INFORMATION MEMORANDUM

SHORT-TERM PROMISSORY NOTES

of

SHOPPERS DRUG MART

SHOPPERS DRUG MART CORPORATION

$500,000,000

The Short Form Promissory Notes offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended ("Securities Act") and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons at any time. Terms used above have the meanings given to them by Regulation S under the Securities Act.

This Information Memorandum does not in any way obligate Shoppers Drug Mart Corporation to accept an offer to purchase any of the Short Term Promissory Notes. No person has been authorized to give any information or to make any representation not contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorized. This Information Memorandum replaces and supersedes in its entirety the Information Memorandum of Shoppers Drug Mart Corporation dated October 14, 2003.

APRIL 22, 2008
SHoppers Drug Mart Corporation

Shoppers Drug Mart Corporation (the “Corporation” or “Shoppers”) is the licensor of full-service retail drug stores operating under the name Shoppers Drug Mart® (Pharmaprix® in Québec). As at December 29, 2007, there were 1,057 Shoppers Drug Mart®/Pharmaprix® retail drug stores owned and operated under license by pharmacists (“Associates”). The Corporation’s stores are located in prime locations in each province and two territories, making Shoppers stores among the most convenient retail outlets in Canada. In fiscal 2007, Shoppers stores recorded consolidated sales of approximately $8.5 billion. The Corporation also owns and operates 64 Shoppers Home Health Care® stores, making it the largest Canadian retailer of home health care products and services, including the sale and service of assisted-living devices, medical equipment, home-care products and durable mobility equipment by sales volume. In addition to its retail store network, the Corporation owns MediSystem Technologies Inc., a provider of pharmaceutical products and services to long-term care facilities in Ontario and Alberta.

The Shoppers Drug Mart® name is one of Canada’s most widely recognized brands. The Corporation’s predecessor, Shoppers Drug Mart Group, was founded in 1962 and since that time has grown steadily by making a significant investment in its store network, development of its Associate concept, and innovative marketing and merchandising techniques. Today, Shoppers is one of the leading players in Canada’s retail drug store marketplace. Over the past five fiscal years, the Corporation has experienced significant growth in its pharmacy business, with sales of prescription drugs growing at a compound annual growth rate of 9.7%. During fiscal 2007, prescription sales accounted for approximately 47.0% of Shoppers’ sales.

The Shoppers Associate Concept

The Shoppers Associate Concept combines the principles of a franchise arrangement, through the licensing of drug stores to individual Associates (the “Associate Concept”), with the benefits of a corporate infrastructure. An Associate is a pharmacist-owner of a corporation that is licensed to operate a retail drug store at a specific location using the Corporation’s trademarks. Under the licensing arrangement with Associates, the Corporation provides the capital and financial support to enable Associates to operate Shoppers Drug Mart® and Pharmaprix® stores without any initial investment. The Associate Concept combines the efforts, motivation and on-site management skills of the Associate as an independent business person, with the Corporation’s proven marketing capabilities, purchasing scale, management expertise, financial stability and standardized operating policies and procedures. The Associate Concept effectively aligns the Associates’ interests with those of the Corporation in driving and maximizing store-level profits. The result is a retail format that is consistent across Canada in terms of quality and reputation that can be adapted to meet local market needs.

As part of the Associate Concept, Shoppers provides a package of services to facilitate the growth and profitability of each Associate’s business. These services include: use of trademarks, operational support, marketing and advertising, purchasing and distribution, information technology and accounting. In return for being provided with these and other services, Associates pay fees to the Corporation representing a substantial share of Associate store profits. The Corporation’s share of Associate store profits is reflective of its investment in, and commitment to, the operations of the Associates’ stores. Fixtures, leasehold improvements and equipment are purchased by the Corporation and leased to Associates over periods ranging from two to 15 years, with title retained by the Corporation. A portion of the Associate’s annual income is required to be left in the business as retained earnings to build the Associate’s equity and help finance store working capital needs. The Corporation also provides its Associates with assistance in meeting their working capital and long-term financing requirements through the provision of loans and loan guarantees.

