

# AMERISOURCEBERGEN CORPORATION

## CORPORATE GOVERNANCE PRINCIPLES

### Governance Principles

The following principles have been approved by the Board of Directors (the “Board”) and, along with the charters of the Board committees, provide the framework for the governance of AmerisourceBergen Corporation (“ABC” or the “Company”). The Board will review these principles and other aspects of ABC governance annually, or more often if deemed necessary.

1. **Role of Board and Management.** ABC's business is conducted by its employees, managers and officers, under the direction of the Chief Executive Officer (the “CEO”) and the oversight of the Board, to enhance the long-term value of the Company for its stockholders. The directors are elected by the stockholders to oversee management and to assure that the long-term interests of the stockholders are being served. Both the Board and management recognize that the long-term interests of stockholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties, including employees, customers, suppliers, ABC communities, government officials and the public at large.

The Board provides independent risk oversight with a focus on the most significant risks facing the Company, including strategic, operational and reputational risks. It has also delegated specific risk oversight responsibility to the Audit and Corporate Responsibility Committee, the Compensation and Succession Planning Committee, the Governance and Nominating Committee, and the Finance Committee, as detailed in their respective committee charters.

2. **Functions of Board.** The Board has five regularly scheduled meetings a year at which it reviews and discusses reports by management on the performance of the Company, its plans and prospects, as well as immediate issues facing the Company. Directors are expected to make every effort to attend all scheduled Board and committee meetings. In addition to its general oversight of management, the Board also performs a number of specific functions, including:

- a. selecting, evaluating and compensating the CEO and overseeing CEO succession planning;
- b. providing counsel and oversight on the selection, evaluation, development and compensation of senior management;
- c. reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
- d. overseeing management's efforts to protect the Company's assets through appropriate accounting, financial reporting and financial and other controls;
- e. assessing major risks facing the Company and reviewing options for their mitigation, including oversight of the Company's policies and procedures for assessing and managing risk; and

f. ensuring processes are in place for maintaining the integrity of the Company – the integrity of the financial statements, the integrity of compliance with law and ethics, the integrity of relationships with customers and suppliers, and the integrity of relationships with stockholders.

3. **Qualifications.** The Governance and Nominating Committee shall recommend selection and qualification criteria for Board members for approval by the Board. Directors should possess the highest personal and professional ethics, integrity, demonstrated leadership, and diversity of backgrounds and skills, and be committed to representing the long-term interests of the stockholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. The Board endeavors to have a board representing diverse and global experience at operational, development and/or policy-making levels in business, management, marketing, finance, technology, human resources, communications, education, government, healthcare and other areas that are relevant to the Company's activities. A majority of the directors shall be independent as described in Section 5.

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serve on the Board for an extended period of time and at least for their elected term.

If the CEO serves as a director of ABC, he or she may serve on the board of one other public company in addition to the ABC Board. Non-employee directors should not serve on more than three boards of public companies in addition to the ABC Board.

The Board does not believe that directors should expect to be automatically re-nominated. The Board self-evaluation process described below may be an important determinant for Board tenure. Each director will submit an offer to resign at the annual meeting following his or her 75<sup>th</sup> birthday.

4. **Directors Who Change Their Present Job Responsibility.** When a director's employment or principal business association changes materially, that director shall offer his or her resignation from the Board for consideration by the Governance and Nominating Committee. The Governance and Nominating Committee will evaluate the change in circumstances and recommend to the Board whether to accept the resignation. Directors who are also employees of the Company shall offer their resignation from the Board at the same time as they retire or otherwise leave active employment with the Company. The Board may, however, permit a former CEO of the Company to continue to serve as a director for a period of up to one year after retiring or resigning as CEO. In addition, a director should obtain the approval of the Chair of the Governance and Nominating Committee in advance of accepting an invitation to serve on another public company's board of directors.

5. **Independence of Directors.** ABC will maintain a Board of majority independent directors as is consistent with the listing requirements of the New York Stock Exchange ("NYSE") and will seek to have and maintain a minimum of 70% independent directors. Directors who do not meet the NYSE's independence standards also make valuable contributions to the Board and to the Company by reason of their experience and knowledge of the Company.

