The
Jean Coutu
Group (PJC) Inc.

Notice of Annual General and Special Meeting of the Shareholders

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting of the Shareholders (the "Meeting") of **THE JEAN COUTU GROUP (PJC) INC.** (the "Company") will be held in the Ballroom in the Lower Lobby of the Marriott Château Champlain located at 1, Place du Canada in Montreal, Province of Quebec, Canada, on Tuesday, September 10, 2002 at 9:30 a.m. for the following purposes:

1. To receive the annual report of the Directors and the consolidated financial statements of the Company for the year ended May 31, 2002 and the auditors' report thereon;

2. To elect the Directors:

3. To appoint the auditors and authorize the Directors to fix their remuneration and;

4. To study and, if the shareholders should deem it appropriate, to ratify By-law 2002-1 attached hereto as Appendix "B", adopted by the Board of Directors of the Company on July 16th, 2002 providing for the subdivision of all Class "A" subordinate Voting Shares and all Class "B" Shares issued and outstanding of the authorised share capital of the Company.

5. To conduct such other business as may duly come before the Meeting.

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 pre-stamped envelope provided for that purpose or by fax. To be valid, proxies must be received at the Montreal office of National Bank Trust, 1100 University St., 9th Floor, Montreal, Quebec, H3B 2G7, fax number: (514) 871-3673, no later than at the close of business on the last business day prior to the date of the Meeting or any adjournment thereof.

Longueuil, Province of Quebec,
this 16th day of July, 2002.

BY ORDER OF THE BOARD OF DIRECTORS,

The Chairman of the Board
and Chief Executive Officer

Jean Coutu

Management Proxy Circular

1. 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 "Company") for use at the Annual General and Special Meeting of the Shareholders of the Company (the "Meeting") to be held in the Ballroom in the Lower Lobby of the Marriott Château Champlain located at 1, Place du Canada in Montreal, Province of Quebec, Canada, on September 10, 2002 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 July 16, 2002.

The solicitation is made primarily by mail, but officers and employees of the Company may nonetheless solicit proxies directly but without additional compensation. The Company 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 Company and is expected to be nominal.

2. APPOINTMENT OF PROXYHOLDERS

The persons named in the enclosed form of proxy are Directors of the Company. A shareholder has the right to designate as his representative a person other than one of those named by Management and whose names are indicated for that 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 strike out the names of the persons named in the form of proxy and write the name of the person selected by the shareholder in the blank space provided for that purpose. It is not necessary that the person selected be a shareholder of the Company.

To ensure that the proxies are valid, they must be received at the Montreal office of National Bank Trust, 1100 University St., 9th Floor, Montreal, Quebec, H3B 2G7, no later than at the close of business on the last business day prior to the date of the Meeting or any adjournment thereof, or they may be delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

3. 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 proxy 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 at the Head Office of the Company 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.

4. EXERCICE 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 by the shareholder 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 abstain from voting as specified by the shareholder.

Management hereby undertakes that all voting rights will be voted in accordance with the instructions given by the shareholder. Unless otherwise indicated, the voting rights attached to the shares represented by such proxy will be voted IN FAVOUR of all the matters described herein.

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, other matters properly come before the Meeting, the persons designated in the enclosed form of proxy will vote thereon in accordance with their judgement pursuant to the discretionary authority conferred by the proxy with respect to such matters.

5. VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Company consists of an unlimited number of Class “A” Subordinate Voting Shares without par value (the “Class “A” Shares”), an unlimited number of Class “B” Shares without par value (the “Class “B” Shares”) and an unlimited number of Class “C” Shares without par value (the “Class “C” Shares”). Each Class “A” Share confers upon its holder the right to one (1) vote and the holders of Class “A” Shares will be entitled to one (1) vote per share at the Meeting. Each Class “B” Share confers upon its holder the right to ten (10) votes and the holders of Class “B” Shares will be entitled to ten (10) votes per share at the Meeting. As of July 16, 2002, 50,859,940 Class “A” Shares, 62,000,000 Class “B” Shares and no Class “C” Shares of the share capital of the Company were issued and outstanding. The shareholders may vote in person or by proxy.

The holders of Class “A” Shares and Class “B” Shares registered on the list of shareholders drawn up at the close of business, Montreal time, on August 1st, 2002 (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 Class “A” 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 (10) 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.

To the knowledge of the Company's Directors and Officers, as of July 16, 2002, the only persons who beneficially own or exercise control or direction over shares carrying more than 10% of the voting rights attached to any class of shares of the Company are the following:

Shareholder's name	Number of Class "A" Shares	Percentage of voting rights attached to all Class "A" Shares	Number of Class "B" Shares	Percentage of voting rights attached to all Class "B" Shares	Percentage of voting rights attached to all Shares with voting rights
Jean Coutu	540,400[1]	1.06%	62,000,000[2]	100%	92.50%
Montreal Trust Company of Canada Trustee of the Canadian National Railways Pension Trust Funds	6,772,400	13.32 %	–	–	1.01 %
Fidelity Investments	6,566,170	12.91 %	–	–	0.98 %
Jarislowsky, fraiser Limited	7,711,851	15.16 %	–	–	1.15 %
Total	21,590,821	42.45 %	62,000,000	100%	95.64 %

(1) 40,400 of these shares are held by 98362 Canada Inc., a corporation controlled by Mr. Jean Coutu and 500,000 of these shares are held by Fondation Marcelle et Jean Coutu, a trust controlled by Mr. Jean Coutu and his family.

(2) 60,400,000 of these shares are held by 3958230 Canada Inc., a corporation controlled by Mr. Jean Coutu and 1,600,000 of these shares are held by Fondation Marcelle et Jean Coutu, a trust controlled by Mr. Jean Coutu and his family.

