major changes to accounting guidelines, the principal value judgements at the basis of the financial reports and how they are drafted;
- it pre-approves all non-audit services that the indenpendent auditors of the Corporation or those of its subsidiaries must render to the Corporation or to its subsidiaries pursuant to the Corporation's Policy concerning the scope of services provided by independent auditors;
- it can communicate directly with the independent auditors at any time;
- it meets separately with management and the independent auditors at least once per quarter;
- it questions the independent auditors regarding their relationship with the management of the Corporation, as well as the difficulties encountered during their audit mandate, as the case may be;
- it examines and approves the hiring policies of the Corporation for former or current partners

and employees of the current or former independent auditors of the Corporation;

13.3 Responsibilities concerning internal audit

- it meets the Senior Director, Internal Audit, as well as the management of the Corporation, to discuss the efficiency of internal and risk management controls implemented by the Corporation, as well as the measures taken to rectify any major weakness or failure identified;
- it reviews the mandate and the internal audit programs, the resources granted to such function and the follow-ups made with respect to the recommendations of the Senior Director, Internal Audit;
- it reviews the statements of the Senior Director, Internal Audit concerning the adequacy of the Corporation's internal controls with respect to the audit work performed;

13.4 Responsibilities concerning internal controls and risk management

- it supervises the presentation by management of information concerning internal controls;
- it requires that management implement appropriate internal controls and communication mechanisms of financial information extracted or derived from the financial statements of the Corporation for the benefit of the public;
- it enquires with management as to the information disclosure controls and procedures ("**IDCP**") and the internal control of financial information ("**ICFI**") of the Corporation as well as material weaknesses in the design or operation of the IDCP and the ICFI;
- it ensures that the conclusions of management's evaluation of the efficiency of the IDCP and the ICFI are adequately presented in the MD&A;
- it enquires with management as to the controls in place to manage the risks that the Corporation may be facing in its operations;
- it periodically reviews the risk evaluation programs and the management controls of such programs;
- it reviews, evaluates and approves periodically such controls;
- it reviews the short term liquidity investment policies of the Corporation with respect to cash management;
- it verifies all investments and operations likely to impact negatively the sound financial situation of the Corporation when it is brought to its attention by the independent auditors and/or an executive;
- it oversees the implementation of procedures concerning the receiving, recording and processing of complaints received by the Corporation regarding its accounting or its internal accounting or auditing controls;
- it oversees the implementation of procedures concerning the confidential communication, on an anonymous basis, by the employees of the Corporation, including its divisions and subsidiaries, concerning questionable accounting or audit practices;

13.5 Review of transactions between related persons

- it reviews management's report on all transactions conducted during the previous year between employees and/or officers on one hand and the Corporation and/or related entities on the other hand;

13.6 Retirement Plans

- it periodically enquires as to the funding of the retirement plans as well as the investment management, structure and performance of the retirement plans;

13.7 Responsibilities concerning regulatory authorities

- it reviews all material reports received from regulatory authorities regarding financial matters;
- it reviews the evaluation and statements of management relating to compliance with particular regulatory requirements, as well as the plans of management aiming to remedy any failure identified;
- it ensures that the recommendations from regulatory authorities be implemented and then monitored;
- it reviews all reports to be included in the management proxy circular; and
- it reviews all other financial matters that it deems fit or that the Board of Directors decides to bring forward to its attention.

14. Report. The Committee reports on its activities to the Board of Directors verbally at the next meeting of the Board which usually follows the meeting of the Committee and in writing by submitting the minutes of its meeting at the subsequent meeting of the Board of Directors.

SCHEDULE "E": CHARTER OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

1. **Composition.** The Human Resources and Compensation Committee of the Corporation (the "**Committee**") shall consist of at least three members and a maximum of seven who must all be directors of the Corporation.

2. **Election of members.** The members, as well as the Chair of the Committee, are elected by and among the directors of the Corporation during the first meeting of the Board of Directors immediately following the annual shareholders' meeting of the Corporation.

3. **Term of mandate.** The mandate of a member of the Committee begins at the date of the meeting of the Board of Directors during which he is elected to this position and expires at the date of the first meeting of the Board of Directors during which his successor is duly elected or appointed, unless he has resigned or his position has become vacant as a result of his death, removal or any other cause.

4. **Vacancies.** Vacancies occurring on the Committee may be filled by a person duly appointed by resolution of the Board of Directors.

5. **Meeting of the Committee.** The Committee shall meet at least once a year. Any member of the Committee can call a meeting by sending a notice to this effect to the other members.