Shoppers operates in Québec under the Pharmaprix® trade name. Under Québec law, profits generated from the prescription area or dispensary may only be earned by a pharmacist or a corporation controlled by a pharmacist. As a result of these restrictions, the licence agreement used for Québec Associates differs from the Associate agreement used in other provinces. Pharmaprix® stores and their Associates benefit from the same infrastructure and support provided to all other Shoppers Drug Mart® stores and Associates.

The registered office of the Corporation is located at 243 Consumers Road, Toronto, Ontario M2J 4W8.
DESCRIPTION OF THE SHORT TERM PROMISSORY NOTES

Principal Amount: The maximum aggregate principal amount of the Notes outstanding at any one time will not exceed $500 million in Canadian funds or the equivalent amount in any other currency.

Purpose of Issue: The net proceeds from the sale of the Notes will be used by the Corporation for working capital and other general corporate purposes including refinancing existing indebtedness.

Form of Notes: The Notes will be issued in negotiable form, payable to bearer or a named payee and will be interest-bearing or issued at a discount to mature at the principal amount. The Notes, at the option of the Corporation, may be issued in “book entry only” form (the “Book Entry Notes”), in which case such Notes must be purchased or transferred through participants (“Participants”) in CDS Clearing and Depository Services Inc. (“CDS”) debt clearing service, which includes securities brokers and dealers, banks and trust companies. Indirect access to the CDS book entry system is also available to other institutions (“Indirect Participants”) that maintain custodial relationships with a Participant, either directly or indirectly.

The Corporation will cause Book Entry Notes to be delivered to, and registered in the name of, CDS or its nominee. The Corporation understands that each purchaser of a Book Entry Note will receive a customer confirmation of purchase from the registered dealer from whom such Note is purchased in accordance with the practices and procedures of that registered dealer. Practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order.

No holder of Book Entry Notes will be entitled to a certificate or other instrument from the Corporation or CDS evidencing that person’s interest in or ownership of such Note, or will be shown on the records maintained by CDS, except through an agent of the holder who is a Participant or an Indirect Participant of CDS. Registration of interests in, and transfers of, Book Entry Notes will only be made through the debt clearing service of CDS.

Neither the Corporation nor the registered dealers who sell the Notes will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Book Entry Notes held by CDS or the payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Book Entry Notes; or (c) any advice or representation made by or with respect to CDS, including those contained in this Information Memorandum and relating to the rules governing CDS or any action to be taken by CDS or at the direction of its Participants. The rules governing CDS provide that it acts as the agent and depository for the Participants and CDS has a statutory duty to enforce payment of the Notes on behalf of the Participants. As a result, Participants must look solely to CDS and holders of Book Entry Notes must look solely to Participants for the payment of the principal and interest on the Book Entry Notes once such payment is made by or on behalf of the Corporation to CDS.

The ability of a holder to pledge Book Entry Notes or take action with respect thereto (other than through a Participant or an Indirect Participant) may be limited due to the lack of physical certificates.

The Corporation will have the option to terminate the book entry system through CDS, in which case Notes in certificated form payable to bearer or to the order of a holder thereof will be issued to holders of Book Entry Notes or their nominees.

As of the date of this Information Memorandum, we understand from CDS that only Notes payable in Canadian or United States dollars are eligible to be Book Entry Notes. Accordingly, Notes payable in currencies other than Canadian or United States dollars
will be issued in certificated form payable to bearer or to a named payee. If CDS and its Participants decide to introduce non-Canadian or non-United States dollar short term promissory notes into the CDS debt clearing service in the future, Notes in certificated form will then be issued in “book-entry” form on the same basis as that described above for the Book Entry Notes.

The Book Entry Notes will be subject to the **Depository Bills and Notes Act** (Canada).