6. RIGHTS ATTACHED TO CLASS "A" SHARES

Besides conferring the right to one vote per share, the Class "A" Shares, along with the Class "B" Shares entitle the holder, on a *pari passu* basis, to declared dividends, paid or put aside by the Company.

In accordance with the articles of the Company, if an "offer" (as defined in said articles) 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 Class "A" Shares, each Class "A" Share will become exchangeable into one Class "B" Share at the holder's option in order to permit such holder to accept such offer, subject however to the acceptance of said 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 in the share capital of the Company carrying voting rights.

"Offer" as defined in the articles of the Company, means a take-over bid, a take-over bid by way of an exchange of securities or an issued bid (as defined in the Securities Act (Quebec), as currently enacted or as it may be amended or re-enacted thereafter) in order to purchase Class "B" Shares; provided however that 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 Class "A" 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 of each Class "B" Share does not exceed 115% of the average market price obtained by averaging the closing prices of the Class "A" Shares during the 20 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 Company or any other distribution of its assets among the shareholders for the purposes of the winding up of its affairs, the holders of Class "A" Shares and the holders of Class "B" Shares shall be entitled to divide equally all of the assets of the Company available for payment or distribution, on a share for share basis, based upon the number of shares they hold respectively, without preference or distinction.

7. ELECTION OF DIRECTORS

The Management of the Company proposes the election of seventeen (17) 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.

The Management of the Company does not anticipate that any of the nominees mentioned below will be unable, or reluctant, for any reason whatsoever to fulfil his duties as a Director. Should this occur for any reason whatsoever, before the election, the persons named in the enclosed form of proxy reserve the right to vote for another nominee of their choice unless the shareholder on the form of proxy specifies to abstain from voting for the election of the Directors.

The following table presents the names of the nominees as Directors, the place of residence, the position held within the Company, the current principal occupation, the term of office as Director as well as the number and class of shares of the share capital of the Company or of its subsidiaries over which control is exercised by each of them. The nominees have themselves provided the Company with the information.

Except for Mr. Jacques Boisvert, all the cadidates are presently Directors of the Company. For the past five years, Mr. Jacques Boisvert was successively General Manager of Novopharm Quebec and President and Chief executive Officer of Technilab / Ratiopharm Pharma. He is presently President of Dosex Inc. as well as Corporate Director for other companies.

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 election of the nominees mentioned hereafter.

NAME AND PLACE OF RESIDENCE	POSITION HELD WITH THE CORPORATION	CURRENT PRINCI-PAL OCCUPATION	DIRECTOR SINCE	NUMBER AND CLASS OF SHARES OF THE SHARE CAPITAL OF THE COMPANY OVER WHICH CONTROL IS EXERCISED	UNITS HELD UNDER THE DSUP(1)
Yvon Béchard, c.a. Boucherville (Quebec) (2) (3)	Senior Executive Vice-President, Assistant-Secretary and Director	Senior Executive Vice-President and Assistant-Secretary of the Company	October 1980	31,600 Class "A" Shares (4)	—
Barrie D. Birks Westmount (Quebec) (2) (3)	Director	President, Tyringham Investments Ltd. (investment firm)	September 1992	15,000 Class "A" Shares (5)	1,192.50
Jacques Boisvert Beaconsfield (Quebec)	Director	President, Dosex Inc. (management consultants)	—	—	—
François J. Coutu Outremont (Quebec) (3)	President, Chief Operating Officer and Director	President and Chief Operating Officer of the Company	December 1985	—	—
Jean Coutu Montreal (Quebec)	Chairman of the Board and Chief Executive Officer	Chairman of the Board and Chief Executive Officer of the Company	June 1973	62,000,000 Class "B" Shares (6) and 540,400 Class "A" Shares (7)	—
Louis Coutu Montreal (Quebec) (2)	Vice-President Commercial Policies and Director	Vice-President Commercial Policies of the Company	December 1985	—	—
Marie-Josée Coutu Outremont (Quebec) (8)	Director	President, Fondation Marcelle & Jean Coutu (charitable organization)	September 1997	—	—
Michel Coutu Providence (Rhode Island) (2)	Director	President and Chief Executive Officer, The Jean Coutu Group (PJC) U.S.A. Inc.	December 1985	—	—
Sylvie Coutu Outremont (Quebec) (2)	Director	President, Sylvie Coutu Design (interior design services enterprise)	September 1997	—	—
Paul Delage Roberge St-Bruno-de-Montarville (Quebec)	Director	Chairman of the Board and Chief Executive Officer, Les Boutiques San Francisco inc (chain of retail stores)	September 1997	—	750.35
Marcel Dutil Outremont (Quebec) (2) (9)	Director	Chairman of the Board, President and Chief Executive Officer, The Canam Manac Group Inc. (manufacturer of metal-structure components and transportation and forestry equipment)	September 1995	10,000 Class "A" Shares	1,498.76
Nicolle Forget Longueuil (Quebec) (3) (8)	Director	Corporate Director	September 1993	2,000 Class "A" Shares	145.26
Claire Léger Westmount (Quebec) (8) (9)	Director	Chairman of the Board, St-Hubert Group Inc. (chain of restaurants)	September 1992	2,000 Class "A" Shares (10)	1,575.70
Yvon Martineau Outremont (Quebec) (2) (8)	Director	Senior Partner, Fasken Martineau DuMoulin l.l.p. (law firm)	December 1985	2,000 Class "A" Shares	1,528.47
Jacques Masse Laval (Quebec) (3)	Vice-Chairman of the Board	Vice-Chairman of the Board of the Company	October 1975	9,000 Class "A" Shares	—
Érik Péladeau Rosemère (Quebec) (9)	Director	Vice-Chairman of the Board Quebecor Inc. and Vice-Chairman of the Board and Senior Executive Vice-President Quebec World Inc. (production, distribution and publishing of multimedia products)	September 1993	15,460 Class "A" Shares (11)	575.64
Laurent Picard Montreal (Quebec) (3) (8) (9)	Director	Corporate Director	December 1985	—	—