6. **Calling of meeting.** A notice with the time, date, place and object of any meeting of the Committee shall be sent by any mode of transmission allowed by law or communicated by telephone to each member at least two days before the date of the meeting.

7. **Attendance by telephone.** The members of the Committee can participate in a meeting via any means allowing all participants to communicate orally among themselves, including via conference call.

8. **Quorum.** The quorum of the Committee consists of the majority of its acting members.

9. **Chairman.** The meetings of the Committee are presided over by a member of the Committee chosen by the Board of Directors and, in his absence, by a member chosen among the members then attending.

10. **Procedure.** The Committee meeting procedures are the same as those in effect during the meetings of the Board of Directors.

11. **Majority required.** The questions debated during a Committee meeting are decided by the majority of votes cast.

12. **Compensation.** The members of the Committee receive, for their services rendered on the said committee, the compensation determined by a resolution of the Board of Directors of the Corporation.

13. **Powers.** The Committee may hire any consultant which it believes is needed in order to support it in its functions. All work to be fulfilled by the consultant as well as its related fees must be approved by the Committee before their execution.

14. **Mandate.** The Committee's mandate extends to the Corporation, its divisions and subsidiaries.

    The Committee makes to the Board of Directors all recommendations relative to the following matters and any other matter that it deems to be relevant to its responsibilities:

    a) All human resources policies of the Corporation;

    b) As regards to the president and Chief Executive officer, the senior vice-presidents and the vice-presidents:

       (i) their appointment;

       (ii) any employment contract to intervene and any subsequent modification;

       (iii) the setting of their objectives and the evaluation of their performance; and

       (iv) their level of compensation and other social benefits granted;

    c) The organizational structure of the Corporation and the succession planning for the president and Chief Executive Officer and the executive officers who report directly to him;

    d) The rights and benefits granted or to be granted to employees and management staff of the Corporation, including stock options, retirement plans and insurance policies taken out on their behalf;

e) The disclosure of the compensation of executive officers and the issuance of an annual report in the proxy circular;

f) The identification and the management of the impact of risks associated with the Corporation's policies and practices with respect to remuneration;

g) The relevancy of the skills and experience of the members of the Committee when it comes to decisions regarding the Corporation's policies and practices with respect to remuneration;

h) The negotiation of collective agreements; and

i) Health and safety in the workplace and group insurance and the CSST.

15. **Report.** The Committee reports on its activities to the Board of Directors verbally and in writing, by submitting minutes, at the subsequent meeting of the Board of Directors.

SCHEDULE "F": MANDATE OF THE CHAIR OF THE BOARD OF DIRECTORS AND THE CHAIR OF A COMMITTEE

MANDATE OF THE CHAIR OF THE BOARD OF DIRECTORS

The mandate of the Chairman of the Board of Directors of the Corporation outlines the responsibilities of the Chairman of the Board and the expectations regarding the Board of Directors. These responsibilities and expectations are in addition to those already assumed by the Chairman of the Board under the law, the constituting documents and by-laws of the Corporation as well as those responsibilities that could be passed on to him over time by the Board of Directors.

The Chairman of the Board of the Corporation has the following responsibilities:

Effectiveness of the Board

- He ensures that the members of the Board of Directors work together in an effective and constructive manner, and he assumes the necessary leadership to attain this objective;
- he ensures that the Board of Directors has access to the necessary administrative support to accomplish its work;
- he ensures that the directors are supplied with the appropriate information to fulfill their responsibilities;
- he establishes a regular timetable for Board meetings.

Management of the Board

- He oversees the Board in the execution of its mandate;
- he presides over Board meetings;
- he establishes the agenda for each Board meeting along with the President and Chief Executive Officer and the Corporate Secretary;
- he takes the necessary measures to ensure that the Board meetings proceed in an efficient and productive manner and that the proper amount of time is allotted in order to deliberate on each point on the agenda;
- he encourages the directors to ask questions and to express their opinions during meetings;
- in collaboration with the Governance and Nominating Committee, he actively participates in the recruitment of directors and their retention;
- he studies and evaluates, in collaboration with the appropriate committees of the Board, the regular attendance, the performance and the compensation of directors, as well as the Board's size and composition;
- when he deems it appropriate, he attends the Board of Directors committee meetings and shares his views and suggestions with their members.