### Currency and Denominations of Issuance

The Notes will be issued in lawful money of Canada or the United States or such other currencies as the Corporation may from time to time permit. Notes issued in lawful money of Canada or the United States will be issued in multiples of $1,000 subject to a minimum of $100,000 in lawful money of Canada or the equivalent thereof at the date of issue in any other currency.

### Maturities:

Not more than 365 days from the date of issue.

### Rates:

Available upon request from Canadian Imperial Bank of Commerce, RBC Dominion Securities Inc., Scotia Capital Inc., The Toronto Dominion Bank and other dealers appointed by the Corporation from time to time.

### Delivery:

Delivery of Book Entry Notes will be made in accordance with the rules established by CDS. Subject to confirmation by the Corporation, on applications made prior to 12:00 noon Toronto time, Notes in certificated form, if applicable, can be arranged for same-day delivery through Canadian Imperial Bank of Commerce in Toronto to the purchaser or its agent against payment by certified cheque, bank draft or wire transfer. In other principal cities in Canada, delivery will be made by a bank letter of undertaking.

### Payment:

All payments on Book Entry Notes will be made in accordance with the rules established by CDS. All payments on Book Entry Notes will be made by or on behalf of the Corporation to the Canadian Imperial Bank of Commerce, the Corporation’s authorized issuing agent, which will then make payments to CDS and such payments will be forwarded by CDS to its Participants, by Participants to holders of Book Entry Notes or by Participants to Indirect Participants and thereafter to holders of Book Entry Notes. At maturity, payment of the principal of, and interest on, Notes in certificated form will be made by or on behalf of the Corporation in the currency of issue at any of the branches of Canadian Imperial Bank of Commerce or such other Canadian chartered bank designated in the Note.

### Bank Lines of Credit:

The Corporation maintains lines of credit with its bankers in amounts sufficient for its operations, including commercial paper activity.

### Permissible Purchasers:

The Notes have not been registered under the United States of America’s **Securities Act** of 1933, as amended and are not being offered for sale in the United States of America, its States, political subdivisions, territories or possessions (the “United States”) or to a citizen, national or resident of the United States or a corporation, partnership, trust or other entity organized under the laws of or resident in the United States or to any person purchasing for a re-sale to, for the account of, or for benefit of, any such person.

### Rating:

As of the date hereof, DBRS Limited has rated the Notes as R-1 (low). This rating is subject to change without notice.

### Financial Statements:

The Corporation’s audited financial statements for the most recently-completed financial year are provided herewith (provided that, if these audited financial statements are not yet available, those in respect of the previous financial year will be provided).

### Eligibility:

Eligibility of the Notes for investment by certain purchasers is governed by general restrictions and provisions set out in statutes applicable to such purchasers, and in certain cases, subject to prudent investment standards established by such purchasers.
EXTRACT FROM THE BY-LAWS OF
SHOPPERS DRUG MART CORPORATION AUTHORIZING BORROWING

"ARTICLE 3
BORROWING"

3.1 Borrowing

Without limit to the powers of the board as provided in the Act, the board may from time to time on behalf of the Corporation:

(a) borrow money upon the credit of the Corporation;

(b) issue, reissue, sell or pledge debt obligations of the Corporation;

(c) to the extent permitted by the Act, give, directly or indirectly, financial assistance to any person by means of a loan, a guarantee to secure the performance of an obligation or otherwise; and

(d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

3.2 Delegation

Subject to the Act, the board may from time to time delegate to a director, a committee of directors, an officer or such other person or persons so designated by the board all or any of the powers conferred on the board by section 3.1 or by the Act to such extent and in such manner as the board shall determine at the time of each such delegation.

The undersigned, Richard Alderson, Senior Vice President, Legal Affairs, General Counsel and Secretary of Shoppers Drug Mart Corporation (referred to above as the “Corporation”), hereby certifies that the foregoing is a true and complete extract of Article 3 of By-Law No. 3B of Shoppers Drug Mart Corporation, and that it has not been amended or repealed and is in full force and effect as at the date hereof.

