

AMERISOURCEBERGEN CORP
Form DEF 14A
January 22, 2016

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

AmerisourceBergen Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:

Edgar Filing: AMERISOURCEBERGEN CORP - Form DEF 14A

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Table of Contents

NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS

- TIME AND DATE:** 2:00 p.m., Eastern Time, on Thursday, March 3, 2016
- PLACE:** Sofitel Philadelphia
120 South 17th Street
Philadelphia, PA 19103
- ITEMS OF BUSINESS:**
1. To elect the ten nominees named in the accompanying Proxy Statement (or, if necessary, any substitute nominees selected by the Board of Directors) as a director, each to serve until the 2017 Annual Meeting of Stockholders and until his or her successor is duly elected and qualified;
 2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2016;
 3. To conduct an advisory vote to approve the compensation of our named executive officers;
 4. To vote on a stockholder proposal regarding proxy access; and
 5. To transact any other business properly coming before the meeting.
- WHO MAY VOTE:** Stockholders of record on January 4, 2016.
- DATE OF AVAILABILITY:** This Notice and Proxy Statement, together with our Annual Report on Form 10-K for the fiscal year ended September 30, 2015, are being made available to stockholders on or about January 22, 2016.

By order of the Board of Directors,

KATHY H. GADDES
Vice President, Group General Counsel and Secretary

**Important Notice Regarding Availability of Proxy Materials for AmerisourceBergen's
Annual Meeting of Stockholders to be Held on March 3, 2016.**

The Proxy Statement and Annual Report on Form 10-K are available at www.amerisourcebergen.com.

Table of Contents

January 22, 2016

Dear Stockholder:

I am pleased to invite you to attend our 2016 Annual Meeting of Stockholders on Thursday, March 3, 2016 at 2:00 p.m., Eastern Time. The meeting will be held at Sofitel Philadelphia, 120 South 17th Street, Philadelphia, PA 19103. The Notice of the 2016 Annual Meeting of Stockholders and the Proxy Statement describe the items of business for the meeting. At the meeting we will also report on AmerisourceBergen's performance and operations during fiscal year 2015 and respond to stockholder questions.

Your vote is very important. Whether or not you plan to attend the 2016 Annual Meeting of Stockholders, we urge you to vote and to submit your proxy over the Internet, by telephone or by mail. If you are a registered stockholder and attend the meeting, you may revoke your proxy and vote your shares in person. If you hold your shares through a bank or broker and want to vote your shares in person at the meeting, please contact your bank or broker to obtain a legal proxy.

Having served as Chairman of the Board for the last ten years, the 2016 Annual Meeting of Stockholders will be my last as a member of the Board. As I consider the accomplishments of the Board during my tenure as Chairman, I am especially proud of our efforts to continually enhance AmerisourceBergen's governance structure so that it best aligns with stockholder interests. While these efforts are summarized at the beginning of the accompanying proxy statement, I want to highlight for you the key actions taken by the Board in 2015:

§

We continued to rejuvenate the Board with strong, qualified independent directors with fresh perspectives and expertise in areas of increasing importance to AmerisourceBergen's growth and innovation. After the addition of two new directors in 2015, half of our director nominees have been elected in the last five years.

§

We continuously seek to enhance the effectiveness of Board performance in our critical role of providing oversight of management and the strategic direction of AmerisourceBergen. The Chair of our Governance and Nominating Committee has devoted significant time to Board evaluations in recent years to ensure we maintain practices and processes to support our high functioning Board, and in 2015 we also engaged a third-party governance expert to assist with the annual Board assessment.

§

To foster more meaningful engagement with our stockholders, we adopted proxy access for director nominations and clarified procedures through which our stockholders may request engagement with Board members on key topics pertaining to Board oversight.

Over the past year the Board also conducted a comprehensive evaluation of our leadership structure. In light of the flexibility provided under AmerisourceBergen's bylaws, we considered different models, including those adopted by other Fortune 100 and S&P 500 companies. In November 2015, the Board determined that, following my retirement from the Board at the end of the 2016 Annual Meeting of Stockholders, Steven H. Collis, our President and Chief Executive Officer, should assume the role of Chairman, and Jane E. Henney, M.D., Chair of our Governance and Nominating Committee, should assume the role of Lead Independent Director.

The Board believes that this leadership structure is right for AmerisourceBergen at this time. It will continue to provide independent and effective Board oversight of management. As Lead Independent Director, Dr. Henney will have a dynamic leadership role in the governance of our Board, with robust duties, including the authority to approve Board agendas and materials, call meetings of independent directors and preside over regularly scheduled executive sessions of independent directors held without the Chairman present. The Board structure will also allow Mr. Collis to employ his unparalleled knowledge of AmerisourceBergen and our industry in a unified role to focus the Board on the key areas essential to our strategic plan, including our continued growth and expansion into new markets.

Edgar Filing: AMERISOURCEBERGEN CORP - Form DEF 14A

Table of Contents

I encourage you to read the full discussion in the accompanying proxy statement regarding the Board's decision to adopt the new leadership structure and the responsibilities that the Chairman and Lead Independent Director will each have going forward.

Thank you for your continued support and confidence in AmerisourceBergen. It has been my great privilege to serve on the Board and as Chairman of this extraordinary company.

Sincerely,

RICHARD C. GOZON
Chairman of the Board

JANUARY 22, 2016

AMERISOURCEBERGEN CORPORATION
1300 MORRIS DRIVE
CHESTERBROOK, PA 19087

PROXY STATEMENT

TABLE OF CONTENTS

	Page
<u>Highlights of our Corporate Governance Practices and Policies</u>	1
<u>About the 2016 Annual Meeting of Stockholders and Voting at the Meeting</u>	3
<u>Election of Directors (Item 1 on the Proxy Card)</u>	6
<u>Additional Information about the Directors, the Board and the Board Committees</u>	13
<u>Codes of Ethics</u>	18
<u>Corporate Governance</u>	18
<u>Stockholder Engagement</u>	24
<u>Stockholder Recommendations for Director Nominees</u>	25
<u>Audit Matters</u>	25
<u>Audit Committee Financial Expert</u>	25
<u>Report of the Audit and Corporate Responsibility Committee</u>	25
<u>Policy for Pre-Approval of Audit and Non-Audit Services</u>	26
<u>Independent Registered Public Accounting Firm's Fees</u>	27
<u>Ratification of Appointment of Ernst & Young LLP as AmerisourceBergen's Independent Registered Public Accounting Firm for Fiscal Year 2016 (Item 2 on the Proxy Card)</u>	27
<u>Compensation Committee Matters</u>	28
<u>Executive Compensation</u>	30
<u>Compensation Discussion and Analysis</u>	30
<u>Compensation Committee Report</u>	42
<u>Executive Compensation Tables</u>	42
<u>Employment Agreements</u>	49
<u>Potential Payments upon Termination of Employment or Change in Control</u>	49
<u>Certain Transactions</u>	54
<u>Advisory Vote to Approve the Compensation of our Named Executive Officers (Item 3 on the Proxy Card)</u>	56
<u>Beneficial Ownership of Common Stock</u>	57

Edgar Filing: AMERISOURCEBERGEN CORP - Form DEF 14A

<u>Equity Compensation Plan Information</u>	<u>60</u>
<u>Stockholder Proposal Regarding Proxy Access <i>(Item 4 on the Proxy Card)</i></u>	<u>60</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>63</u>
<u>Availability of Form 10-K</u>	<u>63</u>
<u>Requirements for Submission of Proxy Proposals, Nomination of Directors and Other Business of Stockholders</u>	<u>63</u>
<u>Appendix A Supplemental Information: GAAP to Non-GAAP Reconciliation</u>	<u>A-1</u>

Table of Contents

HIGHLIGHTS OF OUR CORPORATE GOVERNANCE PRACTICES AND POLICIES

Our Board consistently seeks to implement leading practices and policies in corporate governance, with emphasis on maintaining the Board's independence to provide effective oversight of management and ensure accountability to our stockholders. In 2015, we took a number of actions to further enhance our governance processes, including the adoption of proxy access for director nominations. Below, we highlight our key corporate governance practices and policies:

Independence	The majority of our directors are independent (8 out of 10). Our corporate governance principles require us to maintain a minimum of 70% independent directors on our Board (see page 22).
Independence of Key Oversight Committees	All members of our Audit and Corporate Responsibility Committee, Compensation and Succession Planning Committee and Governance and Nominating Committee are independent and meet applicable SEC and NYSE standards (see page 23).
Lead Independent Director	Our corporate governance principles require the election of a Lead Independent Director whenever our Chief Executive Officer also serves as Chairman of the Board and clearly define the Lead Independent Director's authority and significant responsibilities in the governance of our Board. The Lead Independent Director is elected annually by a majority of the independent directors (see page 20).
Diversity	Our directors have diverse business experiences, backgrounds and expertise in a wide range of fields, all of which are critical to understanding our businesses, competitive position and risks. Our Board has a long-standing receptiveness to gender and ethnic diversity (see page 7).
Overboarding Policy	Our policy regarding a director's service on the boards of other public companies is more restrictive than most. If our CEO serves as a director, he or she may only serve on the board of one other public company. Non-employee directors should not serve on more than 3 other public company boards (see page 7).
Tenure Policy	Our policy for directors' tenure provides that a director will resign at the annual meeting of stockholders following his or her 75th birthday or when his or her employment or principal business association changes materially. A director who is an employee will resign when he or she retires or is no longer employed by us.
Succession Planning	We undertake succession planning and maintain an emergency succession plan for our CEO (see page 20).
Refreshment	Five of our 10 directors have joined the Board in the last 5 years, including two who joined in 2015 (see pages 8-12).
Annual Evaluation Process	Our Board has a comprehensive annual evaluation process for directors and each committee, which is led by the Chair of our Governance and Nominating Committee. Either the Chair of our Governance and Nominating Committee or an independent, third-party governance expert interviews each director to obtain his or her assessment of the effectiveness of the Board and the Committees on which he or she serves, as well as director performance and Board dynamics. In 2015, the interview process was led by an independent third party with expertise in corporate governance. The full Board reviews and discusses the results of the evaluation process. The Governance and Nominating Committee and the full Board also conduct an annual review and update of our corporate governance principles and committee charters (see page 21).

Table of Contents

Risk Oversight	Our full Board and Board committees actively engage in risk management and assessment for all aspects of our business, including our compensation policies and practices, with specific responsibilities for risk oversight designated in the charters for Board committees and our corporate governance principles. Our corporate officers and senior managers report on risk exposure at regular intervals to the appropriate committee or full Board.
Stockholder Communication and Engagement	Our corporate governance principles outline the procedures for stockholders to communicate and seek engagement with our Board.
Alignment with Stockholders' Interests	We align executive compensation with AmerisourceBergen's performance through performance metrics. We also require executives to adhere to stock ownership guidelines that align their interests with those of our stockholders and encourage long-term growth (see page 31).
Clawback	We have the right to claw back the value of cash and equity awards held by current or former executives as a result of misconduct (including misconduct that leads to the restatement of our financial statements) or competitive behavior that is detrimental to AmerisourceBergen (see page 39).
Independent Compensation Consultant	The consultant to our Compensation and Succession Planning Committee provides no other services to AmerisourceBergen (see page 29).
Annual Election of Directors	We have declassified our Board so that all directors are elected annually.
Majority Vote Standard	Our bylaws and corporate governance principles establish majority voting standards for the election of directors and require each director nominee to tender an irrevocable resignation prior to each annual meeting in the event an incumbent director does not receive the required votes for re-election (see page 22).
Right to Call Special Meetings	Stockholders with at least 25% of the outstanding shares of our common stock have the right to call special meetings.
Proxy Access	A stockholder, or a group of up to 20 stockholders, who have continuously owned at least 3% of our outstanding common stock for 3 years or more may nominate director nominees to fill up to the greater of 2 or 20% of the available board seats (see page 25).
Annual Say-on-Pay Vote	Our Board adopted stockholders' strong preference for annual say-on-pay vote.
No Supermajority Requirement	Majority vote is required for stockholder action.
No Poison Pill	Our Board adopted stockholders' preference to redeem the ABC "poison pill" stockholder rights agreement.

For further details, please see the full discussion relating to our corporate governance policies and practices and our leadership structure in this proxy statement under the section titled "*Corporate Governance*."

Table of Contents

ABOUT THE 2016 ANNUAL MEETING OF STOCKHOLDERS AND VOTING AT THE MEETING

Why am I being furnished this Proxy Statement?