To be considered independent under the NYSE listing requirements, the Board shall annually determine that a director has no direct or indirect material relationship with ABC. In addition, a director shall not be independent if, within the preceding three years:

- a. the director was an employee, or an immediate family member was an executive officer, of the Company;
- b. the director, or an immediate family member, received more than \$120,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
- c. the director was a partner of or employed by, or an immediate family member was a partner of or employed to work on the Company's audit by, a present or former internal or external auditor of the Company;
- d. the director was employed, or an immediate family member was employed, as an executive officer of another company where any of the Company's present executives at the same time served on that company's compensation committee; or
- e. the director was an employee, or an immediate family member was an executive officer, of a company that made payments to, or received payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

In implementing the provisions of this Section 5, the NYSE listing requirements will be followed.

The Company will not make any personal loans or extensions of credit to directors or executive officers. No director or family member may provide personal services for compensation to the Company.

6. **Election of Directors; Size of Board and Selection Process.** Each director is elected for a one-year term and until his or her successor has been elected and qualified by the stockholders at an annual meeting of stockholders. Stockholders may propose nominees for consideration by the Governance and Nominating Committee by submitting in accordance with the Company's Certificate of Incorporation and Bylaws the names and supporting information to: Secretary, AmerisourceBergen Corporation, 1300 Morris Drive, Chesterbrook, PA 19087-5594. The Board proposes a slate of nominees to the stockholders for election to the Board. The Board also determines the number of directors on the Board. Between annual stockholder meetings, the Board may elect directors to serve until the next annual meeting. The Board believes that the size of the Board should be in the range of 9-12 directors. The Board considers and prepares for anticipated Board vacancies and Board leadership positions, including Chairman of the Board, the Lead Independent Director and the Chairs of Board committees.

7. **Required Vote for Directors; Director Resignation Following Failure to Receive Required Vote.** In accordance with the Company's Bylaws, if none of the Company's stockholders provide the Company notice of an intention to nominate one or more candidates to compete with the Board's nominees in a director election, or if the Company's stockholders have withdrawn all such nominations by the day before the Company posts or mails its notice of meeting to the Company's stockholders, a nominee must receive more votes cast for than against his or her

election or re-election (with abstentions disregarded) in order to be elected or re-elected to the Board. The Board expects a director to tender his or her resignation if he or she fails to receive the required number of votes for re-election. The Board shall nominate for election or re-election as a director only candidates who agree to tender, promptly following the annual meeting at which they are elected or re-elected as director, irrevocable resignations that will be effective upon (i) the failure to receive the required vote at the next annual meeting at which they face re-election and (ii) Board acceptance of such resignation. In addition, the Board shall fill director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other directors in accordance with this policy.

If an incumbent director fails to receive the required vote for re-election, the Governance and Nominating Committee of the Board will act on an expedited basis to determine whether to accept the director's resignation and will submit such recommendation for prompt consideration by the Board. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation. The Governance and Nominating Committee of the Board and the full Board may consider any factors they deem relevant in deciding whether to accept a director's resignation.

8. **Board Leadership and Committees.** The Board shall select a Chairman of the Board and, if the Chairman is not an independent director, a Lead Independent Director, as described in Section 9. The Board has also established the following committees to assist the Board in discharging its responsibilities: (i) Audit and Corporate Responsibility; (ii) Compensation and Succession Planning; (iii) Executive; (iv) Finance; and (v) Governance and Nominating. The current charters of the standing committees of the Board (other than the Executive Committee) are published on the ABC website. Committee members shall be appointed by the Board based on the recommendation of the Governance and Nominating Committee, except for members of the Governance and Nominating Committee, who are appointed directly by the Board. The Executive Committee shall be composed of the CEO, Chairman of the Board, the Lead Independent Director, and the Chairs of the other standing committees of the Board. The Chairman of the Board shall be the Chair of the Executive Committee. The Executive Committee shall have all of the powers and exercise all of the authority of the Board between regularly scheduled meetings of the Board, subject to applicable law and such limitations as the Board may from time to time impose upon it by resolution. The committee Chairs report on the results of their meetings to the full Board at its next scheduled meeting.