Senior Management, Shareholders and other Stakeholders of the Corporation

- As the principal intermediary, he facilitates communications between the Board of Directors and senior management of the Corporation during and outside Board meetings;
- he ensures that the responsibilities of the Board and those of management are clearly delineated and respected and that relations between the Board and management are professional and constructive;
- in collaboration with the Governance and Nominating Committee, he takes the necessary measures to deal with situations involving conflicts of interest;
- he presides over shareholder meetings.

MANDATE OF THE CHAIR OF EACH COMMITTEE

The mandate of the chairs of the committees of the Board of Directors of the Corporation outlines the duties of the chairs and the expectations regarding the Board of Directors. The Chair of a committee assumes the following responsibilities:

Effectiveness of the Committee

- He ensures that the members of the committee work together in an effective and constructive manner, and he assumes the necessary leadership to attain this objective;
- he ensures that the committee has access to the necessary administrative support to accomplish its work;
- he ensures that the directors are supplied with the appropriate information to fulfill their responsibilities;
- he establishes a regular timetable for committee meetings.

Management of the Committee

- He oversees the committee in the execution of its mandate;
- he presides over committee meetings;
- he establishes the agenda for each committee meeting along with the Corporate Secretary;

- he takes the necessary steps to ensure that the committee meetings proceed in an efficient and productive manner and that the proper amount of time is allotted in order to examine each point on the agenda;
- each committee Chair supplies the Board of Directors with periodic reports of the committee's work and its decisions and recommendations;
- each committee Chair keeps the Board of Directors apprised of the work that was completed over the course of the last fiscal year and files a report indicating whether the committee has fulfilled its work plan, in accordance with its mandate.

SCHEDULE "G": SHAREHOLDER PROPOSAL SUBMITTED BY MÉDAC

The full text of the MÉDAC Proposal was submitted in French and translated into English.

ELECTION OF DIRECTORS BY SUBORDINATE VOTING SHAREHOLDERS

It is proposed that at least three directors be elected by the subordinate voting shareholders, such nominees to meet the competency, experience and independence requirements set by the Group.

Argument

Currently, two types of shareholders make up the stock ownership of Jean Coutu Group:

Class A shareholders, i.e. "holders of Subordinate Voting Shares", who hold 1 [1] vote per share and account for 8.04% of the aggregate voting rights of all issued and outstanding shares. Such shares are generally held by "**small shareholders**".

Class B shareholders, i.e. "holders of multiple voting shares", who hold ten [10] votes per share and account for 91.96% of the aggregate voting rights of all issued and outstanding shares.

At the last annual meeting, 2.89% of the votes cast were in favour of our proposal that management implement an advisory vote on senior executive compensation. Such a percentage may, at first glance, appear insignificant; however, it represents more than 35% of the above 8.04%.

While we acknowledge that shareholding structures with multiple voting shares have played—and continue to play—a positive role in the development of the Quebec and Canadian economy and its "**family-run**" businesses, it is essential that the votes cast by "**small shareholders**" be given their fair weight in the governance of The Jean Coutu Group (PJC) Inc.

We therefore recommend that at least three directors be elected by the subordinate voting shareholders, such nominees to meet the competency, experience and independence requirements set by the Group.

The Board of Directors of The Jean Coutu Group (PJC) Inc. recommends that its shareholders and their proxies VOTE AGAINST this proposal.

The capital stock structure consisting of two classes of common shares, namely Class A Shares (subordinate voting) and Class B Shares (multiple voting), has been a fundamental characteristic of the Corporation since its listing on the Toronto Stock Exchange and the Montreal Exchange in 1986. Investors who purchase subordinate voting shares are aware that the Corporation has several share classes with distinctive characteristics.

The Corporation's capital stock structure, in addition to complying with the applicable requirements of the Business Corporations Act (Québec) and securities legislation in Canada (including the requirements of the Toronto Stock Exchange) is an asset for the Corporation because it enables the Board of Directors and management to focus on the Corporation's long-term success.

The Board of Directors, the majority of whose members are independent, believes that the Corporation's governance model is effective and that adequate measures have been put in place to ensure that the Board of Directors is independent from management and the controlling shareholder. One such measure concerns the mechanism for the selection of nominees to the Board of Directors. Each year the Governance and Nominating Committee, in conjunction with the Chairman of the Board, recommends to the Board the nomination of candidates for the position of director. This committee is made up of six directors, three of whom are independent. As provided for in the committee's charter, the committee's independence is strengthened through the use, if deemed appropriate, of external advisors.

Lastly, it is important to note that the 100% commitment of the Coutu family and its long-term vision have been determining factors, over the years, in the Corporation's growth and success.

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