DATED as of April 22, 2008.

__________________________
Richard Alderson
Senior Vice President, Legal Affairs, General
Counsel and Secretary
SHOPOERS DRUG MART CORPORATION
Resolution of the Board of Directors Authorizing the Issue and Sale of Short Term Promissory Notes

"IT WAS RESOLVED THAT:

1. Shoppers Drug Mart Corporation (the "Corporation") is hereby authorized to borrow money or otherwise incur indebtedness from time to time including, but not limited to, the issue and sale of commercial paper in the form of short term promissory notes (the "Notes"), whether in certificated form or "book entry only" form, provided that (i) each Note shall be issued in a denomination of not less than $100,000 in lawful money of Canada or the equivalent thereof in any other currency; (ii) each Note shall have a maturity date of not more than 365 days from the date of issue; and (iii) the aggregate principal amount of the Notes outstanding at any one time shall not exceed $500 million in lawful money of Canada or the equivalent amount in any other currency. The limitation set forth in this resolution as to the aggregate principal amount of the Notes is directory only and shall not in any way limit the rights of a holder of any Notes.

2. Any two employees of the Corporation who hold the office of President and Chief Executive Officer; Executive Vice President and Chief Financial Officer; Senior Vice President, Legal Affairs, General Counsel and Secretary; Senior Vice President, Treasurer, Investor Relations & Corporate Affairs; Senior Vice President, Finance; Vice President, Corporate Controller; Vice President, Retail Accounting; Vice President, Taxation; and Assistant Treasurer (each an "Authorized Employee") are hereby authorized and empowered on behalf of the Corporation from time to time to execute, either by manual, facsimile or electronic signature, and deliver the Notes in such forms and amounts (subject to the limitations expressed in paragraph 1 above) and upon such terms (including maturity dates and rates of interest or discount) as such Authorized Employees may determine, such determination to be conclusively evidenced by the execution and delivery thereof by such Authorized Employees, and each such Note shall, in the case of Notes in certificated form, when authenticated or countersigned by an authorized signatory of an issuing agent of the Corporation and, in the case of Notes in certificated form and Notes in "book entry only" form, executed and delivered on behalf of the Corporation as aforesaid, constitute a valid and binding obligation of the Corporation notwithstanding that any person whose facsimile signature appears thereon shall not be an Authorized Employee at the time of the issuance and delivery of such Note.

3. Each Authorized Employee, acting alone, is hereby authorized and directed to do or cause to be done any and all such other acts and things (including, without limitation, the selection and appointment of one or more issuing agents and one or more selling agents for the Notes and the preparation and distribution of an information memorandum relating to the offering of the Notes) and to execute and deliver any and all agreements, documents, instruments and writings as such Authorized Employee deems necessary or desirable in order (i) to carry out and give full effect to this resolution; and (ii) after the issuance of the Notes and so long as any Notes are outstanding, to discharge or cause to be discharged all obligations, and to exercise or cause to be exercised any and all rights, of the Corporation under the Notes and any other agreement or document and under any statute, rule or regulation of any jurisdiction or authority relating to or governing the Notes.

4. Any and all prior actions of any officers of the Corporation in connection with the matters contemplated by this and the foregoing resolutions be, and each such action is hereby, approved, ratified, confirmed and adopted in all respects."

The undersigned, Richard Alderson, Senior Vice President, Legal Affairs, General Counsel and Secretary of Shoppers Drug Mart Corporation (referred to above as the "Corporation"), hereby certifies that the foregoing is a true and correct copy of an excerpt of a resolution of the Board of Directors of Shoppers Drug Mart Corporation and that the said resolution is in full force and effect, unamended, as of the date hereof, and no proceedings have been taken or are pending for repeal or amendment.