(1) On December 1st, 2000 the Company established a Director's Deferred Stock Unit Plan ("DSUP") see compensation of Directors on page 7 of the Circular.
(2) Member of the Brooks Liaison Committee.
(3) Member of the Executive Committee.
(4) These shares are held by 139829 Canada Inc., a corporation controlled by Mr. Yvon Béchard.
(5) These shares are held by Tyringham Investments Ltd., a corporation controlled by Mr. Barrie D. Birks.
(6) 60,400,000 of these shares are held by 3958230 Canada Inc., a corporation controlled by Mr. Jean Coutu and 1,600,000 of these shares are held by Fondation Marcelle et Jean Coutu, a trust controlled by Mr. Jean Coutu and his family.
(7) 40,400 of these shares are held by 98362 Canada Inc., a corporation controlled by Mr. Jean Coutu and 500,000 of these shares are held by Fondation Marcelle et Jean Coutu, a trust controlled by Mr. Jean Coutu and his family.
(8) Member of the Human Resources Committee.
(9) Member of the Audit Committee.
(10) These shares are held by Les Placements Claire Léger inc., a corporation controlled by Mrs. Claire Léger.
(11) 10,000 of these shares are held by Cie de publication Alpha inc., a corporation controlled by Érik Péladeau.

8. COMPENSATION OF DIRECTORS

a) Remuneration of Directors

The Directors other than the Senior Executives of the Company receive, as such, an annual compensation of $10,000 as member of the Board of Directors and an additional $2,000 annually as member of one of its commitees. The chair of each commitee receives an additional $1,000 per year. In addition, Directors' fees of $1,000 per meeting are paid to these Directors,for their participation in meetings of the Board of Directors of the Company as well as meetings of its commitees namely the Audit Committee, the Executive Committee, the Human Resources Committee, the Brooks Liaison Committee and any ad hoc committee established from time to time by the Board of Directors of the Company. Notwithstanding the above, Directors' fees of $500 are granted for the meetings of the Board of Directors or of its commitees held over the telephone which last for half an hour and less.

b) Deferred Stock Unit Plan

During the fiscal year ended May 31, 2001, the Company has implemented a Deferred Stock Unit plan for its Directors who are not Senior Executives of the Company.

This plan, entirely optional, allows these Directors to receive up to 100% of their total compensation in Share Units. The value of a Unit is calculated in accordance to the average weighted price of Shares on the Toronto Stock Exchange during the last five days of trade previous to the end of the quarter. When a dividend is paid out, additional Units are credited to the account of the Director in accordance to the real amount of the dividend which 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. These Units are converted only when the Director ceases to work, regardless of the reason, in accordance to the value of the shares at that time. No share is purchased or issued by the Company on behalf of the Director when the plan is in effect or following the leaving of the Director. The Units are entered in the books for the benefit of the Director.

9. REMUNERATION OF NAMED EXECUTIVE OFFICERS

The following table shows, for the periods indicated, the remuneration of the Chief Executive Officer and the four (4) executives of the Company whose remuneration was the highest for the financial year ended May 31, 2002 (the "Named Executive Officers").

		Annual compensation			Long term compensation			
					Awards		Payouts	
Name and principal position	Financial year	Salary ($)	Bonus ($)	Other annual compen-sation ($)(2)	Securities under options (#)(3)	SARs Granted/ Restricted shares or restricted share units	LTIP payouts	All other compensation($)
JEAN COUTU CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER OF THE COMPANY	01-02	378,000	—	—	—	—	—	—
	00-01	378,000	—	35,600	—	—	—	—
	99-00	378,000	—	—	—	—	—	—
FRANÇOIS JEAN COUTU PRESIDENT AND CHIEF OPERATING OFFICER OF THE COMPANY	01-02	575,101	578,485	—	—	—	—	—
	00-01	547,615	544,726	—	—	—	—	—
	99-00	503,753	324,806	—	—	—	—	—
MICHEL COUTU PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE JEAN COUTU GROUP (PJC) U.S.A. INC.	01-02	512,112(1)	267,630(1)	—	—	—	—	—
	00-01	423,077(1)	490,722(1)	—	—	—	—	—
	99-00	473,115(1)	—	—	—	—	—	—
YVON BÉCHARD SENIOR EXECUTIVE VICE-PRESIDENT AND ASSISTANT SECRETARY OF THE COMPANY	01-02	301,244	299,578	—	23,300	—	—	532,266(5)
	00-01	286,845	285,314	—	30,800	—	—	810,979(5)
	99-00	286,769	572,412	—	1,000,000(4)	—	—	—
WILLIAM WELSH SENIOR VICE-PRESIDENT AND CHIEF OPERATING OFFICER OF THE JEAN COUTU GROUP (PJC) U.S.A. INC.	01-02	203,077(1)	130,000(1)	—	12,400	—	—	—
	00-01	193,077(1)	60,000(1)	—	100,000(4)	—	—	—
	99-00	181,154(1)	40,000(1)	—	28,600(4)	—	—	—

(1) In U.S. dollars.

(2) Unless otherwise indicated, the value of the direct and indirect benefits of each Named Executive Officer is less than the lesser of $50,000 and/or 10% of his annual salary and bonuses.

(3) Underlying securities: Class "A" Shares.

(4) This amount takes into account the subdivision of the Shares done by the Company on September 29, 2000 on the basis of two new Shares for each existing Share.

(5) Contribution in accordance to a retirement plan.

10. STOCK OPTION PLAN

On September 29, 2000, the Company proceeded with the subdivision of the Shares issued and outstanding on the basis of two (2) new Shares for each Share held. The options were adjusted accordingly.