The Board of Directors of AmerisourceBergen Corporation (the "Company," "AmerisourceBergen," "we" or "us") is furnishing this Proxy Statement in connection with its solicitation of proxies for use at the 2016 Annual Meeting of Stockholders to be held on March 3, 2016, and at any adjournments thereof. Our Annual Report on Form 10-K for the fiscal year ended September 30, 2015 accompanies this Notice and Proxy Statement, but is not incorporated as a part of the Proxy Statement and is not to be regarded as part of the proxy solicitation material.

Who is soliciting my proxy?

The Board of Directors is soliciting your proxy in order to provide you with an opportunity to vote on all matters scheduled to come before the meeting whether or not you attend the meeting in person.

What if I received a Notice of Internet Availability of Proxy Materials?

We are providing access to our proxy materials over the Internet. Accordingly, on or about January 22, 2016, we are mailing to our record and beneficial stockholders a Notice of Internet Availability of Proxy Materials, which contains instructions on how to access our proxy materials over the Internet and vote online. If you received a Notice of Internet Availability of Proxy Materials, you will not receive a printed copy of our proxy materials by mail unless you request one. You may request a printed copy of our proxy materials for the 2016 Annual Meeting of Stockholders. If you wish to receive a printed copy of our proxy materials, you should follow the instructions for requesting those materials included in the Notice of Internet Availability of Proxy Materials.

Who is entitled to vote?

You may vote if you owned shares of our common stock as of the close of business on January 4, 2016, which is the record date. You are entitled to one vote for each share of common stock that you own. As of January 4, 2016, we had 206,618,824 shares of common stock outstanding.

What shares can I vote?

You may vote all shares owned by you as of the close of business on January 4, 2016, the record date. These shares include:

§
Shares held directly in your name as the stockholder of record.

§
Shares of which you are the beneficial owner but not the stockholder of record. These are shares that are held for you through a broker, trustee or other nominee such as a bank, including shares purchased through any 401(k) plan or our employee stock purchase plan.

How do I vote before the meeting?

If you hold your shares in your own name as the stockholder of record, you have three options for voting and submitting your proxy before the meeting:

§
By Internet We encourage you to vote and submit your proxy over the Internet at www.envisionreports.com/ABC.

§
By telephone You may vote and submit your proxy by calling 1-800-652-VOTE (8683).

§
By mail If you received your proxy materials by mail, you may vote by completing, signing and returning the enclosed proxy card.

Edgar Filing: AMERISOURCEBERGEN CORP - Form DEF 14A

If you hold your shares through an account with a bank, broker or other nominee, you may vote by completing and signing the voting instruction form that the bank, broker or other nominee will provide to you, or by using telephone or Internet voting arrangements described on the voting instruction form, the Notice or other materials that the bank, broker or other nominee will provide to you.

Table of Contents

May I vote at the meeting?

You may vote your shares at the meeting if you attend in person. If you hold your shares through an account with a bank or broker, you must obtain a legal proxy from the bank or broker in order to vote at the meeting.

Even if you plan to attend the meeting, we encourage you to vote your shares by proxy. You may vote by proxy over the Internet, by telephone or by mail.

How do I revoke my proxy?

If you are the stockholder of record, you may revoke your proxy at any time before the polls close at the meeting. You may revoke your proxy by:

§
Changing your vote in the manner described below.

§
Notifying Kathy H. Gaddes, Secretary, AmerisourceBergen Corporation, 1300 Morris Drive, Chesterbrook, Pennsylvania 19087 in writing that you are revoking your proxy before it is voted at the meeting.

If you hold your shares through an account with a bank or broker, your ability to revoke your proxy depends on the voting procedures of the bank or broker. Please follow the directions provided to you by your bank or broker.

May I change my vote?

You may change your vote at any time before the polls close at the meeting. You may change your vote by:

§
Signing another proxy card with a later date and returning it to us prior to the meeting.

§
Voting again over the Internet or by telephone prior to 2:00 p.m., Eastern Time, on March 3, 2016.

§
Voting at the meeting if you are the stockholder of record.

§
Voting at the meeting if you are the beneficial owner and have obtained a legal proxy from your bank or broker.

What if I return my proxy card but do not provide voting instructions?

Proxy cards that are signed and returned but do not contain instructions will be voted as follows:

§
For the election of the ten nominees for director named on page 6 of this Proxy Statement;

§
For the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2016;

§
For the approval, on an advisory basis, of the compensation of our named executive officers as described in this Proxy Statement;

§

Against the stockholder proposal regarding proxy access; and

§

In accordance with the best judgment of the individuals named as proxies on the proxy card on any other matters properly brought before the meeting.

What does it mean if I receive more than one proxy card or instruction form?

It means that you have multiple accounts with our transfer agent and/or banks or brokers. Please vote all of your shares. We recommend that you consolidate as many accounts as possible under the same name and address. For assistance consolidating accounts where you are the stockholder of record, you may contact our transfer agent, Computershare, at 1-866-233-1957.

Will my shares be voted if I do not provide my proxy?

If you are a registered stockholder and do not provide a proxy, you must attend the meeting in order to vote your shares.

If you hold shares through an account with a bank or broker, your shares may be voted even if you do not provide voting instructions to your bank or broker. Banks and brokers have the authority under the rules of the

Table of Contents

New York Stock Exchange, or NYSE, to vote shares for which their customers do not provide voting instructions on certain routine matters. The ratification of the appointment of our independent registered public accounting firm (*Item 2 on the Proxy Card*) is considered a routine matter for which banks and brokers may vote without specific instructions from their customers.

May stockholders ask questions at the meeting?

Yes. Representatives of AmerisourceBergen will answer stockholders' questions of general interest at the end of the meeting. In order to be eligible to ask questions at the meeting, you must be able to establish that you are a stockholder either as of January 4, 2016 or as of the date of the meeting.

How many votes must be present to hold the meeting?

In order for us to conduct our meeting, a majority of the shares of our common stock outstanding as of January 4, 2016 must be present in person or by proxy at the meeting. This is referred to as a quorum. Your shares are counted as present at the meeting if you attend the meeting and vote in person or if you properly return a proxy over the Internet, by telephone or by mail. Shares voted by banks or brokers on behalf of beneficial owners are also counted as present at the meeting. In addition, abstentions and broker non-votes will be counted for purposes of establishing a quorum with respect to any matter properly brought before the meeting. Broker non-votes occur on a matter when a bank or broker is not permitted under applicable rules and regulations to vote on a matter without instruction from the beneficial owner of the underlying shares and no instruction has been given.

How many votes are needed for each proposal and how are the votes counted?

The affirmative vote of a majority of the votes cast will be required for the election of each director (*Item 1 on the Proxy Card*).

A majority of the votes cast means that the votes cast "for" a director exceed the number of votes cast "against" that director. Abstentions and broker non-votes are disregarded when determining if a majority of the votes have been cast in favor of a director.

The affirmative vote of a majority of the shares present in person or by proxy and entitled to vote will be required for:

§ The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the current fiscal year (*Item 2 on the Proxy Card*);

§ The approval, on an advisory basis, of the compensation of our named executive officers as described in this Proxy Statement (*Item 3 on the Proxy Card*);

§ The approval of the stockholder proposal (*Item 4 on the Proxy Card*); and

§ Any other proposal that might properly come before the meeting.

Abstentions will be counted toward the tabulation of votes cast on Items 2, 3, and 4, and will have the effect of negative votes. Under NYSE rules, Item 2 is considered a routine matter on which brokers will be permitted to vote in their discretion even if the beneficial owners do not provide voting instructions. However, Items 1, 3, and 4, are not considered routine matters under NYSE rules, and brokers will not be permitted to vote on Items 1, 3, and 4, if the beneficial owners fail to provide voting instructions. Broker non-votes will not be counted toward the tabulation of votes cast on Items 1, 3, or 4.

How will proxies be voted on other items or matters that properly come before the meeting?

If any other items or matters properly come before the meeting, the proxies received will be voted on those items or matters in accordance with the discretion of the proxy holders.

Is AmerisourceBergen aware of any other item of business that will be presented at the meeting?

Edgar Filing: AMERISOURCEBERGEN CORP - Form DEF 14A

We are not aware of any other business to be presented at the 2016 Annual Meeting of Stockholders. However, if any other matter should properly come before the 2016 Annual Meeting of Stockholders, the enclosed proxy confers discretionary authority with respect to such matter.

Table of Contents

Will there be any further solicitation of proxies for the meeting?

Our directors, officers and employees may solicit proxies by telephone or in person. In addition, we have hired Morrow & Co., LLC to assist us in soliciting proxies, if necessary. Morrow may solicit proxies by telephone or in person. We will pay Morrow a fee of \$11,500, plus expenses, for providing such services. All costs and expenses of any solicitation, including the cost of preparing this Proxy Statement and posting it on the Internet and mailing the Notice of Internet Availability of Proxy Materials, will be borne by AmerisourceBergen.

Will AmerisourceBergen reimburse any expenses of banks, brokers, nominees and fiduciaries?

We will reimburse the expenses of banks, brokers, nominees and fiduciaries that send notices, proxies and proxy materials to our stockholders.

Will the directors be in attendance at the meeting?

We currently expect all of our directors to be in attendance at the 2016 Annual Meeting of Stockholders. It has been customary for our directors to attend our annual meetings. All of our directors attended the 2015 Annual Meeting of Stockholders.

ELECTION OF DIRECTORS

(Item 1 on the Proxy Card)

How often are directors elected?

Directors are elected annually. Any nominee who is elected to serve as a director at our 2016 Annual Meeting of Stockholders will be elected to serve a term of one year. Similarly, any director who is appointed to fill a vacancy on the Board will serve until the next annual meeting of stockholders after his or her appointment and until his or her successor is elected and qualified.

What is the size of the Board of Directors?

The size of the Board of Directors is ten.

Who are this year's nominees?

Ornella Barra, Steven H. Collis, Douglas R. Conant, D. Mark Durcan, Richard W. Gochnauer, Lon R. Greenberg, Jane E. Henney, M.D., Kathleen W. Hyle, Michael J. Long and Henry W. McGee.

Which of this year's nominees are independent?

Mr. Conant, Mr. Durcan, Mr. Gochnauer, Mr. Greenberg, Dr. Henney, Ms. Hyle, Mr. Long and Mr. McGee are independent (as independence is defined in Section 303A of the NYSE Listed Company Manual and in our corporate governance principles).

Are there any family relationships among AmerisourceBergen's directors and executive officers?

No.

What is the term of office for which this year's nominees are to be elected?

The nominees are to be elected for a term of one year and are expected to hold office until the 2017 Annual Meeting of Stockholders and until their successors are elected and qualified.

What if a nominee is unwilling or unable to serve?

Each nominee for director has consented to his or her nomination and, so far as the Board of Directors and management are aware, intends to serve a full term as a director if elected. However, if any of the nominees should become unavailable or unable to stand for election prior to the election, the shares represented by proxies may be voted for the election of substitute nominees selected by the Board of Directors.



Table of Contents

Why does Walgreens Boots Alliance designate a nominee?

Pursuant to the Shareholders Agreement between AmerisourceBergen and Walgreens Boots Alliance (as successor in interest to Walgreen Co. and Alliance Boots GmbH), Walgreens Boots Alliance has the right to designate a director to our Board once Walgreens Boots Alliance and certain of its subsidiaries collectively own five percent or more of our common stock. On May 1, 2014, Walgreens Boots Alliance notified us that they had acquired at least five percent of our common stock. Ornella Barra, Executive Vice President of Walgreens Boots Alliance, Inc. and President and Chief Executive of Global Wholesale and International Retail, has been designated by Walgreens Boots Alliance to serve on our Board. She was appointed to the Board on January 16, 2015 and is a current nominee for election as director. In addition, upon the later to occur of (1) the exercise in full of certain warrants exercisable during a six-month period beginning in March 2016 and (2) the acquisition in full by Walgreens Boots Alliance of 19,859,795 shares of AmerisourceBergen in the open market, Walgreens Boots Alliance will be entitled to designate a second director to the Board of Directors. For so long as Walgreens Boots Alliance has a right to designate a director to the Board, subject to certain exceptions, including matters related to acquisition proposals, Walgreens Boots Alliance and its subsidiaries will be obligated to vote their shares in accordance with our Board on all matters submitted to a vote of our stockholders. Please refer to our Current Report on Form 8-K filed on March 20, 2013 for more detailed information regarding the Shareholders Agreement and related agreements and arrangements.

How does our Governance and Nominating Committee identify and evaluate director nominees?

