AMERISOURCEBERGEN CORP
Form DEF 14A
January 09, 2009
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 (Amendment No.)

Filed by the Registrant x

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))**

x 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):

x 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:

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(2) Aggregate number of securities to which transaction applies:

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(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):

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(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ 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

January 9, 2009

Dear Stockholder:

We wish to advise you of a development that occurred after completion of AmerisourceBergen Corporation s 2009 Proxy Statement. As more fully described below, AmerisourceBergen Corporation (the Company) has determined to make certain changes to the AmerisourceBergen Corporation Management Incentive Plan (the Plan), which is being submitted to the stockholders of the Company for approval at the 2009 Annual Meeting of Stockholders. The changes will be reflected in an amendment and restatement of the Plan, which the Company will adopt prior to the Annual Meeting, subject to stockholder approval. Therefore, your vote on the Plan will relate to the Plan as amended and restated to include the changes described below. If approved by the stockholders of the Company, the Plan, as amended and restated, would be effective as of February 19, 2009.

1. Shares of Stock Subject to the Plan.
If the Plan is approved by the stockholders of the Company, the number of shares of common stock that would be available for issuance pursuant to awards under the Plan (including previous awards) may not exceed, in the aggregate, 43,300,000 shares of common stock of the Company. The Plan, as amended and restated, will not permit the Company to make available for future issuance under the Plan:

(a) any shares of common stock tendered to pay the exercise price of an option or other award under the Plan;

(b) any shares of common stock withheld by the Company to satisfy tax withholding obligations; or

(c) any shares of common stock not issued or delivered as a result of net settlement of an outstanding award under the Plan.

In addition, the Plan, as amended and restated, will provide that the Company may not use the cash proceeds from option exercises to repurchase shares of common stock on the open market for reuse under the Plan. The Company has historically administered its equity plans in accordance with these practices.

2. Treatment of Stock Appreciation Rights (SARS).
Section 20 of the Plan prohibits the repricing of stock options issued under the Plan without prior stockholder approval. Section 20 currently does not address SARS. The Company has not issued any SARS under the Plan or any prior Company equity plans. Nevertheless, Section 20 of the Plan, as amended and restated, will prohibit the repricing of SARS without prior stockholder approval.

We appreciate your continued interest in the Company.

Sincerely,

JOHN G. CHOU

Senior Vice President, General Counsel and Secretary

Table of Contents

January 9, 2009

Dear Stockholder:

I am pleased to invite you to attend our 2009 Annual Meeting of Stockholders on Thursday, February 19, 2009, at 2:00 p.m., Eastern Time. The meeting will be held at the Four Seasons Hotel Philadelphia, One Logan Square, Philadelphia, Pennsylvania.

The Notice of the 2009 Annual Meeting of Stockholders and the Proxy Statement describe the items of business for the meeting. At the meeting we also will report on AmerisourceBergen s performance and operations during fiscal year 2008 and respond to stockholder questions.

Your vote is very important. Whether or not you plan to attend the 2009 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.

Thank you for your support.

Sincerely,

RICHARD C. GOZON

Chairman of the Board

Table of Contents

Notice of 2009 Annual Meeting of Stockholders

TIME AND DATE:	2:00 p.m., Eastern Time, on Thursday, February 19, 2009
PLACE:	Four Seasons Hotel Philadelphia One Logan Square Philadelphia, Pennsylvania
ITEMS OF BUSINESS:	(1) To elect each of the three 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 2012 annual meeting and until his successor is duly elected and qualified; (2) To ratify the appointment of Ernst & Young LLP as AmerisourceBergen s independent registered public accounting firm for fiscal year 2009; (3) To approve amendments to the AmerisourceBergen Corporation 2002 Management Stock Incentive Plan and to approve the plan, as amended; (4) To vote on a stockholder proposal to redeem AmerisourceBergen s poison pill; and (5) To transact any other business properly coming before the meeting.
WHO MAY VOTE:	Stockholders of record on December 22, 2008.
DATE OF AVAILABILITY:	This Notice and Proxy Statement are being made available to stockholders on or about January 9, 2009.