During the fiscal year ended May 31, 2002, The Board of Directors has granted 172,200 options.

Since the creation of the Stock Option Plan for the officers, employees, service providers and consultants of the Company (the "Plan") in 1995, the Board of Directors of the Company has granted, taking into account the subdivision, a total of 2,778,600 options with a term of ten (10) years, 1,752,740 of which have been exercised, 62,280 of which have been cancelled due to departures and 963,580 of which are still outstanding. The stock options granted are solely Class "A" Shares.

The following table shows the stock options granted to some of the Named Executive Officers during the financial year ended May 31, 2002.

Name	Securities under Options / SARs Granted (#)	% of Total Options / SARs Granted to Employees in Financial Year (%)	Exercice or Base Price ($/security)	Market Value of Securities Underlying Options / SARs on the Date of Grant ($/security)	Expiration date
Yvon Béchard	23,300	13.53%	26.00[1]	26.00[1]	October 17, 2011
William Welsh	12,400	7.20%	26.00[1]	26.00[1]	October 17, 2011

(1) Based on the performance of Class "A" Shares on the Toronto Stock Exchange at the preceding date when Shares were granted on October 18, 2000.

11. AGGREGATED OPTION / SARs EXERCISES DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR AND FINANCIAL YEAR-END OPTION / SARs VALUES

Name	Securities acquired following exercise (#)	Aggregate value realized ($)	Unexercised options/SARs at financial year end		Value of unexercised in-the-money options/SARs at financial year end	
			Exercisable (#)	Unexercisable (#)	Exercisable ($)	Unexercisable ($)
Yvon Béchard	242,160	4,147,083.10	344,820	437,120	8,239,249	10,278,700
William Welsh	6,000	132,297.50	59,640	81,360	1,268,081	1,568,654

12. RETIREMENT PLAN

The Company contributes to a fixed contribution pension plan for all employees (excluding Presidents and Vice-Presidents) who wish to join such a plan. The amount paid out by the Company for the benefit of each participating employee corresponds to the amount paid out by the employee pursuant to the plan but is limited to 3.5% of his gross annual salary.

Retirement Plan of Canadian Vice-Presidents

The Company introduced a retirement plan on January 1, 2000 for eleven (11) of its Canadian Vice-Presidents excluding family members of the significant shareholder, endowed entirely by the Company. The plan is a fixed benefit pension plan and is offered in addition to the authorized basic pension plan of the Vice-Presidents.

In accordance with the authorized basic pension plan, the amounts can only be accumulated for the years of service following the introduction of the plan. The maximum annuity payable pursuant to the authorized basic pension plan is determined by income tax legislation. The additional plan, for its part, covers the surplus of the salary eligible for income tax purposes pursuant to the basic pension plan and the past years of service may be recognized and accumulated with those years coming after the implementation of the plan. In this regard, the past years of service may be acquired during the next four years at the rate of 25% a year as of January 1, 2000.

In accordance with these plans, Vice-Presidents who benefit from the plan, are entitled to a life annuity at retirement which amount 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.

• For each year of service before January 1, 2000, the equivalent of 2% of the average salary of the three best consecutive years less $1,722.00 a year or any other greater amount specified by income tax legislation as being the limit of determined benefits during the year of retirement of the Vice-President.

For the calculation of the life annuity, the years of service may not exceed 35 years.

The table below indicates the benefits which should be paid out pursuant to the plan and includes the benefits in accordance to the basic retirement plan and the benefits pursuant to the additional plan.

Average Remuneration	Years of participation				
	15	20	25	30	35
$250,000	$75,000	$100,000	$125,000	$150,000	$175,000
$300,000	$90,000	$120,000	$150,000	$180,000	$210,000
$400,000	$120,000	$160,000	$200,000	$240,000	$280,000
$500,000	$150,000	$200,000	$250,000	$300,000	$350,000
$750,000	$225,000	$300,000	$375,000	$450,000	$525,000
$1,000,000	$300,000	$400,000	$500,000	$600,000	$700,000

The life annuity granted by the plan is payable without adjustment provided that the Vice-President is 60 years old or has 35 years of service and includes a 60% reversible life annuity to the spouse in the event of the passing away of the participant during his retirement.

For three Vice-Presidents (one of them being Mr. Yvon Béchard), the salary upon which the calculation is based also includes bonuses.

The years of participation to the plan as of January 1, 2000 with regard to Mr. Yvon Béchard totaled 21.58 years of service.

Retirement plan of U.S. Vice-Presidents

The Company is presently working on a retirement plan for its U.S. Vice-Presidents. For the time being, the Vice-Presidents participate in a general retirement plan which applies to all employees of the Head Office of the Company in the United States and which allows an optional contribution by the employees and a contribution by the employer of 25% of the contribution of the employee for a maximum of 4% of his salary.

13. REPORT OF THE HUMAN RESOURCES COMMITTEE CONCERNING REMUNERATION

The Human Resources Committee is made up of six (6) Directors, being:

- Nicolle Forget, Director and Chair of the Human Resources Committee,
- Marie-Josée Coutu, Director,
- Claire Léger, Director,
- Yvon Martineau, Director; and
- Laurent Picard, Director.

a) The Major Remuneration Guidelines

The remuneration of the Presidents and Vice-Presidents (“Executive officer”) depends first and foremost on the experience that the Executive Officer has in his field of professional activity. The experience acquired within the Company or one of its subsidiaries or within the Canadian or American network, as the case may be, is also taken into consideration by the Human Resources Committee.

The second criterion by which the Human Resources Committee evaluates the competence of Executive Officers is with regard to the set objectives and the efficiency demonstrated in reaching these objectives. The level of responsibility of each Executive Officer is also examined by the Human Resources Committee to ensure that any difference in remuneration between the Executive Officers is established in all fairness.