Our Governance and Nominating Committee seeks director nominees who possess qualifications, experience, attributes and skills that will enable them to contribute meaningfully to the leadership of our Board and to effectively guide and supervise management in driving AmerisourceBergen's growth and financial and operational performance. Each director nominee should:

- § possess the highest personal and professional ethics, integrity and values;
- § be committed to representing the long-term interests of our stockholders; and
- § have an inquisitive and objective perspective, practical wisdom and mature judgment.

Each nominee should also have sufficient time to effectively carry out his or her duties as a director. Except for the Chief Executive Officer of AmerisourceBergen who may serve on the board of no more than one other public company, director nominees may serve on no more than three other public company boards.

In addition, our Governance and Nominating Committee has identified the following expertise, experience, attributes and skills that are particularly relevant to AmerisourceBergen:

- § Healthcare expertise;
- § Distribution expertise;
- § International expertise;
- § Strategic planning and business development experience;
- § Financial expertise;
- § Technological proficiency; and
- §

Edgar Filing: AMERISOURCEBERGEN CORP - Form DEF 14A

Governance experience.

We do not have a specific diversity policy, but we seek individuals with diverse backgrounds, skills and expertise to serve on our Board, including women and minorities. We believe that diversity is essential to encourage fresh perspectives, enrich the Board's deliberations and avoid the dominance of a particular individual or group over the Board's decisions. The Governance and Nominating Committee may consider and evaluate director nominees identified by our stockholders, as described below in the Section titled "Stockholder Recommendations for Director Nominees."

Below are each nominee's biography and an assessment of the above-mentioned expertise, experience, attributes and skills that the nominee possesses.

Table of Contents

Biographical information about our nominees:

Principal Occupation, Business Experience and Directorships

§

ORNELLA BARRA

Executive Vice President of Walgreens Boots Alliance, Inc. and President and Chief Executive of Global Wholesale and International Retail

§

Chief Executive, Wholesale and Brands of Alliance Boots GmbH from September 2013 until January 2015

§

Chief Executive of Pharmaceutical Wholesale Division of Alliance Boots GmbH from January 2009 until September 2013

Age: 62
Director since January 2015
Member of our Finance
Committee

§

Prior to her role as Chief Executive of Pharmaceutical Wholesale Division, Ms. Barra was Wholesale and Commercial Affairs Director and a board member of Alliance Boots plc

§

Prior to the merger of Alliance UniChem Plc and Boots Group plc, Ms. Barra was Executive Director of Alliance UniChem Plc, having been appointed to its Board in 1997 when Alliance Sante merged with UniChem Plc

§

Member of Board of Directors of Assicurazioni Generali, one of the largest Italian insurance companies, since April 2013

§

Ms. Barra was a member of the Board of Directors of Alliance Boots GmbH between June 2007 and February 2015 and was Chairman of its Corporate Social Responsibility Committee from 2009 to 2013

Key Attributes, Expertise, Experience and Skills:

§

Healthcare and Distribution Expertise: Heads global wholesale and international retail operations for Walgreens Boots Alliance. Acquired extensive experience in pharmaceutical wholesale distribution and pharmaceutical retail industries through long career at Alliance Boots and predecessor companies, and trained as a pharmacist.

§

International Expertise: Demonstrated expertise and understanding of global markets by leading and expanding international operations of multinational company.

§

Strategic Planning and Business Development Experience: Executed integration of international retail operations following merger of Walgreens and Alliance Boots and provides unique perspective on strategic relationship and collaboration with Walgreens Boots Alliance.

§

Governance Experience: Serves as Executive Vice President of Walgreens Boots Alliance and President and Chief Executive of Global Wholesale and International Retail, has held senior executive positions with Alliance Boots and predecessor companies, and is a director of one of the largest insurance companies in Italy.

Principal Occupation, Business Experience and Directorships

§

STEVEN H. COLLIS

President and Chief Executive Officer of AmerisourceBergen Corporation since July 2011

§

President and Chief Operating Officer of AmerisourceBergen Corporation from November 2010 to July 2011

§

Executive Vice President and President of AmerisourceBergen Drug Corporation from September 2009 to November 2010

Age: 54
Director since May 2011
Member of our Executive
Committee

§

Executive Vice President and President of AmerisourceBergen Specialty Group from September 2007 to September 2009

§

Senior Vice President of AmerisourceBergen Corporation and President of AmerisourceBergen Specialty Group from August 2001 to September 2007

§

Mr. Collis has held a variety of other positions with AmerisourceBergen Corporation and its predecessors since 1994

§

Previously served as a director of Thoratec Corporation from 2008 to 2015

Key Attributes, Expertise, Experience and Skills:

§

Healthcare and Distribution Expertise: Has held various senior executive leadership positions with AmerisourceBergen Corporation and has extensive business and operating experience in wholesale pharmaceutical distribution and in-depth knowledge of the healthcare distribution and services market.

§

Strategic Planning and Business Development Experience and Financial Expertise: Demonstrated strategic vision, strong creativity, financial, entrepreneurial and leadership skills throughout his tenure at AmerisourceBergen.

§

International Expertise: Leads multinational company that has significantly expanded international operations.

§

Governance Experience: Serves as President and Chief Executive Officer and director of AmerisourceBergen and previously served as director of Thoratec Corporation.

Table of Contents

Principal Occupation, Business Experience and Directorships

§

DOUGLAS R. CONANT

Founder and Chief Executive Officer of Conant Leadership, a firm dedicated to improving the quality of leadership in the 21st century

§

President and Chief Executive Officer and a member of the Board of Directors of Campbell Soup Company from January 2001 to July 2011

§

Served from 1992 to 2000 at Nabisco Foods Company in a series of senior leadership positions, including President of Nabisco Foods Company from 1995 to 2000

Age: 64
Director since January 2013
Member of our Compensation and Succession Planning Committee and our Governance and Nominating Committee

§

Current Chairman of the Board of Directors of Avon Products, Inc.

Key Attributes, Expertise, Experience and Skills:

§

Strategic Planning and Business Development Expertise: Brings unique expertise in marketing, branding and strategic innovation acquired during his long careers with Campbell Soup Company and Nabisco Foods Company and provides insight and guidance on executive and talent development.

§

International and Distribution Expertise: Has in-depth knowledge of international markets and global distribution operations.

§

Governance Expertise: Serves as Chairman of the Board of Avon Products, Inc., served as Chief Executive Officer and director of Campbell Soup Company and held various senior leadership positions with Nabisco Foods Company.

Principal Occupation, Business Experience and Directorships

§

D. MARK DURCAN

Chief Executive Officer and Director of Micron Technology, Inc. since February 2012

§

President and Chief Operating Officer of Micron Technology, Inc. from June 2007 to February 2012

§

Edgar Filing: AMERISOURCEBERGEN CORP - Form DEF 14A

Chief Operating Officer of Micron Technology, Inc. from February 2006 to June 2007

§

Chief Technology Officer of Micron Technology, Inc. from June 1997 to February 2006

§

Mr. Durcan has held various other positions with Micron Technology, Inc. and its subsidiaries since 1984 and has served as an officer since 1996

Age: 54

Director since September 2015

Member of our Audit and

Corporate Responsibility

Committee and Finance

Committee

§

Mr. Durcan served as a director of MWI Veterinary Supply, Inc. from March 2014 until its acquisition by AmerisourceBergen in February 2015

§

Serves on the Semiconductor Industry Association Board and the Tech CEO Council

Key Attributes, Expertise, Experience and Skills:

§

Strategic Planning and Business Development Experience: Brings proven strategic vision and expertise in global corporate expansion, having successfully developed international partnerships and joint ventures in a competitive industry and spearheaded major business acquisitions during his current and prior leadership positions at Micron Technology, Inc.

§

International and Distribution Expertise: Contributes deep understanding of global markets and extensive experience in managing global manufacturing, procurement, supply chain and quality control for a multinational corporation and, as former member of the board of MWI Veterinary Supply, Inc., has important insights into wholesale distribution of animal health products.

§

Technological Proficiency: Has unique and in-depth knowledge of technology and capability to drive technological innovation, and trained as a chemical engineer.

§

Governance Experience: Serves as Chief Executive Officer and director of Micron Technology, Inc.

Table of Contents

Principal Occupation, Business Experience and Directorships

§

RICHARD W. GOCHNAUER

Chief Executive Officer of United Stationers Inc. from December 2002 until his retirement in May 2011

§

Chief Operating Officer of United Stationers Inc. from July 2002 to December 2002

§

Vice Chairman and President, International, and President and Chief Operating Officer of Golden State Foods Corporation from 1994 to 2002

Age: 66

Director since September 2008
Chair of our Finance Committee
and member of our Executive
Committee and Governance
and Nominating Committee

§

Current director of UGI Corporation, Golden State Foods Corporation and Rush University Medical Center

§

Previously served as a director of Fieldstone Communities, Inc. from 2000 to 2008 and United Stationers Inc. from July 2002 to May 2011

§

Member of the Board of Opportunity International

Key Attributes, Expertise, Experience and Skills:

§

International and Distribution Expertise: Provides strategic direction and insight into global competition and international markets and brings valuable perspective on measures to drive operating growth and compete effectively in the distribution business gained through his management of diverse distribution businesses.

§

Strategic Planning and Business Development Experience: Has extensive experience in mergers and acquisitions, strategic planning and technology, and executive compensation.

§

Governance Experience: Serves as director of UGI Corporation and Golden State Foods Corporation and held senior executive leadership roles at United Stationers Inc. and Golden State Foods Corporation.

Principal Occupation, Business Experience and Directorships

LON R. GREENBERG

§

Chairman of UGI Corporation's Board of Directors since 1996 and director of UGI Utilities, Inc. and AmeriGas Propane, both UGI Corporation subsidiaries. Mr. Greenberg will be resigning as a director of UGI Corporation, UGI Utilities, Inc. and AmeriGas Propane as of the end of January 2016.

§

Chief Executive Officer of UGI Corporation from 1995 until his retirement in April 2013

§

Age: 65
Director since May 2013
Member of our Audit and
Corporate Responsibility
Committee and our
Finance Committee

Mr. Greenberg served in various leadership positions throughout his tenure with UGI Corporation

§

Current director of Aqua America, Inc. and Ameriprise Financial, Inc.

§

Member of the Board of Directors of the United Way of Greater Philadelphia and Southern New Jersey

§

Chairman of the Board of Directors of Temple University Health System

§

Member of the Board of Trustees of Temple University and the Board of Directors of Fox Chase Cancer Center

Key Attributes, Expertise, Experience and Skills:

§

International and Distribution Expertise: Has valuable business and executive management experience in distribution and global operations acquired as Chief Executive Officer of UGI Corporation.

§

Strategic Planning and Business Development Experience and Financial Expertise: Offers critical insight into the intersection of law and finance and implications for strategic transactions, provides guidance on strategic direction, international markets and future growth opportunities.

§

Healthcare Expertise: Brings experience and knowledge of the healthcare industry from his perspective as a director of healthcare organizations.

§

Governance Experience: Serves as Chairman of the Board of UGI Corporation and director of subsidiaries of UGI Corporation, director of Aqua America, Inc. and Ameriprise Financial, Inc. and served as Chief Executive Officer of UGI Corporation.

Table of Contents

Principal Occupation, Business Experience and Directorships

§

JANE E. HENNEY, M.D.

Home Secretary, Institute of Medicine, since April 1, 2014

§

Professor of Medicine, College of Medicine at the University of Cincinnati from January 2008 until December 2012

§

Senior Vice President and Provost for Health Affairs at the University of Cincinnati from July 2003 to January 2008

Age: 68

Director since January 2002

Chair of our Governance and Nominating Committee and a member of our Compensation and Succession Planning Committee and our Executive Committee

§

Prior to that, Dr. Henney held various positions in academia and government, including Commissioner of Food and Drugs at the United States Food and Drug Administration from 1998 to 2001 and Vice President for Health Sciences at the University of New Mexico from 1994 to 1998

§

Current director of CIGNA Corporation

§

Previously served as a director of AstraZeneca PLC from September 2001 until April 2011 and Cubist Pharmaceuticals, Inc. from March 2012 to January 2014.

§

National Association of Corporate Directors (NACD) Board Leadership Fellow

§

Current director of the China Medical Board, the Commonwealth Fund and the Monnell Chemical Senses Center

Key Attributes, Expertise, Experience and Skills:

§

Healthcare Expertise: Provides in-depth knowledge and industry-specific perspective acquired through her experience as a medical oncologist, prominent government and academic posts, and tenure as director of pharmaceutical and insurance companies.

§

International and Distribution Expertise: Has insight into global manufacturing and distribution operations drawn from her experience as a director of AstraZeneca PLC.