9. **Chairman of the Board; Lead Independent Director.** The Board shall select a Chairman of Board. The Board does not require the separation of the offices of the Chairman of the Board and the CEO. The Board believes that it is in the best interests of the Company for the Board to make a determination regarding whether or not to separate the roles of Chairman and CEO based upon the circumstances then existing.

If the Chairman is not an independent member of the Board, then a Lead Independent Director shall be elected annually from among the independent directors by a majority of the independent directors. It is understood that all references herein to the office of the Chairman of the Board and the Lead Independent Director are intended to be gender neutral. The Chairman and the Lead Independent Director will each serve during his or her term as a director, subject to earlier removal from the Board by a majority vote of the Board.

The authority and responsibilities reserved for the Chairman shall include the following:

- Presiding at all meetings of the Board;
- Presiding at all meetings of the stockholders of the Company, or appointing another member of the Board to preside in accordance with the Bylaws;
- In consultation with the Lead Independent Director (or the CEO if the Chairman is an independent director) and with the assistance of the Secretary, setting the agenda for each Board meeting and ensuring that the Board agenda is appropriately directed to the matters of greatest importance to the Company;
- Calling special meetings of the Board, as appropriate, in accordance with the Bylaws;
- Serving as Chair of the Executive Committee of the Board;
- Maintaining an effective working relationship with the members of management and the Board;
- Overseeing the process of informing the Board through timely distribution of information and reports; and
- Performing such other duties as specified or as needed by the Board from time to time.

The authority and responsibilities reserved for the Lead Independent Director shall include the following:

- Presiding at all meetings of the Board at which the Chairman is not present, including all executive sessions of non-employee and/or independent directors;
- Calling special meetings of the Board, as appropriate, in accordance with the Bylaws;
- Consulting with the Chairman regarding and approving Board meeting agendas and schedules to ensure that there is sufficient time for discussion of all agenda items, and adding agenda items at his or her discretion; and
- Meeting one-on-one with the Chairman after each regularly scheduled Board meeting and as needed on matters arising between Board meetings relating to the Company's business, strategy, operations or governance.

The following responsibilities and duties will be performed by the Chairman if he or she is an independent director or by the Lead Independent Director:

- Calling, setting the agenda for and chairing executive sessions of the non-employee and/or the independent directors;
- Facilitating the Board's approval of the number and frequency of Board meetings;
- Advising the CEO of the information needs of the Board and approving information sent to the Board;
- Serving as the principal liaison between the directors and management;
- Facilitating communications among directors;
- Conducting a formal performance review of the CEO on behalf of the independent directors, in consultation with the Chair of the Compensation and Succession Planning Committee;

- With the Chair of the Compensation and Succession Planning Committee, taking a leading role in CEO succession planning;
- Together with the Chair of the Governance and Nominating Committee, overseeing the annual self-assessment process for the Board and each committee;
- Supporting the Chair of the Governance and Nominating Committee in interviewing and recommending candidates for the Board and recommending Board committee assignments;
- Advising committee Chairs and assisting them in management of overall workload of the Board;
- Retaining such outside advisors or consultants for the Board as he or she deems appropriate;
- Assisting the Board and Company officers in assuring compliance with and implementation of these corporate governance principles and appropriate risk management;
- Being available, as deemed appropriate by the Board, for consultation and direct communication with stockholders; and
- Performing such other duties as specified or as needed by the Board from time to time.

10. **Independence of Committee Members.** In addition to the requirement that a majority of the Board satisfy the independence standards discussed in Section 5 above, members of the Audit and Corporate Responsibility Committee, the Compensation and Succession Planning Committee and the Governance and Nominating Committee must also satisfy additional independence requirements that are set forth in the applicable NYSE listing requirements and Securities and Exchange Commission rules.