Lastly, the Human Resources Committee takes into consideration the long term incentive of Executive Officers towards the Company and its subsidiaries. For this purpose, the Human Resources Committee, in particular, must recommend a remuneration which is competitive on the market and which takes into account the experience, competence and level of responsibility of the Executive Officers.

b) Components of the Remuneration

The remuneration is made up of an annual remuneration and a long-term remuneration to which are added pension plans, certain perquisites and other benefits.

The remuneration of Executive Officers includes the following components: basic salary, bonus, the granting of stock options, basic pension plan, additional pension plan, benefits and group insurance plans.

Basic Remuneration

The basic remuneration reflects the size of the Company and the market that it operates in. It takes into account the Company's expansion objectives given the stage of development of the market. The basic remuneration increases yearly in accordance with practices in effect which will in time include criteria related to individual performance.

Short-term Incentive Remuneration

Short-term remuneration includes bonuses which, in compliance with the corporate culture of the Company, aims at recognizing the fulfillment of objectives which bolster team spirit and which contribute most to the creation of shareholder value.

Such bonuses are calculated in accordance with the consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) and are payable on a quarterly basis. In due time this bonus will reward the achievement of team objectives while recognizing the individual performance of Executive Officers.

Long-term Incentive Remuneration

Long-term remuneration for all Vice-Presidents includes an annual grant of stock options the value of which is determined pursuant to a percentage of the basic salary and varies according to the position held. In the case of the Senior Executive Vice-President and Assistant-Secretary of the Company, Mr. Yvon Béchard, he receives since October 2000, stock options which value corresponds to 200% of his basic salary and annual bonus.

The objective of the granting of stock options is to reward Vice-Presidents for their contribution to the growth of shareholder value. It is therefore possible for the Human Resources Committee to use performance criteria within the context of the granting or the acquisition of stock options.

The rights and obligations of the Company and of its Vice-Presidents with regard to the granting of stock options as well as to the conditions relative to their exercise are described in the stock option plan approved by the shareholders of the Company.

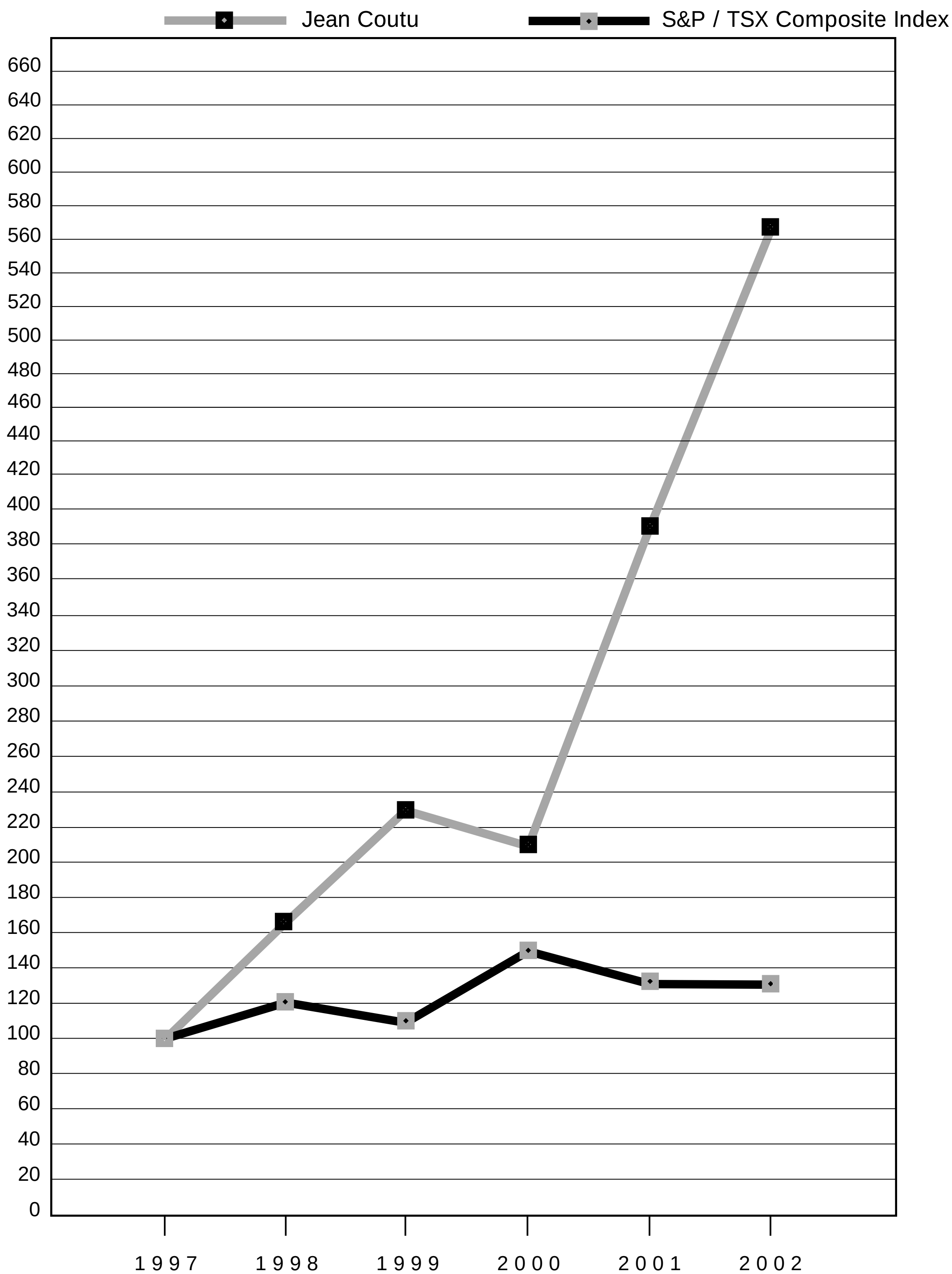
Given the family nature of the Company, only the Vice-Presidents who are not related to the significant shareholder of the Company are eligible to receive stock options.