§

Strategic Planning and Business Development Experience: Offers diverse perspectives of public policy, regulators and other healthcare industry participants in the evaluation of potential strategic opportunities and expansion into new markets.

§

Governance Experience: Serves as director of Cigna Corporation, former director of AstraZeneca PLC and Cubist Pharmaceuticals, Inc., and NACD Board Leadership Fellow.

Principal Occupation, Business Experience and Directorships

§

KATHLEEN W. HYLE

Senior Vice President of Constellation Energy and Chief Operating Officer of Constellation Energy Resources from November 2008 until March 2012

§

Chief Financial Officer for Constellation Energy Nuclear Group and for UniStar Nuclear Energy, LLC from June 2007 to November 2008

§

Prior to joining Constellation Energy in 2003, Ms. Hyle served as the Chief Financial Officer of ANC Rental Corp., Vice President and Treasurer of Auto-Nation, Inc., and Vice President and Treasurer of Black & Decker Corporation

Age: 57
Director since May 2010
Chair of our Audit and Corporate Responsibility Committee and a member of our Executive Committee and our Finance Committee

§

Current director of Bunge Limited and The ADT Corporation

§

Serves on the Board of Trustees of Center Stage in Baltimore, MD, and on the Board of Sponsors for the Loyola University Maryland Sellinger School of Business and Management

Key Attributes, Expertise, Experience and Skills:

§

Financial Expertise: Provides critical insight into, among other things, financial statements, accounting principles and practices, internal control over financial reporting and risk management processes and has experience as chief financial officer of large public companies.

§

Strategic Planning and Business Development Experience, International Expertise and Technological Proficiency: Brings extensive experience in management, domestic and global operations, mergers and acquisitions, marketing, technology, retail and regulatory areas.

§

Governance Experience: Serves as director of The ADT Corporation and Bunge Limited and held senior management positions at Constellation Energy, ANC Rental Corp., and Black & Decker Corporation.

Table of Contents

Principal Occupation, Business Experience and Directorships

§

MICHAEL J. LONG

Chairman of the Board, President and Chief Executive Officer of Arrow Electronics, Inc.

§

Appointed Chairman of the Board of Arrow Electronics, Inc. in January 2010 and Chief Executive Officer of Arrow Electronics, Inc. in May 2009

§

President and Chief Operating Officer of Arrow Electronics, Inc. from February 2008 until May 2009, Senior Vice President from January 2006 to February 2008

Age: 57

Director since May 2006

Chair of our Compensation and Succession Planning Committee and a member of our Audit and Corporate Responsibility Committee and our Executive Committee

§

Serves on the Board of Trustees of the Denver Zoo

Key Attributes, Expertise, Experience and Skills:

§

Strategic Planning and Business Development Experience and Financial Expertise: Brings relevant experience in the areas of finance, operations, management, leadership, strategic planning, executive compensation and global competition drawn from his current and prior leadership positions at Arrow Electronics, Inc.

§

International and Distribution Expertise: Contributes critical insight into international markets and has an in-depth knowledge of business and strategic opportunities for wholesale distribution.

§

Technological Proficiency: In-depth knowledge of technology in the electronic components industry and related technology solutions and IT services.

§

Governance Experience: Serves as Chairman, President and Chief Executive Officer of Arrow Electronics, Inc.

Principal Occupation, Business Experience and Directorships

§

HENRY W. MCGEE

Senior Lecturer at Harvard Business School since July 2013

§

Edgar Filing: AMERISOURCEBERGEN CORP - Form DEF 14A

Consultant, HBO Home Entertainment from April 2013 to August 2013

§

President of HBO Home Entertainment from 1995 until his retirement in March 2013

§

Senior Vice President, Programming, HBO Video, from 1988 to 1995 and prior to that, Mr. McGee served in leadership positions in various divisions of HBO

Age: 63

Director since November 2004

Member of our Compensation and Succession Planning

Committee and our

Governance and Nominating

Committee

§

Former President of the Alvin Ailey Dance Theater Foundation and the Film Society of Lincoln Center. Served on the boards of the Sundance Institute, the Public Theater, Save the Children and the Time Warner Foundation

§

Current director of Board of Tegna Inc.

Key Attributes, Expertise, Experience and Skills:

§

International and Distribution Expertise: Contributes significant operational, marketing and wholesale distribution expertise and knowledge of international markets acquired in senior management and leadership roles during his long career with HBO.

§

Strategic Planning and Business Development Experience: Brings valuable business, leadership and management experience and offers innovative ideas, critical insight into strategic decision-making, and exposure to diverse, global points of view.

§

Technological Proficiency: Has a deep understanding of the uses of technology and application to marketing and media.

§

Governance Experience: Current director of Tegna Inc. and served as President of HBO Home Entertainment and in other leadership positions with various divisions of HBO.

How does the Board of Directors recommend that I vote?

We recommend that you vote **For** the election of each of the ten nominees named in this Proxy Statement to the Board of Directors.

Table of Contents

**ADDITIONAL INFORMATION ABOUT THE DIRECTORS, THE BOARD
AND THE BOARD COMMITTEES**

Identified below are the members of the current Board committees, the number of meetings that each committee held in fiscal year 2015, and the responsibilities of each committee:

Ornella Barra				X	
Steven H. Collis	X				
Douglas R. Conant			X		X
D. Mark Durcan		X		X	
Richard W. Gochnauer	X			CHAIR	X
Richard C. Gozon*	CHAIR				
Lon R. Greenberg		X		X	
Jane E. Henney, M.D.	X		X		CHAIR
Kathleen W. Hyle	X	CHAIR		X	
Michael J. Long	X	X	CHAIR		
Henry W. McGee			X		X
Number of Meetings in Fiscal Year 2015	1	12	4	9	6

* Richard C. Gozon will be retiring from the Board at the end of the annual meeting on March 3, 2016.

Duties and Responsibilities of the Board Committees

Audit and Corporate Responsibility Committee

§

Appoints, and has authority to terminate, our independent registered public accounting firm.

§

Pre-approves all audits and permitted non-audit services provided by the company's independent registered public accounting firm, including the scope of the audit and audit procedures.

§

Reviews and discusses the independence of our independent registered public accounting firm.

§

Reviews and discusses with management and our independent registered public accounting firm the company's audited financial statements and interim quarterly financial statements as well as management's discussion and analysis of the statements as set forth in Forms 10-K and 10-Q filed with the SEC.

§

Prepares the audit committee report as required by SEC rules.

§

Discusses with management and/or our independent registered public accounting firm significant financial reporting issues and accounting issues and the adequacy of our internal control over financial reporting.

§

Inquires of management, the internal auditor, and our independent registered public accounting firm about significant risks or exposures (whether financial, operational, or otherwise) and assesses the steps management has taken to control such risks or exposures, including policies implemented for such purposes.

§

Reviews internal audit function, internal audit plans, internal audit reports, and management's response to such reports.

§

Reviews the appointment, performance, and replacement of our chief audit executive.

§

Oversees the development and implementation by management of an enterprise risk management program.

Table of Contents

§
Reviews and approves all related persons transactions in accordance with our Related Persons Transactions Policy.

§
Oversees compliance with our Code of Ethics and Business Conduct.

Compensation and Succession Planning Committee

§
Reviews and approves our executive compensation strategy and the individual elements of total compensation for the President and Chief Executive Officer and executive management.

§
Evaluates performance of management annually.

§
Ensures that our executive compensation strategy supports stockholder interests.

§
Reviews and discusses with management the Compensation Discussion and Analysis and other disclosures about executive compensation that are required to be included in our Proxy Statement and Annual Report on Form 10-K.

§
Prepares a compensation committee report as required by SEC rules.

§
Administers and makes awards under our incentive compensation plans, including equity incentive plans.

§
Has sole authority for retaining and terminating any consulting firm used to assist the Committee in its evaluation of the compensation of the Chief Executive Officer or any other executive officer and for evaluating the independence of such consulting firm.

§
Monitors the activities of our internal Benefits Committee, including the Benefits Committee's oversight of the administration and investment performance of our pension and retirement plans.

§
Oversees the administration of our health and welfare plans.

§
Reviews with management and makes recommendations relating to succession planning and talent development.

Executive Committee

§
Exercises the authority of the Board of Directors between regularly scheduled meetings of our Board on matters that cannot be delayed, except as limited by Delaware law and our bylaws.

Finance Committee

§
Provides oversight of our capital structure and other issues of financial significance to AmerisourceBergen.

§

Edgar Filing: AMERISOURCEBERGEN CORP - Form DEF 14A

Reviews the asset and liability structure of the company and considers its funding and capital needs.

§

Reviews proposed financing plans, credit facilities, and other financing transactions.

§

Reviews our dividend policy.

§

Reviews and proposes issuance or sale of our stock, stock repurchases, redemptions and splits.

§

Reviews financial strategies developed by management to meet changing economic and market conditions.

§

Reviews proposed major capital expenditures or commitments.

§

Reviews proposed material acquisitions, divestitures, joint ventures, and other transactions involving AmerisourceBergen.

Table of Contents

Governance and Nominating Committee

- § Recommends selection and qualification criteria for directors and committee members.
- § Identifies and recommends qualified candidates to serve as directors of AmerisourceBergen.
- § Considers nominees for directors recommended by stockholders.
- § Reviews and makes recommendations relating to succession planning for our Board and Board committee leadership positions and prepares for Board vacancies.
- § Oversees orientation of directors and continuing education of directors in areas related to the work of our Board and the directors' committee assignments.
- § Makes recommendations regarding the size and composition of our Board and the composition and responsibilities of Board committees.
- § Oversees the evaluation of our Board and the Board committees.
- § Reviews and makes recommendations to our Board regarding director compensation.
- § Has sole authority for retaining and terminating any consulting firm used to assist in the evaluation of the compensation of directors and for evaluating the independence of such consulting firm.
- § Reviews and makes recommendations to the Board about corporate governance.

Did each director attend at least 75% of the meetings of the Board of Directors and of the committees on which he or she served?

Yes.

Do the non-management directors meet regularly?

The non-management directors meet at the end of each regularly scheduled meeting of the Board of Directors. During Mr. Gozon's tenure as the Chairman of the Board of Directors, he has presided at such meetings. Following Mr. Gozon's retirement at the end of the 2016 Annual Meeting, Dr. Henney, as Lead Independent Director, will preside at such meetings of our non-management directors, and, if the Lead Independent Director is not present, the committee Chairs will preside on a rotating basis.

How do interested parties make their concerns known to the non-management directors?

Interested parties who wish to make any concerns known to the non-management directors may submit communications at any time in writing to: Kathy H. Gaddes, Secretary, AmerisourceBergen Corporation, 1300 Morris Drive, Chesterbrook, PA 19087. AmerisourceBergen's Secretary will determine, in her good faith judgment, which communications will be relayed to the Lead Independent Director and other non-management directors.

How are directors compensated?

Edgar Filing: AMERISOURCEBERGEN CORP - Form DEF 14A

The following table summarizes the total compensation earned by directors who were not employees of AmerisourceBergen during fiscal year 2015. Directors who are employees of AmerisourceBergen receive no compensation for their service as directors or as members of Board committees.

Table of Contents**Non-Employee Director Compensation at 2015 Fiscal Year End**

Ornella Barra(5)

Douglas R. Conant	\$	100,000	\$	125,000		\$	225,000
D. Mark Durcan(6)	\$	6,250				\$	6,250
Richard W. Gochnauer	\$	105,000	\$	125,000	\$	9,497	\$ 239,497
Richard C. Gozon	\$	150,000	\$	175,000	\$	25,418	\$ 350,418
Lon R. Greenberg	\$	100,000	\$	125,000			\$ 225,000
Edward E. Hagenlocker(7)	\$	55,000			\$	8,780	\$ 63,780
Jane E. Henney, M.D.	\$	110,000	\$	125,000	\$	21,461	\$ 256,461
Kathleen W. Hyle	\$	120,000	\$	125,000	\$	9,497	\$ 254,497
Michael J. Long	\$	115,000	\$	125,000	\$	9,497	\$ 249,497
Henry W. McGee	\$	100,000	\$	125,000	\$	4,945	\$ 229,945

Gregory D. Wasson(8)

(1)

These amounts include amounts earned for service as Committee Chairs and amounts deferred into our deferred compensation plan. In fiscal year 2015, Mr. Conant and Mr. Long received 717 and 1,156 shares of common stock, respectively, in lieu of the retainer.