By order of the Board of Directors,

JOHN G. CHOU

Senior Vice President, General Counsel and Secretary

Table of Contents

January 9, 2009

AmerisourceBergen Corporation

1300 Morris Drive

Chesterbrook, PA 19087

PROXY STATEMENT

TABLE OF CONTENTS

Table of Contents

ABOUT THE 2009 ANNUAL MEETING AND VOTING AT THE MEETING

Why am I being furnished this Proxy Statement?

This Proxy Statement is furnished by AmerisourceBergen s Board of Directors in connection with its solicitation of proxies for use at the 2009 Annual Meeting of Stockholders to be held February 19, 2009, and at any adjournments thereof. Our Annual Report on Form 10-K for the fiscal year ended September 30, 2008 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.

What are the items of business for the meeting?

The items of business for the meeting are as follows:

- To elect each of the three 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 2012 annual meeting and until his successor is duly elected and qualified;
- To ratify the appointment of Ernst & Young LLP as AmerisourceBergen s independent registered public accounting firm for fiscal year 2009;
- To approve amendments to the AmerisourceBergen Corporation 2002 Management Stock Incentive Plan and to approve the plan, as amended;
- To vote on a stockholder proposal to redeem AmerisourceBergen s poison pill; and
- To transact any other business properly coming before the meeting.

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 in the mail a Notice of Internet Availability of Proxy Materials?

We are providing access to our proxy materials over the Internet. Accordingly, on or about January 9, 2009, 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 to receive a printed copy of our proxy materials for the 2009 Annual Meeting. 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 December 22, 2008, which is the record date. You are entitled to one vote for each share of common stock that you own. As of December 22, 2008, we had 154,118,275 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 December 22, 2008, 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 as well as the AmerisourceBergen 2002 Employee Stock Purchase Plan.

Table of Contents

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.eproxy.com/abc*.

By telephone You may vote and submit your proxy by calling 1-866-580-9477.

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

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

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 John G. Chou, 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 February 19, 2009.
- 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 nominees for director named on page 5 of this Proxy Statement.
- **For** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2009.
- **For** the approval of amendments to the AmerisourceBergen Corporation 2002 Management Stock Incentive Plan and to approve the plan, as amended.

Against a stockholder proposal to redeem AmerisourceBergen s poison pill.

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, BNY Mellon, at 1-877-296-3711.

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 New York Stock Exchange, or NYSE, rules to vote shares for which their customers do not provide voting instructions on certain routine matters. The election of directors and the ratification of the appointment of our independent registered public accounting firm are considered routine matters 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.

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 December 22, 2008 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 also are 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?

Each director must be elected by a majority of the votes cast, meaning that the number of shares voted for a director must exceed the number of votes cast against that director. Please see Corporate Governance for more information.

The favorable vote of a majority of the votes cast 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;
- the approval of amendments to the AmerisourceBergen Corporation 2002 Management Stock Incentive Plan and to approve the plan, as amended; and

Table of Contents

the approval of a stockholder proposal to redeem AmerisourceBergen s poison pill.

Any other proposal that might properly come before the meeting will require the favorable vote of a majority of the votes cast in order to be approved.

Abstentions will be counted as negative votes in the tabulation of the votes cast by stockholders. Broker non-votes will not be counted in the tabulation of the votes cast on the proposal but will be counted for purposes of establishing a quorum.

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?

We are not aware of any other business to be presented at the 2009 Annual Meeting of Stockholders. However, if any other matter should properly come before the Annual Meeting, the enclosed proxy confers discretionary authority with respect to such matter.

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., Inc. to assist us in soliciting proxies, if necessary. Morrow may solicit proxies by telephone or in person. We will pay Morrow a fee of $8,500, 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 2009 Annual Meeting of Stockholders. It has been customary for our directors to attend our annual meetings of stockholders. Eight directors attended the 2008 Annual Meeting of Stockholders. One director was unable to attend the meeting due to a scheduling conflict.