This report was filed by:

Mrs. Nicolle Forget, Chair of the Human Resources Committee,
Mrs. Marie-Josée Coutu,
Mrs. Claire Léger,
Mr. Yvon Martineau; and
Mr. Laurent Picard.

14. PERFORMANCE GRAPH

The following graph compares the total cumulative performance of a $100 investment in the Class "A" Shares carried out on May 31, 1997 and the cumulative performance of the S&P / TSX Composite Index of The Toronto Stock Exchange for the last five (5) financial years ended May 31, 2002.



Fiscal year	May 97	May 98	May 99	May 00	May 01	May 02
S&P / TSX Composite Index	100.00	120.67	110.50	151.52	135.34	129.09
The Jean Coutu Group (PJC) Inc.	100.00	168.71	238.64	218.58	388.16	564.86

15. CORPORATE GOVERNANCE PRACTICES

The Toronto Stock Exchange adopted in 1995, guidelines regarding corporate governance practices of listed companies to assist officers in improving the management of their businesses while ensuring shareholders a better return on their investments (the "Guidelines").

The corporate governance practices implemented by the Company comply with most of those Guidelines and have been in place since the inception of the Company.

The corporate governance of the Company takes into consideration the control held by its significant shareholder and founder while favouring the efficient administration of the Company by its Management.

The information relative to each of these Guidelines is presented by the Company in Appendix A hereto.

16. INDEBTEDNESS OF DIRECTORS AND OFFICERS

For the year ended May 31, 2002, the Company had no outstanding loans to any of its Directors or Officers in their personal capacity or to a related company.

17. INSURANCE OF DIRECTORS AND OFFICERS

The Company 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 September 23, 2000 and ending September 23, 2002 is $25,000,000 per event. A deductible of $150,000 will be paid by the Company in the event of a claim. The Company has paid, relative to the coverage year as defined in the policy, premiums in the amount of $74,174.50.

18. APPOINTMENT AND REMUNERATION OF AUDITORS

The Management of the Company proposes that Samson Bélair/Deloitte & Touche, Chartered Accountants, be appointed auditors of the Company and that the Directors of the Company 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 Samson Bélair/Deloitte & Touche as auditors and of the authorization of the Board of Directors to fix their remuneration.

19. INTEREST OF INSIDERS AND OTHER PERSONS IN MATERIAL TRANSACTIONS

Mr. Jean Coutu, Chairman of the Board of Directors and Chief Executive Officer of the Company, personally, as franchisee of five (5) Jean Coutu stores, as well as through certain corporations of which he is an associate, including the subsidiaries of the Company, is involved in numerous transactions with the Company. The same is true of Mr. François Jean Coutu, President and Chief Operating Officer of the Company, as franchisee with respect to five (5) stores. These transactions are concluded in the normal course of the Company's business and in accordance with the same terms and conditions applicable to other 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 computer and security and protection services.

20. ADDITIONAL DOCUMENTATION

The Company is a reporting issuer under the securities legislation of all provinces of Canada and therefore is required to file financial statements and a Management Proxy Circular with the securities commissions of all provinces. The Company also files an Annual Information Form with these securities commissions. A copy of the Company's most recent Annual Information Form, the Management Proxy Circular and the audited financial statements may be obtained upon request from the Head Office of the Company. The Company may charge a reasonable amount for any request from someone who is not a shareholder of the Company, unless the Company 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 Company or obtain additional information is invited to visit the website of the Company at the following address: www.jeancoutu.com or its American subsidiary's website at www.brooks-rx.com.

21. APPROVAL BY DIRECTORS

The Board of Directors of the Company has approved the form, the content and the sending of the present Circular.

Longueuil, Province of Quebec
this 16th day of July, 2002.

BY ORDER OF THE
BOARD OF DIRECTORS

The Chairman of the Board
and Chief Executive
Officer of the Company

Jean Coutu

APPENDIX "A" : STATEMENT ON CORPORATE GOVERNANCE PRACTICES

N.B. With respect to each Guideline "Yes" means that the Company believes to be in compliance with the Guideline, "In part" means that the Company is partly in compliance with such Guideline while "No" means that the Company is not complying to it.

Toronto Stock Exchange Corporate Governance guidelines	Does the Company align?	Corporate Governance Procedures within the Company
1. The Board of Directors must explicitly assume full responsibility for the governance of the Corporation:		The significant shareholder of the Company as defined in the Guidelines and its founder, Mr. Jean Coutu, has held the position of Chairman of the Board as well as Chief Executive Officer since the creation of the Company. The experience and expertise of Mr. Jean Coutu, who is a pharmacist by trade, in those sectors in which the Company is engaged, benefit all members of the Board of Directors and all members of the Company's management team. The Board of Directors has the mandate conferred to it by law, as well as by Company by-laws in order, amongst other things, to regulate the management of the affairs of the Company. In addition, the Board of Directors adopted during the last fiscal year a mandate drawn up by the human resources committee and approved by the Board of Directors. The Board of Directors approves, in particular, the interim and annual financial statements, the annual budgets of the Company as well as those of its subsidiaries, declares dividends, identifies the main risks of the Company, adopts the strategic planning of the Company and it may also call special meetings to deal with issues which may require its approval.
(a) adoption of a strategic planning process;	Yes	A strategic planning process is in effect in the Company which results from discussion and elaboration by Upper Management which then reports to the Board of Directors from time to time. The Board of Directors of the Company is called upon to approve the strategic plan elaborated by the Executive Committee when this Committee is required upon to create such a plan.
(b) identification of principal risks and the implementation of measures to control such risks;	Yes	The main risks associated with the Company's activities are identified by the Board of Directors, which, in conjunction with the management team, ensures the implementation of measures aimed at controlling these main risks. The main risks are also considered by the Board of Directors when establishing the strategic planning of the Company.

