

AMERISOURCEBERGEN CORP
Form DEF 14A
January 20, 2017

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[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):

Edgar Filing: AMERISOURCEBERGEN CORP - Form DEF 14A

(4) Proposed maximum aggregate value of transaction:

(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 2017 ANNUAL MEETING OF STOCKHOLDERS

TIME AND DATE: 2:00 p.m., Eastern Time, on Thursday, March 2, 2017

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 2018 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 2017;
 3. To conduct an advisory vote to approve the compensation of our named executive officers;
 4. To conduct an advisory vote on the frequency of a stockholder vote on the compensation of our named executive officers;
 5. To approve an amendment to our certificate of incorporation so that directors may be removed with or without cause; and
 6. To transact any other business properly coming before the meeting.

WHO MAY VOTE: Stockholders of record on January 3, 2017.

DATE OF AVAILABILITY: This notice and proxy statement, together with our Annual Report on Form 10-K for the fiscal year ended September 30, 2016, are being made available to stockholders on or about January 20, 2017.

By order of the Board of Directors,

HYUNG J. BAK
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 2, 2017.**

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

Table of Contents

January 20, 2017

Dear Stockholder:

We are pleased to invite you to attend our 2017 Annual Meeting of Stockholders on Thursday, March 2, 2017 at 2:00 p.m. Eastern Time. The meeting will be held at the Sofitel Philadelphia, 120 South 17th Street, Philadelphia, Pennsylvania. The Notice of the 2017 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 2016 and respond to stockholder questions.

Your vote is very important. Whether or not you plan to attend the 2017 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 the 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.

At AmerisourceBergen, we believe that effective governance is critical to a successful long-term strategy. We remain committed to a strong and independent Board and constructive shareholder engagement. On behalf of the entire Board, we encourage you to read more about our robust governance structure in the enclosed proxy statement.

Thank you for your support.

Sincerely,

STEVEN H. COLLIS
Chairman, President & Chief Executive Officer

JANE E. HENNEY, M.D.
Lead Independent Director

Table of Contents

JANUARY 20, 2017

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 2017 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>	14
<u>Codes of Ethics</u>	18
<u>Corporate Governance</u>	19
<u>Stockholder Engagement</u>	24
<u>Stockholder Recommendations for Director Nominees</u>	24
<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 2017 (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>	48
<u>Potential Payments Upon Termination of Employment or Change in Control</u>	49
<u>Certain Transactions</u>	49

<u>Advisory Vote to Approve the Compensation of our Named Executive Officers (Item 3 on the Proxy Card)</u>	<u>54</u>
<u>Beneficial Ownership of Common Stock</u>	<u>56</u>
<u>Equity Compensation Plan Information</u>	<u>56</u>
<u>Advisory Vote on the Frequency of a Stockholder Vote on the Compensation of our Named Executive Officers (Item 4 on the Proxy Card)</u>	<u>59</u>
<u>Approval of an Amendment to AmerisourceBergen's Certificate of Incorporation to Provide for the Right of Stockholders to Remove Directors With or Without Cause (Item 5 on the Proxy Card)</u>	<u>60</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>61</u>
<u>Availability of Form 10-K</u>	<u>62</u>
<u>Requirements for Submission of Proxy Proposals, Nomination of Directors and Other Business of Stockholders</u>	<u>62</u>
<u>Appendix A Supplemental Information: GAAP to Non-GAAP Reconciliation</u>	<u>62</u>
<u>Appendix B Certificate of Amendment to Amended and Restated Certificate of Incorporation</u>	<u>A-1</u>
	<u>B-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 fiscal 2016, 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 7).
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 22).
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 pages 19-20).
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 8).
Overboarding Policy	Our policy regarding a director's service on the boards of other public companies is more restrictive than most. If our Chief Executive Officer 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 8).
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 Chief Executive Officer (see page 20).
Refreshment	4 of our 9 non-employee directors have joined the Board in the last 5 years.
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 2016, the interview process was led by the Chair of our Governance and Nominating Committee, who is also our Lead Independent Director. 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 (see pages 24 and 62).
Alignment with Stockholders' Interests	We align executive compensation with AmerisourceBergen Corporation's performance through performance metrics. We also require executives to adhere to stock ownership guidelines and holding requirements that align their interests with those of our stockholders and encourage long-term growth (see page 30).
Clawback	We have the right to claw back the value of cash and equity awards held by current and former executives as a result of misconduct (including misconduct that leads to the restatement of our financial statements) (see page 39).
Independent Compensation Consultant	The consultant to our Compensation and Succession Planning Committee provides no other services to AmerisourceBergen Corporation (see page 28).
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 21).
Removal of Directors With or Without Cause	Our Board amended our bylaws so that stockholders can remove directors with or without cause and recommended the solicitation of stockholder approval of a conforming amendment to our certificate of incorporation (see page 61).
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 directors to fill up to the greater of 2 or 20% of the available board seats (see page 24).
Annual Say-on-Pay Vote	Our Board previously adopted our stockholders' strong preference for an annual say-on-pay vote and recommends that stockholders again vote in favor of the annual advisory vote on the compensation of our named executive officers. (see page 56).
No Supermajority Requirement	Majority vote is required for stockholder action.
No Poison Pill	Our Board adopted our stockholders' preference to redeem AmerisourceBergen Corporation's "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."