ELECTION OF DIRECTORS

(Item 1 on the Proxy Card)

How often are directors elected?

AmerisourceBergen s directors are divided into three classes Class I, Class II and Class III with each class currently being equal in number. The directors of each class serve for terms of three years. The terms of office of the classes are staggered so that only one class of directors is elected at each annual meeting of stockholders.

How many directors are to be elected at the meeting?

The term of office of the current Class II directors will expire at the 2009 Annual Meeting. There currently are three Class II directors, all of whom have been nominated for election at the 2009 Annual Meeting.

Table of Contents

What is the size of the Board of Directors?

The Board of Directors currently consists of 9 members.

Who are the current Class II directors?

The current Class II directors are Richard C. Gozon, Michael J. Long and J. Lawrence Wilson.

Who are this year s nominees?

Messrs. Gozon, Long and Wilson will stand for reelection as Class II directors.

Which of this year s nominees are independent?

Each of Messrs. Gozon, Long and Wilson is independent (as independence is defined in Section 303A of the NYSE Listed Company Manual and in our corporate governance principles).

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

The nominees are to be elected for a three-year term and are expected to hold office until the 2012 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 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.

Biographical information about this year s nominees:

Richard C. Gozon

Age 70.

Chairman of the Board of Directors of AmerisourceBergen since February 2006.

Director of AmerisourceBergen since August 2001.

Director of AmeriSource Health Corporation from 1994 to August 2001.

Executive Vice President of Weyerhaeuser Company (international forest products company) and Chairman of North Pacific Paper Company (a joint venture between Weyerhauser Company and Nippon Paper Industries) from June 1994 until his retirement in 2002.

Also a director of AmeriGas Propane, Inc., Triumph Group, Inc. and UGI Corporation and a member of the Board of Trustees of Thomas Jefferson University.

Michael J. Long

Age 50.

Director of AmerisourceBergen since May 2006.

Director, President and Chief Operating Officer of Arrow Electronics, Inc. (global distributor of electronic components and computer products) since January 2007.

Senior Vice President and President, North America and Asia/Pacific Components for Arrow Electronics, Inc. from 2005 to January 2007.

Table of Contents

President and Chief Operating Officer of Arrow North American Computer Products from 1998 to 2005.

President, Gates/Arrow Distributing from 1995 to 1999.

President, Capstone Electronics, an Arrow company, from 1994 to 1995.

J. Lawrence Wilson

Age 72.

Director of AmerisourceBergen since August 2001.

Director of AmeriSource Health Corporation from January 2000 to August 2001.

Chairman and Chief Executive Officer of Rohm and Haas Company (specialty chemicals and materials company) from 1988 until his retirement in 1999.

Also Lead Director of Cummins Inc. and a director of The Vanguard Group of Investment Companies.

How does the Board of Directors recommend that I vote?

We recommend that you vote **For** the election of each of the three nominees named in this proxy statement to the Board of Directors.

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

Who are the Class I directors?

The Class I directors are Charles H. Cotros, Jane E. Henney, M.D. and R. David Yost.

When does the term of the Class I directors expire?

The term of office of the Class I directors will expire at the 2011 Annual Meeting of Stockholders.

Biographical information about Class I directors:

Charles H. Cotros

Age 71.

Director of AmerisourceBergen since January 2002.

Interim Chairman and Chief Executive Officer of Allied Waste Industries, Inc. (waste management services) from October 2004 to May 2005.

Chairman and Chief Executive Officer of Sysco Corporation (foodservice marketing and distribution organization) from January 2000 until his retirement in December 2002.

Held variety of other positions with Sysco Corporation starting in 1974, including President from 1999 until July 2000 and Chief Operating Officer from 1995 until January 2000.

Also a director of Allied Waste Industries, Inc.

Jane E. Henney, M.D.

Age 61.

Director of AmerisourceBergen since January 2002.

Table of Contents

Professor, College of Medicine, University of Cincinnati since January 2008.