Toronto Stock Exchange Corporate Governance guidelines	Does the Company align?	Corporate Governance Procedures within the Company
(c) the planning of the recruiting of new Directors and the supervision of Senior Management;	Yes	The Human Resources Committee, in particular, oversees the assessment of the Directors, the prospective nominees to directorship and ensures compliance with the corporate governance policies of the Company in full conformity with the Guidelines.
(d) communication policy;	Yes	While the Audit Committee verifies the quarterly press releases of the Company, the Human Resources Committee also oversees the other documentation required by the Securities Act. The Board of Directors approves subsequently the final version of these documents before they are sent. Any other communication is examined by a professional public relations firm and submitted for approval to the President and Chief Operating Officer of the Company. In addition, several speeches, interviews and other information seminars are regularly offered by some members of management to inform the shareholders and the public at large of the major objectives of the Company.
(e) the integrity of control and management information systems.	Yes	The Audit Committee, which reports to the Board of Directors, evaluates regularly the internal control and information management systems of the Company.
2. Composition of the Board of Directors		
(a) the majority of Directors must be unrelated (independent from management and free from conflicting interests) to the Company and to the significant shareholder of the Company;	No	No. At the close of the fiscal year ended May 31, 2002, the Company's Board of Directors was made up of sixteen (16) Directors, ten (10) of whom were outside Directors actively engaged in different business sectors. In the determination of related and unrelated members, the Board of Directors considers that top executives of the Company, and Directors having close business ties with the Company through the services that they provide to the Company as well as those Directors related to the significant shareholder are related Directors. Three (3) of the outside Directors are considered by the Company to be related Directors whereas all the other outside Directors are unrelated. The shareholders of the Company include a significant shareholder holding 92.50% of the voting rights attached to all Shares with voting rights.

Toronto Stock Exchange Corporate Governance guidelines	Does the Company align?	Corporate Governance Procedures within the Company
		The Company considers that the seven (7) members of the Board of Directors which are unrelated represent well the interests of the minority shareholders. Therefore, the Board of Directors of the Company is composed of nine (9) related Directors and seven (7) unrelated Directors.
(b) although the Company has a significant shareholder, the Board of Directors must include a certain number of Directors who are unrelated to the significant shareholder and who are not engaged in a business relationship with him.	Yes	The Board of Directors is made up of seven (7) Directors having no participation or business ties with the significant shareholder.
3. Disclosure of the analysis of the Board of Directors as to the determination of “related” and “unrelated” Directors.		• As Senior Executive Vice-President and Assistant Secretary of the Company, Mr. Yvon Béchard is a “related” Director. • As President and Chief Operating Officer of the Company, Mr. François Jean Coutu is a “related” Director. • As Chairman of the Board and Chief Executive Officer of the Company, Mr. Jean Coutu is a “related” Director. • As Vice-President of Commercial Policies of the Company, Mr. Louis Coutu is a “related” Director. • Being personally related to the significant shareholder, Mrs. Marie-Josée Coutu is a “related” Director. • As President and Chief Executive Officer of The Jean Coutu Group (PJC) U.S.A. Inc., Mr. Michel Coutu is a“related” Director. • Being personally related to the significant shareholder, Mrs. Sylvie Coutu is a “related” Director. • As Senior Partner at Fasken Martineau DuMoulin l.l.p. Legal advisors to the Company, Mr. Yvon Martineau is a “related” Director. • As Vice-Chairman of the Board of the Company, Mr. Jacques Masse is a “related” Director. • Mr. Barrie D. Birks is an “unrelated” Director. • Mr. Paul Delage Roberge is an “unrelated” Director. • Mr. Marcel Dutil is an “unrelated” Director. • Mrs. Nicolle Forget is an “unrelated” Director. • Mrs. Claire Léger is an “unrelated” Director. • Mr. Érik Péladeau is an “unrelated” Director. • Mr. Laurent Picard is an “unrelated” Director.

Toronto Stock Exchange Corporate Governance guidelines	Does the Company align?	Corporate Governance Procedures within the Company
4. Nominees to the Board of Directors:		
(a) appointing a commitee responsible for proposing new nominees to the Board of Directors and for evaluating Directors;	Yes	The Human Resources Committee is in charge of designating candidates to be elected as Directors and which makes recommendations regarding such matters to the Board of Directors. Although no formal evaluation process of Directors is in effect, Board members are entirely free to discuss among themselves the performance of a fellow Director, or submit such a matter to the Chairman of the Board who will ensure the implementation of appropriate measures to deal with any situation of concern regarding the effectiveness of the Board of Directors.
(b) made up exclusively of outside Directors, and a majority of which are unrelated	Yes	The Human Resources Committee is composed of five (5) Directors, all outside Directors and three (3) of whom are outside and unrelated Directors.
5. Implementation of a process for assessing the effectiveness of the Board of Directors, its committees and individual Directors:	Yes	The Human Resources Committee has drawn up a self-evaluation procedure of the Board of Directors and of its committees by its members. The procedure is studied every year and any Director can make his point of view known in full confidentiality.
6. Provide orientation and education programs for new Directors:	Yes	New Directors receive all the documentation pertinent to the affairs of the Company while all meetings are held at the head office of the Company, thus allowing the new Directors to become better acquainted with its activities.
7. Oversee the size of the Board of Directors and consider reducing its size to improve its effectiveness:	No	The Board of Directors considers that the size and its makeup is adequate to maximize its effectiveness and reflect fairly the investments of shareholders other than the significant shareholder.
8. Examine the compensation of Directors in light of their risks and responsibilities.	Yes	The Human Resources Committee evaluates periodically the policies regarding compensation in light of the practices of the market, as well as the risks and responsibilities.