(2)

As of September 30, 2015, each of the non-employee directors held the following shares of outstanding restricted stock and restricted stock units: Ms. Barra 0; Mr. Conant 5,672; Mr. Durcan 0; Mr. Gochnauer 5,672; Mr. Gozon 7,942; Mr. Greenberg 3,024; Mr. Hagenlocker 4,466; Dr. Henney 5,672; Ms. Hyle 5,672; Mr. Long 5,672; Mr. McGee 9,023; and Mr. Wasson 0.

The amounts reported represent the grant date fair value for equity awards shown in accordance with Accounting Standards Codification 718, disregarding the estimate of forfeitures related to service-based vesting conditions. There were no forfeitures by the directors in fiscal year 2015. See Note 10 to the consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended September 30, 2015 for assumptions used to estimate the fair values of restricted stock units granted during fiscal year 2015.

- (3) No stock options were granted to directors in fiscal year 2015. As of September 30, 2015, the non-employee directors held outstanding stock options as follows: Ms. Barra 0; Mr. Conant 0; Mr. Durcan 0; Mr. Gochnauer 52,541; Mr. Gozon 96,013; Mr. Greenberg 0; Mr. Hagenlocker 14,341; Dr. Henney 3,528; Ms. Hyle 19,932; Mr. Long 0; Mr. McGee 10,585; and Mr. Wasson 0.
- (4) These amounts represent the dividends accrued and paid on restricted stock and restricted stock units that vested in fiscal year 2015. In addition, the amount shown for Mr. Gozon also includes the value of prescription drug benefits provided to Mr. Gozon and his spouse during fiscal year 2015.
- (5) Ms. Barra waived her right to receive compensation as a non-employee director. Consequently, our Board has waived the stock ownership requirements for Ms. Barra.
- (6) D. Mark Durcan was elected to the Board on September 8, 2015.
- (7) Mr. Hagenlocker retired from our Board on March 5, 2015.
- (8) Mr. Wasson resigned from our Board on January 9, 2015 in connection with his retirement from Walgreen Co. Mr. Wasson waived his right to receive compensation as a non-employee director.

Table of Contents

Director Fees. Our director compensation program provides for an annual cash retainer plus an annual equity award of restricted stock units. Consistent with our overall compensation philosophy, the compensation program for non-employee directors provides total direct compensation (cash retainer and equity award) in the 50th percentile of our peer group. (See page 33 for a description of our peer group.)

Annual Retainer	\$100,000 Non-Employee Director \$150,000 Chairman of the Board
Annual Equity Award	\$125,000 Non-Employee Director \$175,000 Chairman of the Board
Chair Fee	\$20,000 Audit and Corporate Responsibility \$15,000 Compensation and Succession Planning \$10,000 Finance Committee \$10,000 Governance and Nominating Committee

Annual Retainers. A director may elect to have the annual retainer paid in cash, common stock or restricted stock units or credited to a deferred compensation account. Payment of annual retainers in cash will be made in equal quarterly installments in advance. The Board will make a determination in March 2016 regarding compensation for the Lead Independent Director.

Annual Equity Awards. On March 5, 2015, each of the non-employee directors (other than Ms. Barra, who waived compensation, and Mr. Durcan, who joined the Board on September 8, 2015) received an annual grant of restricted stock units. The vesting period for these awards is three years from the date of grant, subject to continued service on the Board or following retirement by a director aged 62 with five years of continuous service on the Board or aged 55 with 15 years of continuous service on the Board. These grants were made under the AmerisourceBergen Corporation Omnibus Incentive Plan. A director may defer settlement of shares payable with respect to restricted stock units as described below.

Deferral and Other Arrangements. Directors have the option to defer all or any part of the annual retainer and to credit the deferred amount to an account under the AmerisourceBergen Corporation Deferred Compensation Plan. Payment of deferred amounts will be made or begin on the first day of the month after the non-employee director ceases to serve as a director. A director may elect to receive the deferred benefit (i) over annual periods ranging from three to fifteen years and payable in quarterly installments or (ii) in a single distribution. We pay all costs and expenses incurred in the administration of the Deferred Compensation Plan. Directors also have the option to forego 50% or more of their annual cash retainers and receive either common stock or restricted stock units covering shares having a fair market value on the quarterly grant date equal to the amount of the foregone compensation. In addition, directors may defer settlement of any shares payable with respect to any restricted stock units (and any dividend equivalents) received either in lieu of the annual retainer or as the annual equity award to a later date. We also provide our directors with a prescription drug benefit and reimburse them for the cost of education programs, transportation, food and lodging in connection with their service as directors.

Stock Ownership Guidelines. We require our non-employee directors to own shares of our common stock to align their interests with those of the stockholders and to provide an incentive to foster our long-term success. From and after the fifth year following their Board election, non-employee directors must own stock equal in value to at least five times the annual retainer. We may take unusual market conditions into consideration when assessing compliance.

Table of Contents

CODES OF ETHICS

Has AmerisourceBergen adopted a code of ethics and business conduct that applies to directors, officers and employees?

The Board of Directors adopted our Code of Ethics and Business Conduct in May 2004. We review and revise the Code of Ethics and Business Conduct from time to time, most recently in January 2013. It applies to directors and employees, including officers, and is intended to comply with the requirements of Section 303A.10 of the NYSE Listed Company Manual.

Any waivers of the application of the Code of Ethics and Business Conduct to directors or executive officers must be approved by either the Board of Directors or the Audit and Corporate Responsibility Committee. We will disclose any such waiver or amendment of the Code of Ethics and Business Conduct promptly on our website.

Has AmerisourceBergen adopted a code of ethics for the principal executive officer and principal financial and accounting officers of AmerisourceBergen as required by SEC regulations?

We have adopted our Code of Ethics for Designated Senior Officers in accordance with Item 406 of the SEC's Regulation S-K. It applies to our President and Chief Executive Officer, Executive Vice President and Chief Financial Officer and Senior Vice President and Corporate Controller. Any waiver or amendment of the Code of Ethics for Designated Senior Officers will be disclosed promptly on our website.

Where can stockholders obtain copies of the codes of ethics?

We have posted both the Code of Ethics and Business Conduct and the Code of Ethics for Designated Senior Officers under the Investors section of our Internet website at www.amerisourcebergen.com. A copy of the Code of Ethics for Designated Senior Officers has also been filed with the SEC as an exhibit to our annual reports filed under the Securities Exchange Act of 1934, as amended.

CORPORATE GOVERNANCE

What is our leadership structure?

Our employees conduct our business under the direction of our President and Chief Executive Officer and with the independent oversight of our Board. To enhance its oversight function, our Board is composed of directors who are not employed by us, with the exception of Mr. Collis.

Our Board provides guidance and critical review of our governance, strategic initiatives, talent management and risk management processes. Our Board ensures that we have an effective management team in place to run our business and serves to protect and advance the long-term interests of our stockholders. The role of our senior executives is to develop and implement a strategic business plan for AmerisourceBergen and to grow our business.

We have strong independent committee leadership on our Board. Our audit, compensation and governance committees are each headed by an independent director and comprised entirely of independent directors. We also provide ample opportunity for our directors to meet in executive session. Our non-employee directors meet in executive session without management present at each in-person Board and Committee meeting.

In 2016, Mr. Gozon, who has served as Chairman of the Board since 2006, will be retiring at the end of his current term after 22 years of dedicated service to AmerisourceBergen and its predecessor companies. In preparation for this transition, our Board engaged in an in-depth review of our governance structure, including the suitability of that structure in light of the competitive and business environment that AmerisourceBergen currently faces.

Following that review, the Board determined that naming Steven H. Collis as Chairman of the Board and naming Dr. Henney as Lead Independent Director is the governance structure best suited to enable our Board

Table of Contents

and management to carry out their responsibilities to our stockholders and promote the growth of AmerisourceBergen.

Why have we named Mr. Collis as Chairman elect and Dr. Henney as Lead Independent Director elect?

We believe that the new leadership structure is in the best interests of AmerisourceBergen and its stockholders. It will ensure a smooth transition in Board leadership after Mr. Gozon's 10-year tenure as Chairman. It will also foster innovative, responsive and strong leadership for the company as a whole. Our Board determined that the election of an executive Chairman must be accompanied by the election of a strong Lead Independent Director with a clearly defined and dynamic leadership role in the governance of the Board. We believe the structure promotes, through the clearly articulated roles and responsibilities of the Lead Independent Director and Board committees, the objective and effective oversight of management.

Although we have had a non-executive Chairman in the past, our bylaws give the Board full discretion to determine how best to structure the Board leadership. Our bylaws with respect to the selection of the Chairman have remained unchanged since AmerisourceBergen was formed as a public company in 2001. The Board retains the flexibility to determine the appropriate leadership structure for AmerisourceBergen from time to time, including whether to appoint an executive Chairman, in light of the relevant facts, circumstances and business environment then existing.

In considering the appropriate leadership structure for AmerisourceBergen, the Board considered often-cited arguments for and against an executive Chairman and reviewed recommended best practices for corporate governance, current practices of AmerisourceBergen's peer companies and the S&P 500, and academic papers examining the financial performance of companies with the executive Chairman model and the independent Chairman model.

We believe that the new leadership structure is in the best interests of AmerisourceBergen and our stockholders at this time. It is consistent with the current practices of many other Fortune 100 and S&P 500 companies, including our largest national competitors. The new leadership structure provides strategically innovative and unified direction by the Chairman and Chief Executive Officer, counterbalanced by independent Board leadership clearly delineated in the authority and responsibilities of the Lead Independent Director and independent Board committees set out in our corporate governance principles and committee charters.

Given the rapidly changing industry, intensifying competition and increasing globalization, our Board believes Mr. Collis has demonstrated outstanding and innovative leadership during his tenure as Chief Executive Officer, growing existing businesses, expanding into new markets and achieving outstanding financial results. Serving as both Chairman and Chief Executive Officer will enable Mr. Collis to effectively and efficiently execute our strategic initiatives, and to respond to challenges and changes in both U.S. and international markets. Mr. Collis will not receive any additional compensation as a result of assuming the role of executive Chairman.

In our Board's view, Dr. Henney possesses the characteristics and qualities necessary to fulfill the Lead Independent Director's important role of guiding and facilitating the non-employee directors' participation in the governance of AmerisourceBergen. In addition to her extensive knowledge of the healthcare industry and regulatory environment, Dr. Henney has a thorough understanding of the Board's oversight role and leading corporate governance practices. Dr. Henney is a highly respected member of the Board, who diligently and thoughtfully performs the many duties tasked to the Governance and Nominating Committee. As Lead Independent Director, Dr. Henney will provide assertive, independent leadership in the boardroom.

What are the responsibilities of the Chairman and the Lead Independent Director?

The Chairman's primary responsibility is to set the agenda for the Board and to facilitate communications among our directors and between the Board and senior management. As Chairman and Chief Executive Officer, Mr. Collis can ensure that the Board's agenda and discussions address strategic planning, as well as key business issues and risks that he encounters in daily operations. With his in-depth knowledge of AmerisourceBergen's history and diverse businesses and the healthcare distribution and services industry, Mr. Collis can facilitate the integration of directors who have recently joined the Board.

Edgar Filing: AMERISOURCEBERGEN CORP - Form DEF 14A

Table of Contents

Our governance structure establishes a dynamic leadership role for the Lead Independent Director, which, together with independent Committee leadership, provides a meaningful counterbalance to the executive Chairman and maintains independent and effective oversight of management.

Key aspects of this structure include: if the Chairman is not an independent member of the Board, a majority of the independent directors shall elect a Lead Independent Director annually, subject to his or her continuing reelection and status as an independent director; the Lead Independent Director has clearly articulated and extensive authority and responsibilities in the Board's governance and functions; our Audit and Corporate Responsibility Committee, the Compensation and Succession Planning Committee and the Governance and Nominating Committee are each chaired by and comprised solely of independent directors; and our non-employee directors are encouraged to, and often do, have direct contact with our senior managers outside the presence of our executive officers.

The Lead Independent Director's authority and responsibilities set forth in our corporate governance principles correspond closely to those performed by Mr. Gozon during his tenure as independent Chairman. Our Lead Independent Director:

- § presides at all meetings of the Board at which the Chairman is not present;
- § calls, sets the agenda for and chairs executive sessions of the non-employee directors;
- § has authority to call a Board meeting and/or a meeting of non-employee directors;
- § approves Board meeting agendas and schedules to ensure that there is sufficient time for discussion of all agenda items;
- § meets one-on-one with the Chairman after each regularly scheduled Board meeting;
- § serves as a liaison between the Chairman and the non-employee directors;
- § serves on the Executive Committee;
- § advises the Chairs of the Board committees and assists them in the management of their workloads;
- § with the Chair of the Compensation and Succession Planning Committee, takes a leading role in succession planning for the Chief Executive Officer;
- § supports the Chair of the Governance and Nominating Committee in overseeing the annual self-assessment process for the Board and each committee, interviewing and recommending candidates for the Board, and recommending Board committee assignments;
- § is available for communication and consultation with major stockholders upon request on appropriate topics; and
- § performs such other functions and responsibilities as set forth in our corporate governance principles or as requested by the Board or the independent directors from time to time.