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

Senior Scholar in Residence at the Association of Academic Health Centers in Washington, D.C. from 2001 to 2003.

Commissioner of Food and Drugs at the United States Food and Drug Administration from 1998 to 2001.

Vice President for Health Sciences at the University of New Mexico from 1994 to 1998.

Deputy Commissioner of Operations at the United States Food and Drug Administration from 1992 to 1994.

Dr. Henney is a medical oncologist and has held several posts at the National Cancer Institute, including Deputy Director from 1980 to 1985.

Also a director of AstraZeneca PLC and CIGNA Corporation.

R. David Yost

Age 61.

Director and Chief Executive Officer of AmerisourceBergen since August 2001.

President of AmerisourceBergen from August 2001 to October 2002 and since September 2007.

Chairman and Chief Executive Officer of AmeriSource Health Corporation from December 2000 to August 2001 and President and Chief Executive Officer of AmeriSource Health Corporation from May 1997 to December 2000.

Held variety of other positions with AmeriSource Health Corporation and its predecessors since 1974, including Executive Vice President Operations of AmeriSource Health Corporation from 1995 to 1997.

Who are the Class III directors?

The Class III directors are Richard W. Gochnauer, Edward E. Hagenlocker and Henry W. McGee.

When does the term of the Class III directors expire?

The term of office of the Class III directors will expire at the 2010 Annual Meeting of Stockholders.

Biographical information about Class III directors:

Richard W. Gochnauer

Age 59.

Director of AmerisourceBergen since September 2008.

Director, President and Chief Executive Officer of United Stationers Inc. (wholesale distributor of business products) from 2002 to present, and Chief Operating Officer of United Stationers Inc. from October to December 2002.

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

Also a director of Golden State Foods Corporation and Fieldstone Communities, Inc.

Table of Contents

Edward E. Hagenlocker

Age 69.

Director of AmerisourceBergen since August 2001.

Director of AmeriSource Health Corporation from 1999 to August 2001.

Vice Chairman of Ford Motor Company (automobile manufacturer) from 1996 until his retirement in 1999 and Chairman of Visteon Automotive Systems from 1997 to 1999.

President of Ford Automotive Operations from 1994 to 1996 and Chairman of Ford of Europe in 1996.

Also a director of Air Products and Chemicals, Inc. and Ingersoll-Rand Company Limited.

Henry W. McGee

Age 55.

Director of AmerisourceBergen since November 2004.

President of HBO Home Entertainment (distributor of videos and DVDs), a unit of Home Box Office, Inc., since 1995.

Held variety of other positions with Home Box Office, Inc., Time Warner, Inc. (the parent of Home Box Office, Inc.) and their predecessors since 1979.

President of the Alvin Ailey Dance Foundation, Inc.

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

No.

What are the committees of the Board of Directors?

The Board of Directors has the following standing committees: Executive and Finance; Audit and Corporate Responsibility; Compensation and Succession Planning; and Governance and Nominating.

Name of Committee and Members	Duties and Responsibilities of Committee
Executive and Finance R. David Yost, Chairman Richard C. Gozon Edward E. Hagenlocker J. Lawrence Wilson	Exercises the authority of the Board of Directors between the meetings of the Board on matters that cannot be delayed, except as limited by Delaware law and our bylaws. Reviews the asset and liability structure of the company and considers its funding and capital needs. Reviews our dividend policy. Reviews strategies developed by management to meet changing economic and market conditions. At the request of the Board of Directors, reviews proposed capital expenditures and proposed acquisitions and divestitures.