DATED as of April 22, 2008

Richard Alderson
Senior Vice President, Legal Affairs, General Counsel and Secretary
SHoppers Drug Mart Corporation

Certificate of Incumbency and Signatures of Authorized Employees

I, Jürgen Schreiber, President and Chief Executive Officer of Shoppers Drug Mart Corporation (the "Corporation"), hereby certify that the persons named hereunder have been duly elected or appointed to the offices of the Corporation indicated opposite their respective names, that such persons hold the offices indicated and that the signature that appears opposite each name is a true photostatic specimen of the signature of the signatory.

<table>
<thead>
<tr>
<th>NAME</th>
<th>OFFICE</th>
<th>SIGNATURE</th>
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<tbody>
<tr>
<td>George C. Halatsis</td>
<td>Executive Vice President and Chief Financial Officer</td>
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<tr>
<td>Richard Alderson</td>
<td>Senior Vice President, Legal Affairs, General Counsel and Secretary</td>
<td></td>
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<tr>
<td>John Caplice</td>
<td>Senior Vice President, Treasurer, Investor Relations &amp; Corporate Affairs</td>
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<tr>
<td>Brad Lukow</td>
<td>Senior Vice President, Finance</td>
<td></td>
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<tr>
<td>Joanne Gould</td>
<td>Vice President, Corporate Controller</td>
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<tr>
<td>Angelo Mariano</td>
<td>Vice President, Retail Accounting</td>
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<tr>
<td>Peter Effer</td>
<td>Vice President, Taxation</td>
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<tr>
<td>Craig Daigle</td>
<td>Assistant Treasurer</td>
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</tr>
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</table>

DATED as of April 22, 2008.

Jürgen Schreiber
President and Chief Executive Officer

I, Richard Alderson, Senior Vice President, Legal Affairs, General Counsel and Secretary of the Corporation, hereby certify that Jürgen Schreiber has been duly elected or appointed to the Office of President and Chief Executive Officer of the Corporation and that the signature set out above his name is a true photostatic specimen of his signature.

DATED as of April 22, 2008.

Richard Alderson
Senior Vice President, Legal Affairs, General Counsel and Secretary
Rights of Rescission or Damages for Purchasers in Nova Scotia

Purchasers of Notes resident in the Province of Nova Scotia have the following rights:

Where this Information Memorandum or any amendment hereto or any advertising or sales literature (as defined in the Securities Act (Nova Scotia)) in respect of the Notes contains a misrepresentation, a purchaser to whom the Information Memorandum has been delivered and who purchases Notes shall be deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and the purchaser has a right of action for damages against the seller and, subject to certain additional defences, against the directors of the seller and persons who have signed this Information Memorandum, but may elect to exercise a right of rescission against the seller, in which case the purchaser shall have no right of action for damages against the seller, its directors or the signatories of this Information Memorandum, provided that:

(a) in an action for rescission or damages, the defendant will not be liable if it proves that the purchaser purchased the Notes with knowledge of the misrepresentation;

(b) in an action for damages, the defendant is not liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Notes as a result of the misrepresentation relied upon; and

(c) in no case shall the amount recoverable under the right of action described herein exceed the price at which the Notes were offered.

In addition, no person or company other than the seller is liable if the person or company proves that:

(d) this Information Memorandum or any amendment hereto was sent or delivered to the purchaser without the person’s or company’s knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person’s or company’s knowledge or consent;

(e) after delivery of this Information Memorandum or any amendment hereto and before the purchase of the Notes by the purchaser, on becoming aware of any misrepresentation in this Information Memorandum or any amendment thereto, the person or company withdrew the person’s or company’s consent to this Information Memorandum or amendment hereto, and gave reasonable general notice of the withdrawal and the reason for it; or

(f) with respect to any part of this Information Memorandum or any amendment hereto purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation; or (iii) the relevant part of this Information Memorandum or any amendment hereto (A) did not fairly represent the report, opinion or statement of the expert, or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Furthermore, no person or company other than the seller is liable with respect to any part of this Information Memorandum or any amendment hereto not purporting (a) to be made on the authority of an expert or (b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or believed that there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, this Information Memorandum or any amendment to this Information Memorandum, the misrepresentation is deemed to be contained in this Information Memorandum or the amendment to this Information Memorandum.
The right of action for rescission or damages described herein is conferred by section 138 of the Securities Act (Nova Scotia) and is in addition to and without derogation from any right the purchaser may have at law.