Our Board conducts annual evaluations, under the oversight of our Governance and Nominating Committee. The Compensation and Succession Planning Committee, in accordance with its charter, will annually review the performance of, and succession plan for, the Chief Executive Officer. These processes provide our Board with opportunities to examine and reassess the effectiveness of our leadership structure, including the performance of our Chairman and Lead Independent Director.

What are the standing Committees of the Board?

There are five standing committees of the Board: the Audit and Corporate Responsibility Committee, the Compensation and Succession Planning Committee, the Executive Committee, the Finance Committee and the Governance and Nominating Committee. The Board committees, with the exception of the Executive Committee and the Finance Committee, are required to be composed entirely of independent directors. Our Executive Committee, which is composed of our Chairman of the Board, the Lead Independent Director and the Chairs of

Table of Contents

the other standing committees, has the authority to act between regularly scheduled meetings of the Board, subject to applicable law. The Chairman of the Board serves as the Chair of the Executive Committee. The Board believes that changing committee assignments from time to time strengthens our corporate governance practices and enhances each committee's objective review of management.

What orientation and educational opportunities does AmerisourceBergen provide for our Directors?

We provide our directors with comprehensive orientation and continuing education, which is overseen by the Governance and Nominating Committee. Director orientation familiarizes the directors with our business and strategic plans, significant financial, accounting and risk management issues, compliance programs and other controls, policies, principal officers and internal auditors, and our independent registered public accounting firm. The orientation also addresses Board procedures, our corporate governance principles and our Board committee charters. We offer continuing education programs and provide opportunities to attend commercial director education seminars to assist our directors in maintaining their expertise in areas related to the work of the Board and the directors' committee assignments. For example, some of our directors have completed executive education programs for directors as part of their continuing education. We provide our directors with full membership to the National Association of Corporate Directors to provide a forum for them to maintain their insight into leading governance practices and exchange ideas with peers. Dr. Henney in 2011 and 2012 and Ms. Hyle in 2015 were named to the "NACD Directorship 100", an annual honor sponsored by the National Association of Corporate Directors to recognize influential directors and others who impact corporate governance.

How is the Board's performance evaluated?

We have a comprehensive annual evaluation policy and process in place for the Board and each of its committees, which is led by the Chair of our Governance and Nominating Committee. As required by our corporate governance principles, the evaluation occurs annually in advance of the Board's November meeting. Either the Chair of our Governance and Nominating Committee or an independent, third-party governance expert interviews each director to obtain his or her assessment of the effectiveness of the Board and the Committees on which he or she serves, as well as director performance and Board dynamics. In 2015, the interview process was led by an independent third party with expertise in corporate governance. In advance of the interview, each member of a committee receives a questionnaire soliciting feedback regarding the committee's performance. During the interview, each member is asked to provide an assessment of the Board's and the relevant committee's performance. We also solicit suggestions for improving the Board's and the committee's performance, dynamics, time-management, and functioning, as well as proposed topics of focus for the Board and the committee in the upcoming year. The results of the individual interviews and assessments are aggregated in a report, which the Chair of the Governance and Nominating Committee presents to the full Board for review, discussion and determination of action items. The annual review in November by the Board of the corporate governance principles and by each committee of its charter is a further step in the evaluation process through which the directors consider leading corporate governance practices for the Board as a whole and identify new areas of focus for the different committees. The full Board reviews and discusses recommended revisions to the corporate governance principles and committee charters prior to voting on their approval.

Has AmerisourceBergen adopted corporate governance principles for the Board of Directors?

Our Board has adopted our corporate governance principles. Together with the charters of the Board committees, they provide the framework for the governance of AmerisourceBergen. Our corporate governance principles clearly delineate the authority and roles of the Chairman of the Board and the Lead Independent Director in the leadership of the Board, mandate the independence of the Chairs and all the members of our audit, compensation and governance committees, and affirm non-employee directors' access to managers and associates outside the presence of our executives. The corporate governance principles address a variety of governance issues in addition to the leadership structure, including those discussed under the headings *Election of Directors*, *Additional Information about the Directors*, *the Board and the Board Committees*, *Codes of Ethics*

Table of Contents

and *Stockholder Engagement*. The Board reviews and updates the corporate governance principles and the committee charters from time to time to reflect leading corporate governance practices.

Where can stockholders find our corporate governance documents?

Our corporate governance principles and the charters of the Audit and Corporate Responsibility Committee, the Compensation and Succession Planning Committee, the Finance Committee and the Governance and Nominating Committee have been posted under the Investors section of our website at www.amerisourcebergen.com.

Do we have a majority vote standard for director elections and a director resignation policy?

Our bylaws and corporate governance principles provide for a majority vote standard for the election of directors. Under the majority vote standard, each director must be elected by a majority of the votes cast by the shares present in person or represented by proxy and entitled to vote. A "majority of the votes cast" means that the number of votes cast "for" a candidate for director must exceed the number of votes cast "against" that director. A plurality voting standard will apply instead of a majority voting standard if:

§

A stockholder has provided us with notice of a nominee for director in accordance with our bylaws; and

§

That nomination has not been withdrawn on or prior to the day next preceding the date the company first provides its notice of meeting for such meeting to stockholders.

Under Delaware law, if an incumbent nominee for director in an uncontested election does not receive the required votes for re-election, the director remains in office until a successor is elected and qualified. Our bylaws and corporate governance principles require each director nominee to tender an irrevocable resignation prior to the applicable meeting of stockholders and include post-election procedures in the event an incumbent director does not receive the required votes for re-election, as follows:

§

The Governance and Nominating Committee shall make a recommendation to the Board as to whether to accept the previously tendered resignation of the director;

§

The Board will act on the Governance and Nominating Committee's recommendation; and

§

The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation.

Has the Board determined which of the directors are independent?

The Board has determined that, except for Ms. Barra and Mr. Collis, all of the directors are independent. Our corporate governance principles require us to maintain a minimum of 70% independent directors on our Board. If the ten director nominees are elected at the 2016 Annual Meeting of Stockholders, eight out of ten directors then serving will be independent.

The Board has adopted guidelines in our corporate governance principles to assist it in making independence determinations, which meet or exceed the independence requirements set forth in the NYSE listing standards. These guidelines are contained in Section 5 of our corporate governance principles. For a director to be considered independent, the Board must determine that the director does not have any direct or indirect material relationship with AmerisourceBergen.

With the assistance of legal counsel, our Board reviewed the applicable legal standards for director and Board committee member independence. In undertaking its review, the Board considered that some of our directors serve on the board of directors or as executive officers of companies for which we perform (or may seek to perform) drug distribution and other services in the ordinary course of business. As a result of this review, the Board has determined that each of the following directors is independent: Douglas R. Conant, D. Mark Durcan, Richard W. Gochnauer, Lon R. Greenberg, Jane E. Henney, M.D., Kathleen W. Hyle, Michael J. Long and Henry W. McGee.



Table of Contents

Our Board has also determined that each of the members of our Audit and Corporate Responsibility Committee, Compensation and Succession Planning Committee and Governance Committee are independent, in accordance with the independence requirements set forth in their charters and, as applicable, SEC rules and NYSE listing standards. None of the members of these committees receive any consulting or advisory fee from us other than compensation as non-employee directors.

How does the Board oversee our risk management process?

The Board executes its oversight responsibility for risk management directly and through its committees, as follows:

§

Our Audit and Corporate Responsibility Committee, or Audit Committee, has primary responsibility for monitoring our internal audit, corporate, financial and regulatory risk assessment and risk management processes and overseeing our system of internal controls and financial reporting. The Audit Committee discusses specific risk areas throughout the year, including those that may arise in various business units and the measures taken by management to monitor and limit risk. In addition, the Audit Committee oversees the development and implementation of our enterprise risk management program.

§

The Audit Committee receives regular reports throughout the year on matters related to risk management. At each regularly scheduled meeting, the Audit Committee receives reports from our (i) external auditor on the status of audit activities and findings; and (ii) chief audit executive (who reports directly to the Audit Committee) on the status of the internal audit plan, audit results and any corrective action taken in response to audit findings.

§

We have a Chief Compliance Officer who is in charge of our corporate compliance program and training and monitoring compliance with our Code of Ethics and Business Conduct. Our Chief Compliance Officer and Chief Compliance Counsel report directly to our Audit Committee on compliance matters. We also have an internal Compliance Committee composed of senior executives, including our Chief Compliance Officer and Chief Compliance Counsel, which administers our compliance program. Our Chief Compliance Officer and Chief Compliance Counsel provide reports to the Audit Committee throughout the year on the status of our compliance programs, calls to our hotline and any other material developments.

§

The Board's other committees oversee risks associated with their respective areas of responsibility. For example, the Compensation and Succession Planning Committee assesses risks associated with our compensation policies and programs for executives as well as employees generally. Our Finance Committee discusses risks relating to our capital structure, financing activities, dividend and tax policy and share repurchase activities.

§

Each Board committee reports to the Board at every regular Board meeting on the topics discussed and actions taken at the most recent committee meeting. The Board discusses the risks and exposures, if any, involved in the matters or recommendations of the committees, as necessary.

§

The Board considers specific risk topics throughout the year, including risks associated with our business plan, operational efficiency, strategic objectives, government regulation, investment opportunities, physical facilities, information technology infrastructure and capital structure, among many others. Each fiscal quarter, our Chief Financial Officer reports to the Board on AmerisourceBergen's financial performance and discusses how actual performance compares to our business plan. Our corporate officers and the leaders of our principal business units report regularly to the Board about the risks and exposures related to their areas of responsibility. The Board is informed about and regularly discusses our risk profile, including legal, regulatory and operational risks to our business.

Has management conducted a risk assessment of AmerisourceBergen's employee compensation policies and practices?

We have conducted an internal risk assessment of our employee compensation policies and practices, including those relating to our executives. We have concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on AmerisourceBergen. We have reviewed our

Table of Contents

risk analysis with the Compensation and Succession Planning Committee. The risk assessment process included, among other things, a review of all key incentive compensation plans to ensure that they are aligned with our pay-for-performance philosophy and include performance metrics that support corporate goals. The objective of the process was to identify any compensation plans and practices that may encourage employees to take unnecessary risks that could threaten the company. No such plans or practices were identified. Moreover, various factors mitigate the risk profile of our compensation programs, including, among others:

- § Performance targets under our cash incentive programs are tied to a number of different financial metrics so employees will not place undue emphasis on any particular metric at the expense of other aspects of our business;
- § Maximum caps on payouts have been established for our annual cash incentive programs, including under our cash bonus plan used for senior management;
- § Equity awards under our performance plan for senior executives have maximum caps and are forfeited entirely if the threshold performance metrics are not achieved;
- § The performance plan ties 40% of a senior executive's annual equity award to financial performance metrics achieved over a three-year period to ensure that our senior executives are accountable for long-term measures of success;
- § The remaining 60% of a senior executive's annual equity award (in stock options and restricted stock units) vests over a number of years to encourage senior executives to focus on long-term growth and creating value for stockholders;
- § Stock ownership requirements align the interests of our senior management with those of our stockholders;
- § We have effective management processes for developing annual business plans and a strong system of internal financial controls; and
- § A broad-based group of functions, including human resources, finance and legal, oversees aspects of our cash and equity incentive programs.

STOCKHOLDER ENGAGEMENT

What efforts has AmerisourceBergen made to engage with stockholders?

We value open communications with our stockholders. The goal of our engagement and outreach efforts is to ensure that we work collaboratively to educate our investors about our business and governance practices as well as to identify issues of importance to our stockholders and our business. Our investor relations team regularly shares with our Board and senior executives the feedback that they have received from our stockholders.

On an ongoing basis, we communicate with the investment community and stockholders about AmerisourceBergen's financial performance, operations and strategic developments through the following:

- § Quarterly earnings releases and quarterly earnings release conference calls and webcasts;
- § Regular reports filed with the SEC, including annual and quarterly reports;

§

Conference calls and webcasts related to specific developments; and

§

Our annual stockholders meeting.