Table of Contents

Name of Committee and Members	Duties and Responsibilities of Committee
Audit and Corporate Responsibility Edward E. Hagenlocker, Chairman Charles H. Cotros Jane E. Henney, M.D.	Appoints, and has authority to terminate, the company s independent registered public accounting firm. Pre-approves all audit and permitted non-audit services provided by the company s independent registered public accounting firm. Reviews and discusses with management and the company s 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. Discusses with the company s independent registered public accounting firm matters related to the conduct of the audit. Reviews and discusses the independence of the company s independent registered public accounting firm. Prepares the Audit Committee report as required by SEC rules. Reviews the scope of the proposed audit to be conducted by the company s independent registered public accounting firm each fiscal year and the audit procedures to be utilized. Discusses with management and/or the company s independent registered public accounting firm significant financial reporting issues and accounting issues and the adequacy of our internal control over financial reporting. Reviews with the company s independent registered public accounting firm the effectiveness of our accounting and financial controls, including the company s internal control over financial reporting. Reviews internal audit function, internal audit plans, internal audit reports and management s response to such reports.

Reviews appointment, performance and replacement of our senior internal auditor.

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

Oversees compliance with our Code of Ethics and Business Conduct.

Table of Contents

Name of Committee and Members	Duties and Responsibilities of Committee
Compensation and Succession Planning J. Lawrence Wilson, Chairman Richard C. Gozon Michael J. Long Henry W. McGee	Reviews and approves AmerisourceBergen s executive compensation strategy and the individual elements of total compensation for the President and Chief Executive Officer and other members of senior management, including any other executive officers. Ensures that 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. Evaluates performance of management annually. Proposes stock option plans for approval by stockholders. Administers and makes awards under our incentive compensation plans, including stock option plans. Has sole authority for retaining and terminating any consulting firm used to assist in the evaluation of the compensation of the President and Chief Executive Officer or any other executive officer. Ensures that any consulting firm retained by the committee to provide advice on executive compensation has not received, and will not receive, payment from AmerisourceBergen for the performance of any other services (other than *de minimis* amounts). Administers and makes investment decisions relating to our retirement plans.

Administers our benefit plans.

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

10

Table of Contents

Name of Committee and Members	Duties and Responsibilities of Committee
Governance and Nominating Charles H. Cotros, Chairman	Recommends selection and qualification criteria for directors.
Edward E. Hagenlocker	
Jane E. Henney, M.D.	Identifies and recommends qualified candidates to serve as directors of the company.
	Considers nominees for director recommended by stockholders.
	Determines selection and qualification criteria for committee members.
	Reviews and makes recommendations relating to succession planning for Board and Board committee leadership positions and prepares for Board vacancies.
	Evaluates and advises the Board on the company s approach to corporate governance.
	Makes recommendations regarding the size and composition of the Board and the composition and responsibilities of committees.
	Assesses the performance of the Board of Directors.
	Reviews and makes recommendations to the 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.
	Ensures that any consulting firm retained by the committee has not received, and will not receive, payment from the company for the performance of any other services (other than *de minimus* amounts).

How often did the Board and the committees meet in fiscal year 2008?

During fiscal year 2008, the Board of Directors met six times; the Executive and Finance Committee met five times; the Audit and Corporate Responsibility Committee met ten times; the Compensation and Succession Planning Committee met seven times; and the Governance and Nominating Committee met four times.

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 or near the end of each regularly scheduled meeting of the Board of Directors. The Chairman of the Board of Directors presides at such meetings. If the Chairman is not present, the chairmen of the committees 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: John G. Chou, Secretary, AmerisourceBergen Corporation, 1300 Morris Drive, Chesterbrook, Pennsylvania 19087. AmerisourceBergen s Secretary will determine, in his good faith judgment, which communications will be relayed to the non-management directors.

Table of Contents

How are directors compensated?

The following table summarizes the total compensation earned by directors who were not employees of AmerisourceBergen during fiscal year 2008. Directors who are employees of AmerisourceBergen receive no compensation for their service as directors or as members of Board committees.