11. **Meetings of Non-Employee Directors.** The Board will meet without management directors present at each of its regularly scheduled meetings. The Chairman or, if the Chairman is not independent, the Lead Independent Director will preside at such executive sessions. If the Chairman or the Lead Independent Director, as applicable, is not present, then the Chair of the Governance and Nominating Committee will preside at such executive session; if the Chair of the Governance and Nominating Committee is not present, then the Chair of the Audit and Corporate Responsibility Committee will preside at such executive session; if the Chair of the Audit and Corporate Responsibility Committee is not present, then the Chair of the Compensation and Succession Planning Committee will preside at such executive session; and if the Chair of the Compensation and Succession Planning Committee is not present, then the Chair of the Finance Committee will preside at such executive session. The non-employee and/or independent directors may meet without management directors present at such other times as determined by the Board or by the Lead Independent Director.

12. **Self-Evaluation.** The Board and each of the committees will perform an annual self-evaluation, which shall be overseen by the Governance and Nominating Committee. Each director will be requested to provide his or her assessment of the effectiveness of the Board, the Chairman, the Lead Independent Director and the committees on which he or she serves. The Board's assessment will be conducted by the Chair of the Governance and Nominating Committee or by a third party, either of whom will summarize the assessment, along with any recommendations, for discussion at a meeting of the Board.

13. **Setting Board Agenda.** The Chairman, with the assistance of the Secretary, shall be responsible for setting the agenda for each Board meeting. If the Chairman is not an independent director, the Chairman shall consult with the Lead Independent Director in preparing the agenda, and the agenda shall be subject to approval by the Lead Independent Director, who may add agenda items at his or her discretion. Annually, the Chairman (together with the CEO if the Chairman is an independent director) will propose for the Board's approval key issues of strategy, risk and compliance to be scheduled and discussed during the course of the year. The Board will be invited to offer its suggestions. As a result of this process, a schedule of major discussion items for the year will be established. Information and materials that are important to the directors' understanding of the business to be conducted at each Board or committee meeting shall be provided regularly to the directors before each scheduled Board or committee meeting. The Chairman (together with the CEO if the Chairman is an independent director), or committee Chair as appropriate, shall determine the nature and extent of such information; if the Chairman is not an independent director, the Lead Independent Director shall approve such information. Directors are urged to make suggestions for agenda items, or additional pre-meeting materials, to the CEO, the Chairman, the Lead Independent Director or the appropriate committee Chair at any time.

14. **Ethics and Conflicts of Interest.** The Board shall be provided information on an ongoing basis so that it may remain knowledgeable about the Company's commitment to acting ethically and shall exercise oversight with respect to the implementation and effectiveness of the Company's compliance and ethics program. The Board expects ABC directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising ABC's Code of Ethics and Business Conduct, which is available at the Company's website. Any request for a waiver of the application of the Code of Ethics and Business Conduct to executive officers or directors of the Company shall be made in writing to the Audit and Corporate Responsibility Committee. The Audit and Corporate Responsibility Committee shall respond to all such requests for waivers within thirty (30) days. All waivers shall be promptly disclosed to the stockholders of the Company by distributing a press release, providing disclosure on the Company's website or filing a current report on Form 8-K with the Securities and Exchange Commission in accordance with the applicable rules and regulations.

15. **Reporting of Concerns to the Audit and Corporate Responsibility Committee and/or Non-Employee Directors.** Anyone who has a concern about the Company's conduct or its accounting, internal controls or audit matters is encouraged to communicate that concern directly to the Network system established by the Company and described in further detail in the Company's Code of Ethics and Business Conduct. Any such communications may be reported on an anonymous basis via the toll-free telephone number or website address that are published on the Company's website. Such report will be communicated to the Chair of the Audit and Corporate Responsibility Committee, to the full Board or to one or more individual directors (including the non-employee directors as a group) in accordance with the Company's policy and procedures for reporting on compliance matters. The Chair of the Audit and Corporate Responsibility Committee may direct the implementation of special procedures with respect to any concern so reported, including the retention of external advisors and/or counsel to investigate or assess any such matter.

16. **Compensation of Board.** The Governance and Nominating Committee shall have the responsibility for recommending to the Board compensation and benefits for non-employee directors. In discharging this duty, the Governance and Nominating Committee shall be guided by three goals: compensation should fairly pay directors for work required in a company of ABC's

size and scope; compensation should align directors' interests with the long-term interests of stockholders; and the structure of the compensation should be simple, transparent and easy for stockholders to understand. It is the desire of the Board to attract and retain qualified members that satisfy the requirements set forth in these corporate governance principles. The Governance and Nominating Committee shall periodically review non-employee director compensation and benefits. No additional compensation is paid to members of management for serving on the Board.