Toronto Stock Exchange Corporate Governance guidelines	Does the Company align?	Corporate Governance Procedures within the Company
9. Composition of the commitees: (a) the committees should generally be made up of Directors who are not members of management; (b) the majority of members of the committees should be unrelated.		
	Yes	The Audit Committee is composed of four (4) outside Directors, all of whom are unrelated. This committee meets at least four (4) times a year, amongst other tasks, to analyze the quarterly and annual financial statements of the Company as well as to recommend to the Board of Directors the approval of the financial statements. The Audit Committee also checks with the management of the Company that the annual recommendations made by the auditors of the Company each year are acted upon and that corrective measures are adopted, when so required, by the Management of the Company. For this purpose, two (2) members of the management team as well as one (1) members of the auditing firm attend all the meetings of the Audit Committee and answer the numerous questions asked by the members of the Audit Committee of the Company.
	No	The Executive Committee is composed of six (6) Directors, of whom three (3) are outside and unrelated Directors. The Executive Committee meets as needed but at least once a year to analyse the strategic plan of the Company and to deal with particular matters of immediate concern likely to impact the operations of the Company.
	Yes	The Human Resources Committee examines the policies put forward by the Human Resources Department of the Company dealing with such matters as salaries, fringe benefits, employee retirement plans and succession planning, including, but without limitation, the appointment, training and supervision of all managers of the Company at any level on the Company's organizational chart. The Human Resources Committee may also make recommendations to the Board of Directors when business matters so dictate. See Guideline 4b.

Toronto Stock Exchange Corporate Governance guidelines	Does the Company align?	Corporate Governance Procedures within the Company
	In part	The Brooks Liaison Committee oversees the activities of the American subsidiary of the Company and receives the report of the management team of this subsidiary pertaining more specifically to its financial and operational performance. The Committee then makes recommendations to the Board of Directors regarding the strategic direction of the American subsidiary. All the meetings of this Committee are held in the presence of three (3) Senior Executives of the American subsidiary, who answer the questions of the members of the Brooks Liaison Committee. The Committee is composed of seven (7) Directors, two (2) of which are outside and unrelated, two (2) of wich are outside and related and of three (3) inside Directors. This Committee meets every quarter via teleconference.
10. The Board of Directors must expressly assume the responsibility relative to questions of corporate governance or delegate such general responsibility to a committee:	Yes	Although matters relative to corporate governance is incumbent upon the Board of Directors, it has delegated this responsibility of ensuring compliance with the corporate governance guidelines to the Human Resources Committee which reports to the Board of Directors.
11. Define the scope of the responsibilities of management and the general objectives of the Company for the Chairman of the Board.	No	The Board of Directors has not deemed fit at this time to work out along with the Chairman of the Board a formal description of the functions of the members of the Board of Directors and of the Chairman of the Board nor to determine specifically the general objectives of the Company that the Chairman of the Board must achieve other than compliance with the budgets approved by the Board of Directors.
12. Establish structures and procedures allowing the Board of Directors to function independently of management:	Yes	Although there exists no formal mechanism to specifically ensure the independence of the Board of Directors with regard to management, the members have all the freedom necessary to require that the Board of Directors convene or that its committees meet without the participation of members of management or of related Directors. The Directors may from time to time ask the Chairman of the Board to call upon one or several Vice-Presidents of the Company, in particular to obtain additional details regarding particular matters, and these Vice-Presidents are required to answer the Directors' questions.

Toronto Stock Exchange Corporate Governance guidelines	Does the Company align?	Corporate Governance Procedures within the Company
13. The audit committee must have a mandate expressly defined and all members must be non-management Directors:	Yes	See Guideline 9.
14. Implement a system that would allow each Director to engage an outside consultants, at the expense of the Company:	Yes	The members of some committees have called upon outside consultants at the expense of the Company and continue to enjoy the freedom to do so again in the future.

APPENDIX “B”
By-Law 2002-1

IT IS RESOLVED :

THAT each Class “A” Subordinate Voting Share without par value of the share capital of the Company, issued and outstanding, be subdivided in two (2) Class “A” Subordinate Voting Shares without par value;

THAT each Class “B” Share without par value of the share capital of the Company, issued and outstanding, be subdivided in two (2) Class “B” Shares without par value;

THAT one of the Director of the Company be, and is hereby authorised and mandated to execute in the name and on behalf of the Company, the amended articles of the Company reflecting this By-law 2002-1, which object is the amendments encompassed in By-law 2002-1;

THAT one of the Directors of the Company be and is hereby duly authorised and mandated, in the name and on behalf of the Company, to execute any other document that must be filed with the Inspector General of Financial Institutions or with any other appropriate regulatory body and to do any such thing that said Director may deem useful or necessary to fully carry out the filing of the amended articles, in order to obtain the delivery of a certificate attesting the amended articles of the Company in accordance with the provisions of By-law 2002-1;

THAT one of the Directors or Officers of the Company be, and is hereby duly authorised and mandated to sign and execute, in the name and on behalf of the Company, any document or take whatever action necessary, as choosing a record date, notably with the competent regulatory authorities in security matters, in order to give full effect to this By-law 2002-1, the signature of one of the Directors or Officers of the Company to any such document being conclusive evidence of approval by the Company of all the provisions of such document;

Notwithstanding the approval of this By-law 2002-1 by the shareholders of the Company, the Directors may, before the issuance of the certificate of amendment in accordance with the provisions of chapter XV of part 1A of the Quebec Companies Act, cancel By-law 2002-1 for any reason they may deem appropriate at their entire discretion.