Pursuant to section 146 of the Securities Act (Nova Scotia), no action shall be commenced to enforce the right of action conferred by section 138 thereof unless an action is commenced to enforce that right not later than 120 days after the date on which payment was made for the Notes or after the date on which the initial payment for the Notes was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

For the purposes of the Securities Act (Nova Scotia), “misrepresentation” means

(i) an untrue statement of material fact, or

(ii) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.
April 22, 2008

Shoppers Drug Mart Corporation
243 Consumers Road
Toronto, Ontario
M2J 4W8

Dear Sirs/Mesdames:

Issuance of Short-Term Promissory Notes

We have acted as counsel to Shoppers Drug Mart Corporation (the “Corporation”) in connection with the proposed issue and sale by the Corporation, from time to time, of negotiable short-term promissory notes (the “Notes”) in a maximum aggregate principal amount at any one time outstanding of $500 million in the lawful currency of Canada or the equivalent amount in United States dollars or in any other currency. The Notes will be issued in negotiable form, payable to the bearer or a named payee. The Corporation may, at its option, issue the Notes in “book-entry form”. The Notes may be issued in multiples of $1,000, subject to a minimum denomination of $100,000 in lawful money of Canada or the equivalent thereof at the date of issue in United States dollars or any other currency, are not convertible or exchangeable into or accompanied by a right to purchase another security and will mature up to but not exceeding 365 days from their date of issue, the whole as described in the information memorandum of the Corporation dated the date of this opinion letter (the “Information Memorandum”).

A. Documentation

As counsel for the Corporation we have participated in the preparation of:

(a) the Information Memorandum; and

(b) the specimen forms of Notes reproduced in the Information Memorandum.

B. Jurisdiction

We are solicitors qualified to practise law in the Provinces of Ontario, Québec and Alberta and we express no opinion as to any laws or any matters governed by any laws other than the laws of those provinces and the federal laws of Canada applicable therein. Our opinion set forth herein in respect of the laws of the Province of Alberta is limited exclusively to the opinion set forth in paragraph E.4, and our opinions set forth herein in respect of the laws of the Province of Québec are limited exclusively to the opinions set forth in paragraphs E.4 and E.5, and we are not in any other paragraph of this opinion letter expressing any opinion in respect of the laws of the Provinces of Alberta and Québec. Insofar as the opinion set forth in paragraph E.4 below relates to the laws of any jurisdiction other than the laws of the Provinces of Ontario, Québec and
Alberta and the federal laws of Canada applicable therein, we have relied solely on the opinions of local counsel of even date herewith. To the extent that any opinion of counsel upon which we have relied is stated to be based on any assumption, to be given in reliance on any certificate or other document or to be subject to any limitation, qualification or exception, the opinions expressed in this opinion letter in reliance upon such opinion of local counsel is based upon the same assumption, is given in reliance on the same certificate or document, and is subject to the same limitation, qualification or exception as if such assumption, limitation, qualification or exception were expressly stated herein.

C. **Scope of Examinations**

In connection with the opinions expressed in this letter we have considered the questions of law and examined the public and corporate records, certificates and other documents and conducted the other examinations that we have considered necessary.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of the articles of the Corporation, the by-laws of the Corporation, a certified copy of a resolution passed by the directors of the Corporation relating to the offering of the Notes, and the form of the Notes set forth in the Information Memorandum.

D. **Assumptions and Reliances**

In expressing the opinion in paragraph E.1, we have relied solely upon a certificate of compliance dated April 21, 2008 issued by Industry Canada, a copy of which has been delivered to you.