17. **Stock Ownership Requirements.** The Board has established stock ownership guidelines for non-employee directors, as well as the Company's executive officers and certain other key employees. Non-employee directors are required to hold fully vested shares of the Company's stock or stock options equal in value to five times their annual retainer within five years of joining the Board or the effective date of any change in the guidelines. Stock ownership requirements for the Company's executive officers and certain other key employees are expressed as a multiple of salary and range from one to six times base salary, increasing with level of responsibility in the Company. The executive officers and key employees must achieve the target ownership of fully vested stock and stock options within five years from (i) the date that executive first becomes subject to the guidelines, or (ii) with respect to any changes of base salary, position or the guidelines, the effective date of such change.

18. **Succession Plan.** The Board shall approve and maintain a succession plan for the CEO and executive officers, based upon recommendations from the Compensation and Succession Planning Committee. The Board also maintains an emergency succession plan that is reviewed periodically.

19. **Strategic Goals.** The Board will review and evaluate the long-term strategic goals of ABC at least annually.

20. **Annual Compensation Review of Senior Management.** The Compensation and Succession Planning Committee shall annually approve the goals and objectives for compensating the CEO. That Committee shall evaluate the CEO's performance in light of these goals before setting the CEO's salary, bonus and other incentive and equity compensation. The Committee shall also annually approve the compensation structure for the Company's executive officers and shall evaluate the performance of the Company's executive officers before approving their salary, bonus and other incentive and equity compensation.

21. **Access to Senior Management.** Non-employee directors are encouraged to contact senior managers of the Company without senior corporate management present. To facilitate such contact, management will make an effort to provide opportunities for non-employee directors to have direct personal contact with senior managers outside the presence of corporate management.

22. **Access to Independent Advisors.** The Board and its committees shall have the right at any time to retain independent outside financial, legal or other advisors.

23. **Director Orientation and Continuing Education.** The Governance and Nominating Committee of the Board shall oversee orientation and continuing education of directors in areas related to the work of the Board and the directors' committee assignments. As directed by the Governance and Nominating Committee, the Chairman, the Lead Independent Director and the Secretary shall be responsible for providing an orientation for new directors, and for periodically

providing materials or briefing sessions for all directors on subjects that would assist them in discharging their duties and committee assignments. Each new director shall, within six months of election to the Board, spend a day at corporate headquarters for personal briefing by the CEO and the CFO and other senior management on the Company's businesses and strategic plans, its financial statements, and its key policies and practices. All directors shall regularly receive additional director education in subjects relevant to the duties of a director, including the study of corporate governance best practices or ethics. This education may be as a result of a program planned by the Company and presented to the directors at a committee or Board meeting or by the director attending a pre-approved seminar.

24. **Internal Status Reports.** On the first Monday (or closest available day) of each month, other than at a time following or closely preceding a Board meeting, the CEO will host a telephone conference for the purpose of updating members of the Board on the business affairs of the Company. Participation will be voluntary. Board members are also invited at any time to call the CEO directly with any questions or comments concerning the business affairs of the Company.

25. **Shareholder Communication and Engagement.** The Board values meaningful, constructive communication and engagement with the Company's stockholders.

Management is primarily responsible for direct communication and engagement with stockholders. Inquiries from reporters, analysts, institutional investors, stockholders, customers, suppliers and other constituencies shall be referred to management for response.

The Board is willing to consider the direct engagement of one or more directors with stockholders with respect to key areas of Board oversight and responsibility and under appropriate circumstances. 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 members of the Board related to the Board's oversight role, and determine whether and which director(s) may participate in the outreach or discussion with the requesting stockholder, as appropriate. Stockholders may request meetings with Board members and communicate their views directly to the Board by writing Secretary, AmerisourceBergen Corporation, 1300 Morris Drive, Chesterbrook, PA 19087-5594.

The Board expects all directors to attend the annual meeting of stockholders.

*Adopted by the Board on October 29, 2003.  
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