Specifically, in 2015 we communicated with several of our largest stockholders through conference calls and in-person meetings in order to seek their input on a variety of topics, including Board structure, a stockholder proposal to permit action by written consent, and proxy access for director nominations.

Table of Contents

The Board of Directors also recently outlined in our corporate governance principles the procedures through which stockholders may seek direct engagement with Board members. While management, through our President and Chief Executive Officer and our investor relations team, ordinarily engages with stockholders, the Chairman of the Board, in consultation with the Lead Independent Director, will review and consider, on a case-by-case basis, stockholder requests for meetings with the Board of Directors related to key areas of Board oversight and determine whether such meetings would be appropriate and beneficial. Stockholders may communicate their views directly to the Board by writing to Kathy H. Gaddes, Secretary, AmerisourceBergen Corporation, 1300 Morris Drive, Chesterbrook, Pennsylvania 19087.

STOCKHOLDER RECOMMENDATIONS FOR DIRECTOR NOMINEES

What process should a stockholder follow to propose nominees for consideration by the Governance and Nominating Committee?

The advance notice provision for nomination of directors in our bylaws allows a stockholder to propose nominees for consideration by the Governance and Nominating Committee by submitting specified information concerning itself and the proposed nominee, including the name, appropriate biographical information about and qualifications of the proposed nominee. This and other information required under the advance notice provision must be provided to us in writing to: Kathy H. Gaddes, Secretary, AmerisourceBergen Corporation, 1300 Morris Drive, Chesterbrook, Pennsylvania 19087 no earlier than November 3, 2016 and no later than December 3, 2016.

The proxy access provision in our bylaws allows an eligible stockholder or group of no more than 20 eligible stockholders that has maintained continuous ownership of 3% or more of our common stock for at least three years to include in our proxy materials for an annual meeting of stockholders a number of director nominees up to the greater of two or 20% of the directors then in office. Loaned stock that can be recalled within three days may count towards an eligible stockholder's 3% beneficial ownership requirement, which must be maintained at least until the annual meeting at which the proponent's nominee will be considered. Proxy access nominees who do not receive at least a 25% vote in favor of election will be ineligible as a nominee for the following two years. Provisions in the Shareholders Agreement with Walgreens Boots Alliance would not permit Walgreens Boots Alliance to use proxy access. If any stockholder proposes a director nominee under our advance notice provision, we are not required to include any proxy access nominee in our proxy statement for the annual meeting. Information required under the proxy access provision must be provided to us in writing to: Kathy H. Gaddes, Secretary, AmerisourceBergen Corporation, 1300 Morris Drive, Chesterbrook, Pennsylvania 19087 no earlier than August 25, 2016 and no later than September 24, 2016. In considering any nominee proposed by a stockholder in accordance with the requirements set forth in our bylaws, the Governance and Nominating Committee will reach a conclusion based on the nominee evaluation criteria described above. After full consideration, the stockholder proponent will be notified of the decision of the committee.

AUDIT MATTERS

Audit Committee Financial Expert

The Board of Directors has determined that Ms. Hyle is an "audit committee financial expert" as defined in Item 407(d)(5) of Regulation S-K. Ms. Hyle serves as Chair of the Audit and Corporate Responsibility Committee.

Report of the Audit and Corporate Responsibility Committee

The Audit and Corporate Responsibility Committee consists of the four directors named below. All of the committee members are independent (as independence is defined in Section 303A of the NYSE Listed Company Manual and our corporate governance principles) and all of the members are financially literate.

The committee reviewed and discussed with AmerisourceBergen's management and its independent registered public accounting firm the audited financial statements contained in our Annual Report on Form 10-K for the fiscal year ended September 30, 2015 and our internal control over financial reporting. AmerisourceBergen's

Table of Contents

management has the primary responsibility for the company's financial statements and its financial reporting and control processes and procedures, including its internal control over financial reporting and its disclosure controls and procedures. AmerisourceBergen's management has represented to the Audit and Corporate Responsibility Committee that the financial statements contained in our Annual Report on Form 10-K for fiscal year 2015 were prepared in accordance with U.S. generally accepted accounting principles and that our internal control over financial reporting was effective as of September 30, 2015 (based on the criteria set forth in the 2013 Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission).

The committee discussed with the company's independent registered public accounting firm, which is responsible for expressing an opinion on the conformity of the audited financial statements with U.S. generally accepted accounting principles, the firm's judgments as to the quality, not just the acceptability, of the company's accounting principles, the reasonableness of significant judgments reflected in the financial statements and the clarity of disclosures in the financial statements as well as such other matters as are required to be discussed with the committee under the standards of the Public Company Accounting Oversight Board (United States).

The committee discussed with the company's independent registered public accounting firm the matters required to be discussed by the PCAOB Auditing Standard No. 16, "Communication with Audit Committees." In addition, the committee discussed with the independent registered public accounting firm the firm's independence from the company and its management, including the matters in the written disclosures and letter that were received by the committee from the independent registered public accounting firm as required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the committee concerning independence. The committee also discussed with the company's independent registered public accounting firm, the firm's audit of the effectiveness of the company's internal control over financial reporting as of September 30, 2015.

Based on the reviews and discussions referred to above, the Audit and Corporate Responsibility Committee recommended to the Board of Directors that the audited financial statements be included in AmerisourceBergen's Annual Report on Form 10-K for fiscal year 2015.

AUDIT AND CORPORATE RESPONSIBILITY COMMITTEE

Kathleen W. Hyle, Chair

D. Mark Durcan

Lon R. Greenberg

Michael J. Long

Policy for Pre-Approval of Audit and Non-Audit Services

The Audit and Corporate Responsibility Committee's policy is to pre-approve all audit services and all non-audit services that the company's independent registered public accounting firm is permitted to perform for the company under applicable federal securities regulations. As permitted by the applicable regulations, the committee's policy utilizes a combination of specific pre-approval on a case-by-case basis of individual engagements of the independent registered public accounting firm and general pre-approval of certain categories of engagements up to predetermined dollar thresholds that are reviewed annually by the committee. Specific pre-approval is mandatory for the annual financial statement audit engagement, among others.

Table of Contents

Independent Registered Public Accounting Firm's Fees

During the fiscal years ended September 30, 2015 and 2014, Ernst & Young LLP, AmerisourceBergen's independent registered public accounting firm, billed the company the fees set forth below in connection with services rendered by the independent registered public accounting firm to the company:

Audit Fees	\$7,367,800	\$6,082,835
Audit-Related Fees	252,500	1,136,427
Tax Fees	2,131,500	1,665,557
All Other Fees	1,995	1,995
TOTAL	\$9,753,795	\$8,886,814

Audit fees consisted of fees for the audit of AmerisourceBergen's annual financial statements, consultation concerning financial accounting and reporting standards and consultation concerning matters relating to Section 404 of the Sarbanes-Oxley Act of 2002, review of quarterly financial statements as well as services normally provided in connection with statutory and regulatory filings or engagements, comfort letters, consents and assistance with and review of company documents filed with the SEC. Audit fees also included fees for the audit of the effectiveness of the company's internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002.

Audit-related fees consisted of fees for assurance and related services, including employee benefit plan audits and due diligence related to acquisitions.

Tax fees consisted of fees for services related to tax compliance, tax advice and tax planning services.

Other fees consisted of subscription fees for Internet-based professional literature.

Our Audit and Corporate Responsibility Committee reviewed and approved all fees charged by Ernst & Young LLP in accordance with the policy described above and monitored the relationship between audit and permissible non-audit services provided. The policy is intended to ensure that the fees earned by Ernst & Young LLP are consistent with the maintenance of the independent registered public accounting firm's independence in the conduct of its auditing functions.

**RATIFICATION OF APPOINTMENT OF ERNST & YOUNG LLP AS
AMERISOURCEBERGEN'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
FOR FISCAL YEAR 2016
(Item 2 on the Proxy Card)**

What am I voting on?

You are voting on the ratification of the appointment of Ernst & Young LLP as AmerisourceBergen's independent registered public accounting firm for the fiscal year ending September 30, 2016. The Audit Committee of the Board of Directors has appointed Ernst & Young LLP to serve as our independent registered public accounting firm for fiscal year 2016. Although our governing documents do not require the submission of the appointment of AmerisourceBergen's independent registered public accounting firm to the stockholders for approval, the Board considers it desirable that the stockholders ratify the appointment of Ernst & Young LLP. Should the stockholders not ratify the appointment of Ernst & Young LLP as AmerisourceBergen's independent registered public accounting firm for the fiscal year ending September 30, 2016, the Audit Committee will investigate the reasons and will reconsider the appointment of Ernst & Young LLP.

What is the oversight relationship between the Audit Committee and our external auditor?

Edgar Filing: AMERISOURCEBERGEN CORP - Form DEF 14A

Under its charter, the Audit Committee is directly responsible for the appointment, compensation, retention and oversight of AmerisourceBergen's external auditor. To execute this responsibility, the Audit Committee engages

Table of Contents

in a comprehensive annual evaluation of the external auditor's qualifications, performance and independence. In accordance with SEC rules, audit partners are subject to rotation requirements to limit the number of consecutive years an individual partner may provide service to AmerisourceBergen. For lead and concurring audit partners, the maximum number of consecutive years of service in that capacity is five years. The Audit Committee reviews the process that we and Ernst & Young LLP undertake to ensure the rotation of the audit partner responsible for reviewing the audit, and evaluates the qualifications and experience of the individual selected to serve as lead partner for our audit. Ernst & Young LLP has been retained as AmerisourceBergen's external auditor since 2001. The members of the Audit Committee believe that the continued retention of Ernst & Young LLP to serve as our external auditor is in the best interests of AmerisourceBergen and its stockholders.

What services will the independent registered public accounting firm provide?

Audit services provided by Ernst & Young LLP for fiscal year 2016 will include examination of the consolidated financial statements of AmerisourceBergen and services related to periodic SEC filings. Audit services for fiscal year 2016 also will include the audit of the effectiveness of our internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002. Additionally, Ernst & Young LLP may provide audit-related, tax and other services comparable in nature to the services performed in fiscal years 2014 and 2015, as described under the heading *Independent Registered Public Accounting Firm's Fees*.

Will representatives of the independent registered public accounting firm be present at the 2016 Annual Meeting of Stockholders?

Representatives of Ernst & Young LLP are expected to be present at the 2016 Annual Meeting of Stockholders. Such representatives will have an opportunity to make a statement and will be available to respond to appropriate questions.

How does the Board of Directors recommend that I vote?

We recommend that you vote **For** the ratification of the appointment of Ernst & Young LLP as AmerisourceBergen's independent registered public accounting firm for fiscal year 2016.

COMPENSATION COMMITTEE MATTERS

General

Our Compensation and Succession Planning Committee, or the Committee, is composed of independent directors. The Committee is responsible for the design of our executive compensation program and review of succession planning. The Committee reviews and approves the compensation of our executives, including our named executive officers. The Committee also oversees our employee pension, long-term incentive and savings, health and welfare plans. The Committee has delegated the administration of our pension and benefit plans to an internal benefits committee, composed of senior finance, human resources and legal executives. The internal benefits committee oversees the management of our pension plan assets, the selection of investment options under our savings plans and the performance of the investment advisers and plan administrators.

Processes and Procedures

Meetings. The Committee met 4 times in fiscal year 2015. The Chairman, in consultation with the other Committee members and management, prepares agendas that address an annual calendar of topics and other matters. The Committee meets without management present, whenever necessary, to discuss matters it deems appropriate.

Role of External Compensation Consultant. The Committee has sole authority to retain and terminate any consultant or other external advisor, and to approve the fees and other terms of engagement for such consultant or advisor. Each year, the Committee evaluates the qualifications, performance, independence and potential for conflicts of interest of its compensation consultant and any other external advisors to the

Table of Contents

Committee. This evaluation takes place at the beginning of the fiscal year in the case of an ongoing engagement or prior to the selection of a new consultant or advisor.

Pearl Meyer & Partners serves as the Committee's compensation consultant. The Committee has determined that Pearl Meyer is independent, and has not had any economic interests or other relationship with AmerisourceBergen or the Committee members that would conflict with its obligation to provide the Committee with impartial and objective advice. Pearl Meyer did not provide any services to management in fiscal year 2015.

The Committee's compensation consultant advises the Committee on all aspects of executive compensation, including comparative data, competitive positioning of executive pay, plan design, long-term incentive pay practices and market trends. As directed by the Committee, the consultant prepares analyses and recommendations relating to the compensation for our executive officers, including pay recommendations for our CEO. Representatives of Pearl Meyer attended Committee meetings and met privately from time to time with the Committee and individual Committee members to plan for Committee meetings and discuss executive compensation matters.