For the purposes of the opinions expressed in this letter, we have also assumed the legal capacity of all individuals, the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, conforming, photocopies or facsimile copies.

To the extent that the opinions expressed in this letter are based on factual matters we have relied solely upon certificates of, or letters from the Corporation or its officers. We have not independently verified the factual matters upon which we have relied.

In expressing the opinion in paragraph E.4 below, we have assumed: (i) that there has been no cease trade order or similar order made by a court or regulatory authority having jurisdiction preventing trades in any of the Corporation’s securities, (ii) that the Corporation is not a “market intermediary” within the meaning of the Securities Act (Ontario) and the Securities Act (Newfoundland and Labrador); (iii) that the Corporation is not a registrant under The Securities Act (Manitoba) holding a restricted registration pursuant to which it is not entitled to trade in the Notes; and (iv) that the Notes are not convertible or exchangeable into or accompanied by any right to purchase another security.
E. **Opinions**

On the basis of the foregoing and subject to the qualifications hereinafter expressed, we are of the opinion that, as of the date hereof:

1. The Corporation is a corporation continued under the laws of Canada.

2. The Corporation has the corporate power and capacity to borrow money by the issue and sale of the Notes, and all necessary corporate action has been taken by the Corporation to authorize the issue and sale of the Notes and the borrowing of money thereby.

3. Each Note issued by the Corporation will constitute a valid and binding unsecured obligation of the Corporation, enforceable in accordance with its terms, if: (i) it is issued by the Corporation according to the form set out in the Information Memorandum in compliance with the conditions set forth therein and is executed by manual or facsimile signature by any two of the President and Chief Executive Officer; Executive Vice President and Chief Financial Officer; Senior Vice President, Legal Affairs, General Counsel and Secretary; Senior Vice President, Treasurer, Investor Relations & Corporate Affairs; Senior Vice President, Finance; Vice President, Corporate Controller; Vice President, Retail Accounting; Vice President, Taxation; or Assistant Treasurer of the Corporation; (ii) it is delivered (whether physically or electronically) against payment therefor; and, (iii) in the case of Notes in certificated form, it is authenticated or countersigned by an authorized signatory of the issuing agent of the Corporation duly appointed by the Corporation.

4. The Corporation may, either directly or through agents, provided that such agents must be registered in an appropriate category pursuant to applicable securities legislation that would permit them to effect, or otherwise be exempt from registration in respect of, distributions or trades in such Notes, offer and sell such Notes in each of the provinces of Canada without registration pursuant to the dealer registration requirements under applicable securities legislation in Canada and without filing any prospectus or other documents with applicable securities regulatory authorities in Canada, except, in the case of the Province of Québec, for the filing without delay of the Information Memorandum and any other disclosure document delivered to purchasers of the Notes with the Autorité des marchés financiers, provided that the Notes have a credit rating from one or more of the following rating agencies set out below that is at or above the level indicated below (an “approved credit rating”):

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Rating</th>
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<tbody>
<tr>
<td>DBRS Limited</td>
<td>R-1 (Low)</td>
</tr>
<tr>
<td>Fitch Ratings</td>
<td>F1</td>
</tr>
<tr>
<td>Moody’s Investors Services</td>
<td>P-1</td>
</tr>
<tr>
<td>Standard &amp; Poor’s</td>
<td>A-1 (Low)</td>
</tr>
</tbody>
</table>
and (i) there has not been an announcement by the rating agency referred to above of which the Corporation is or reasonably should be aware that the credit rating of the Notes may be downgraded to a rating below the level indicated above; and (ii) none of the rating agencies referred to above has rated the Notes in a rating category that is not an approved credit rating.

5. The French language texts of the Information Memorandum and the bilingual forms of Notes (in the English and French languages) are, in all material respects, complete and proper translations of the respective English texts thereof. All laws of the Province of Québec relating to the use of the French language will have been complied with in connection with the offer and sale of the Notes provided that (i) purchasers of the Notes in certificated form receive the Notes in bilingual form; and (ii) prospective purchasers of the Notes have received copies of the English and French language versions of the Information Memorandum delivered at the same time or copies of the French language version thereof.

F. Qualifications

The opinion expressed in paragraph E.3 above is subject to the qualifications that:

   (a) **Bankruptcy** – enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, preference, moratorium, arrangement or winding-up laws or other similar laws affecting the enforcement of creditors’ rights generally;

   (b) **Equitable Principles** – enforceability may be limited by equitable principles, including the principle that equitable remedies such as specific performance and injunction may only be granted in the discretion of a court of competent jurisdiction;

   (c) **Interest Rate** – notwithstanding any provision of the Notes, the rate at which interest is payable in respect of any obligation contained in the Notes may be limited by the *Interest Act* (Canada), Section 347 of the *Criminal Code* (Canada), the *Judgment Interest Act* (Alberta), the *Court Order Interest Act* (British Columbia) or similar applicable provincial legislation to a rate which is less than the rate stipulated in the Notes;

   (d) **Indemnity** – enforceability of rights of indemnity may be limited by applicable law; and

   (e) **Limitations Act, 2002** – enforceability will be subject to the limitations contained in the *Limitations Act, 2002*, and we express no opinion as to whether a court may find the Notes or any provision thereof to be unenforceable as an attempt to vary or exclude a limitation period under that Act.
The opinions in this letter are given solely for the benefit of the addressee in connection with the transactions referred to and may not, in whole or in part, be relied upon by, or shown or distributed to, any other person. Since the opinions in this letter are given as at the date hereof, reliance on such opinions as to the Notes issued after the date of this opinion letter must be on the assumption that there has been no change in the law or in the facts on which the opinions are based.

Yours very truly,

Osler, Hoskin & Harcourt LLP

MDI/AG/IL/DB/IL/VS
Note No.
Billet n°.

PROMISSORY NOTE/BILLET À ORDRE

Issue Date
Date d’émission

Due Date
Date d’échéance

This is a depository note subject to the Depositary Bills and Notes Act.
Le présent billet de dépôt est régi par la Loi sur les lettres et billets de dépôt.

Shoppers Drug Mart Corporation for value received hereby promises to pay to or to the order of
Corporation Shoppers Drug Mart contre valeur reçue, promet par les présentes de payer à ou à l’ordre de

_________________________________________________________

on the Due Date the sum of
à la date d’échéance la somme de __________________________ dollars

_________________________________________________________

plus interest thereon at
avec intérêt au taux de

_________________________ per cent per annum,
pour cent par année,

The aforesaid interest is calculated at the rate previously stated multiplied by the number of days in the issue (the
term) and divided by either 365 days if the Note is denominated in Canadian currency, or by 360
days if the Note is denominated in U.S. currency.
L’intérêt précité est calculé au taux indiqué précédemment, multiplié par le nombre de jours que comporte l’émission
(la durée) et divisé par 365 jours si le billet est libellé en monnaie canadienne ou par 360 jours si le billet est libellé
en monnaie américaine.

payable in lawful money of
payable en monnaie ayant cours légal du

_________________________ on presentation and surrender of this Promissory Note
sur présentation et remise de ce billet à ordre à

to the main branch of Canadian Imperial Bank of Commerce in
au centre bancaire principal de la Banque Canadienne Impériale de Commerce à

This promissory note shall be interpreted and governed exclusively in accordance with the laws of Ontario and
Canada applicable therein.
Le présent billet n’est régi et ne doit être interprété que conformément aux lois de l’Ontario et aux lois du Canada
qui s’appliquent dans cette province.

Authenticated By:
Authentifié par:

SHoppers drug mart corporation/
corporation Shoppers drug mart

By/Par: __________________________
Treasurer

By/Par: __________________________
Assistant Treasurer

This Promissory Note shall become valid only when manually authenticated.
Le présent billet à ordre n’est valide que s’il est authentifié manuellement.