Role of Management. Mr. Collis gives the Committee a performance assessment and pay recommendation for senior management, including each of the other named executive officers. Management, in consultation with the Committee's compensation consultant, may also make recommendations on matters of compensation philosophy and plan design. Executives may attend the Committee meetings, but they are not present when the Committee meets in executive session and they do not make recommendations regarding their own pay.

Table of Contents

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

AmerisourceBergen Corporation is one of the largest global pharmaceutical sourcing and distribution services companies, helping both healthcare providers and pharmaceutical and biotech manufacturers improve patient access to products and enhance patient care. The purpose of our executive compensation program is to attract, motivate and retain the individuals who lead our company and align their interests with the long-term interests of our stockholders.

Our fiscal year 2015 named executive officers were:

Steven H. Collis	President and Chief Executive Officer
Tim G. Guttman	Executive Vice President and Chief Financial Officer
John G. Chou	Executive Vice President and General Counsel
James D. Frary	Executive Vice President and President, AmerisourceBergen Specialty Group (ABSG)
David W. Neu	Executive Vice President, Retail Strategy and President, Good Neighbor Pharmacy

We seek to pay our executives fairly and competitively and to link pay with performance. The main elements of our compensation program are base salary, short term incentive (STI) in the form of annual cash bonus and long-term equity incentive awards (LTI). We emphasize compensation opportunities that reward our executives when they deliver targeted financial results. A significant portion of our executives' compensation is equity-based. In fiscal year 2015, incentive compensation (annual cash bonus and equity incentive awards) accounted for approximately 89% of Mr. Collis's total direct compensation opportunity (base salary, annual cash bonus and equity incentive awards) and approximately 80% of the average total direct compensation opportunity of the other named executive officers.

2015 Say-On-Pay Vote

In March 2015, our stockholders overwhelmingly approved the compensation of our named executive officers, with approximately 92% of stockholder votes cast in favor of our 2015 say-on-pay resolution. As a result, we continued to emphasize our pay for performance culture and did not make significant changes to our pay program in 2015. The Committee reviewed and updated our executive compensation peer group. The Committee continued to align the transition of pay opportunities for our executives with our compensation philosophy. The Committee also approved performance metrics for incentive pay that were designed to correlate with our operational success and reflect measures of performance that drive returns for our stockholders.



Table of Contents

Fiscal Year 2015 Compensation Practices and Policies

We believe our executive pay is reasonable and provides appropriate incentives to our executives to achieve our financial and strategic goals without encouraging them to take excessive risks in their business decisions. We regularly evaluate the major risks to our business, including how risks taken by management could impact the value of executive compensation. To this end, we note the following regarding our compensation practices:

Best Practices

- Use performance metrics to align pay with performance.
- Cap annual cash bonus opportunity.
- Cap payout under our performance share plan.
- Require executives to own our stock and require the amount of their stock ownership to increase with their level of responsibility.
- Require our CEO to own stock equal in value to six times his salary.
- Apply clawback obligations to annual cash bonus and equity awards for executives.
- Regularly review the Committee charter to ensure best practices and priorities.
- Engage an independent compensation consultant that reports to the Committee and that provides no other services to AmerisourceBergen.
- Consider a peer group in establishing CEO and CFO compensation.
- Prohibit short sales, hedging or pledging of our stock by our executive officers and directors.
- Forfeit awards upon violation of restrictive covenants.
- Require double-trigger for change in control payments.
- Consider burn rate in equity grant decisions.
- Manage use of equity incentive plan conservatively.

Practices We Do Not Engage In or Allow

- Establish or allow compensation practices that encourage excessively risky business decisions.
- Provide payment for poor performance under our incentive plans.
- Grant stock options with an exercise price lower than fair market value.
- Backdate or retroactively grant options or restricted stock units.
- Pay dividends on unearned and unvested performance shares.
- Reprice stock options.
- Provide tax gross-ups in the event of a change in control.

2015 Fiscal Year Business Highlights¹: Strong Operational Performance

§

Adjusted diluted earnings per share (EPS) of \$4.96 per share.

§

Revenue of \$136.0 billion, representing a 13.7% increase over prior year revenue.

§

Adjusted gross profit of \$4.0 billion, representing a 21.2% increase over prior year adjusted gross profit.

§

Adjusted operating income increased 22.0% over prior year adjusted operating income.

§

Free cash flow of \$3.7 billion.

§

Returned a substantial amount of cash to our stockholders in fiscal year 2015 through \$253.9 million in dividends, \$300.8 million in stock repurchases under our regular share repurchase program, and \$1,522.1 million in stock repurchases under our special share repurchase programs.

§

Invested in our future growth and strategy by acquiring MWI Veterinary Supply, Inc.

§

Total stockholder returns (TSR), including reinvestment of gross dividends, for the fiscal years ended September 30, 2015, 2014 and 2013 were 25.3%, 25.4%, and 59.4%, respectively. This compares to TSR of the S&P 500 Index of 0.7%, 18.8%, and 19.0% over the same periods.

1

See Appendix A for additional information regarding non-GAAP financial measures. For a comprehensive discussion of our GAAP financial results, please refer to our Annual Report on Form 10-K for the fiscal year ended September 30, 2015.

Table of Contents

2015 Fiscal Year Executive Compensation Objectives and Actions

The Committee reviews and makes decisions about executive compensation, including the amount of base salary, cash bonus and long-term incentive awards paid to our named executive officers. The Committee takes into account our financial and business results, individual performance and competitive data. In light of these considerations, the Committee made the following executive compensation decisions in fiscal year 2015:

- § Continued the emphasis on the use of equity-based incentives so that the achievement of target pay for our executives correlates with strong performance for AmerisourceBergen and our stockholders.
- § Established fiscal year 2015 performance goals for our annual cash bonus plan, including target adjusted EPS of \$4.49 per share, adjusted operating income of \$1.7 billion, adjusted operating margin of 1.33% and free cash flow of \$1.8 billion at the corporate level, consistent with our Board-approved business plan.
- § Set target incentive levels for fiscal year 2015 cash bonuses ranging from 100% to 135% of base salary for named executive officers.
- § Approved fiscal year 2015 cash bonus payouts that were paid at 152.3% of target for corporate-level metrics in the aggregate.
- § Granted annual equity incentive awards to our named executive officers after considering our compensation philosophy and the Committee's assessment of individual performance and expected future contributions. The grant value of each annual equity award was split among stock options (40%), restricted stock units (20%) and performance shares (40%).
- § Approved performance metrics of adjusted EPS and adjusted return on invested capital (ROIC) for the performance shares granted to our named executive officers in fiscal year 2015 (covering the three-year performance period ending September 30, 2017).

We believe that the fiscal year 2015 compensation of our named executive officers was aligned with AmerisourceBergen's fiscal year 2015 results and met our compensation objectives. Our compensation policies have enabled us to attract and retain talented and experienced executives. We believe that these policies have benefitted AmerisourceBergen over time and will position us for growth in future years.

Setting Executive Compensation

We consider market pay practices as a starting reference point when setting executive compensation. The Committee assesses whether our level of executive pay is appropriate when compared to industry and market standards. The Committee's independent compensation consultant assists the Committee in developing a peer group of companies to serve as the basis for comparing the pay of our CEO and CFO to the market. We conduct a detailed market review of executive pay to evaluate each element of pay and benefit competitiveness, review pay practices and compare performance against our peer group.

In fiscal year 2015, the Committee reviewed peer group proxy statement data and broader survey data for our CEO and CFO and published compensation survey data for our other executive officers. When assessing pay levels, the Committee also reviews the relative positioning of our executive officers with each other. In 2015, the Committee's consultant concluded that our overall competitive posture for executive pay remained similar to our positioning in the 2014 assessment of executive pay.

Our peer group is composed of companies with business models and operations comparable to our own, including our two largest direct competitors. The companies in our peer group are companies in our industry which we believe have a similar financial and operational profile. The companies chosen as peers have the following characteristics that led to their selection: revenue and market capitalization within a reasonable range of AmerisourceBergen; complex organizations; low market cap to revenue ratio; and thin profit margins. We believe our peer group reflects the type and complexity of business risks managed by our executives and that we compete with many of these companies for executive talent.

Edgar Filing: AMERISOURCEBERGEN CORP - Form DEF 14A

In fiscal year 2015, the Committee, in consultation with its independent compensation consultant, evaluated our peer group to ensure that some or all of our peer group companies were still appropriate. Following its review,

32

Table of Contents

the Committee removed two companies, Safeway and SUPERVALU, from our peer group and added three new companies to our peer group: Avnet, Inc., Express Scripts Holding Company and Henry Schein, Inc.

2015 Peer Group

Avnet, Inc.	FedEx Corporation	McKesson Corporation
Cardinal Health, Inc.	Henry Schein, Inc.	Sysco Corporation
Costco Wholesale Corporation	The Home Depot, Inc.	Target Corporation
CVS Health Corporation	Ingram Micro Inc.	United Parcel Service, Inc.
Express Scripts Holding Company	The Kroger Co.	Walgreens Boots Alliance, Inc.

Target Percentile Compensation Opportunity

Our compensation program targets executive pay relative to our peer group as follows:

35th percentile of peer group

50th percentile of peer group

50th percentile of peer group

We target total direct compensation opportunity in the 50th percentile relative to our peer group. We believe that targeting pay opportunities at the median of our peer group enables us to retain talented and experienced executives and is consistent with market leading practices.

Components of the Executive Compensation Program

Base Salary	Cash	§	Fixed	The Committee takes into account job performance, scope of duties and responsibilities, expected future contributions, peer group and other market pay data.
				Provide a regular stream of income and security
Cash Bonus	Cash	§	Variable	Actual payout based on company and individual performance.
				Motivate executives to improve financial performance year-over-year
		§		Reward executives who deliver targeted financial results
Long-Term Incentives	Performance Shares, Restricted Stock Units and Stock Options	§	Variable	Actual value is determined by company performance over a three-year time frame and/or linked to stock price.
				Motivate executives to achieve superior business

results over long-term

§

Enhance alignment between
management and
stockholder interests

§

Support stock ownership
requirements

Table of Contents**Base Salary**

We target base salary in the 35th percentile for similar positions in our peer group. By positioning base salary below our peer median, we place greater emphasis on incentive compensation for our executive officers. In fiscal year 2015, Mr. Guttman's base salary was adjusted by 4.6% to align his pay with our compensation philosophy. Mr. Frary's base salary was increased by 9.4% in fiscal year 2015 to account for changes to his scope of responsibilities, primarily including the expansion of his role in fiscal year 2014 to manage the AmerisourceBergen Consulting Services (ABCS) operating segment. No adjustments were made to Mr. Collis's, Mr. Chou's or Mr. Neu's base salaries in fiscal year 2015.

FY2015 Cash Bonus Payout

The Committee approves the performance goals and incentive levels for each of our named executive officers, and assigns a relative weighting to each performance goal under our cash incentive plan. For each financial performance measure, there is a threshold and a target. Threshold refers to the minimum acceptable level of performance. Except for the operating margin financial measure, where we pay 50% at threshold, we generally do not pay a bonus on a particular financial measure if our performance is at or below the threshold. Target is the expected level of performance. Beginning fiscal year 2015, all cash incentive awards are issued to the executives pursuant to our Omnibus Incentive Plan.

Executives may receive an amount in excess of their target bonus (up to a maximum cap of an additional 100% of the target incentive) if we exceed target on the key performance metric established for them. Therefore, an individual's actual bonus consists of the amount determined for exceeding the thresholds and, if applicable, an amount (which we refer to as a "stretch" bonus) for exceeding target on the key performance metric established for them adjusted EPS for Messrs. Collis, Guttman and Chou; adjusted ABSG consolidated operating income for Mr. Frary; and adjusted ABDC operating income for Mr. Neu. The stretch portion is calculated by increasing the earned bonus by an additional 5% for every 1% that actual performance exceeds target on the key performance metric. For example, if actual adjusted EPS exceeded target adjusted EPS by 1%, for executives with adjusted EPS as the key metric, the stretch portion would be calculated by multiplying earned bonus by 5%.

In November 2014, the Committee approved the following corporate performance measures for our fiscal year 2015 cash incentive plan:

Adjusted EPS ¹	\$4.04	\$4.49	\$4.96
Adjusted Operating Income	\$1.5 billion	\$1.7 billion	\$1.9 billion
Adjusted Operating Margin	1.31%	1.33%	1.40%
Free Cash Flow	\$1.5 billion	\$1.8 billion	\$3.7 billion