Non-Employee Director Compensation at 2008 Fiscal Year End

Name	Fees Earned or Paid in Cash (1)	Stock Awards (2)(3)	Option Awards (2)(4)	All Other Compensation (5)	Total
Charles H. Cotros	$39,000	$59,917	$97,193	$619	$196,729
Richard W. Gochnauer	$5,500	$311	$222		$6,033
Richard C. Gozon	$144,750		$97,193		$241,943
Edward E. Hagenlocker	$122,750	$434	$97,193	$199	$220,576
Jane E. Henney, M.D.	$33,000	$68,827	$97,193		$199,020
Michael J. Long	$24,750	$48,953	$78,134		$151,837
Henry W. McGee	$69,750	$62,841	$98,134		$230,725
J. Lawrence Wilson	$46,250	$69,261	$97,193	$891	$213,595

(1) These amounts represent annual retainer and meeting fees earned by directors in cash for Board and committee service in fiscal year 2008, including amounts deferred into our deferred compensation plan.

(2) The amounts reported represent the compensation cost that would be recognized by us in fiscal year 2008 in accordance with the Statement of Financial Accounting Standards No. 123R (FAS 123R) for all outstanding restricted stock and option awards held by directors, if the estimate of forfeitures related to service-based vesting conditions were disregarded. There were no forfeitures by the directors in fiscal year 2008. See Note 10 to the consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended September 30, 2008 for assumptions used to estimate the fair values of restricted stock and option awards granted during fiscal year 2008.

(3) Restricted stock awards are payable in connection with a director s initial election to the Board or, at the director s election, in lieu of a director s annual retainer. Such awards are made in quarterly increments generally on November 1, February 1, May 1 and August 1 of each year. Set forth below are the outstanding restricted stock awards held by each non-employee director as of September 30, 2008 and the grant date fair value of restricted stock awards granted to each of them in fiscal year 2008. The fair value of restricted stock is based on the closing price of our common stock on the date of grant.

Name	Restricted Stock Awards Outstanding at September 30, 2008 (# of shares)	Grant Date Fair Value of Stock Awards Granted in Fiscal Year 2008
Charles H. Cotros	4,286	$74,984
Richard W. Gochnauer	1,487	$56,893
Richard C. Gozon		
Edward E. Hagenlocker		
Jane E. Henney, M.D.	4,762	$74,984
Michael J. Long	3,984	$74,984
Henry W. McGee	3,462	$18,754

J. Lawrence Wilson	4,762	$74,984

(4) On February 28, 2008, each non-employee director, except Richard Gochnauer, received a grant of non-qualified stock options to purchase 9,234 shares of our common stock with an exercise price of $42.31 per share. The option award had a grant date fair value of $100,000. On September 25, 2008, in connection with his initial election to the Board, Mr. Gochnauer received a grant of non-qualified stock options to purchase 4,139 shares of our common stock with an exercise price of $38.26 per share and a grant date fair value of $40,562. Grant date fair values were determined based on a binomial method of valuation. As of September 30, 2008, each non-employee director held the following outstanding stock options: Mr. Cotros 48,734, Mr. Gochnauer 4,139, Mr. Gozon 121,883, Mr. Hagenlocker 93,271, Dr. Henney 35,346, Mr. Long 23,352, Mr. McGee 38,725 and Mr. Wilson 81,008.

(5) Amounts shown are the dividends accrued and paid on restricted stock that vested in fiscal year 2008.

Table of Contents

Director Fees. We pay our non-employee directors an annual retainer and meeting attendance fees in quarterly increments during the course of each year. During fiscal year 2008, the Chairman of the Board received an annual retainer of $90,000 and each other non-employee director received an annual retainer of $60,000. Mr. Gochnauer received a pro-rated portion of the annual retainer and fee for fiscal year 2008, the year in which he joined the Board. As explained below, a director may elect to have the annual retainer paid in cash, restricted common stock or options exercisable for common stock or credited to a deferred compensation account. For attending a Board meeting in person, the Chairman of the Board receives $7,500 and each other non-employee director receives $3,000. For attending a committee meeting in person, the Chairmen of the Audit and Corporate Responsibility Committee and the Compensation and Succession Planning Committee receive $5,000, the Chairman of the Governance and Nominating Committee receives $3,000 and other committee members receive $1,500. Telephonic meeting fees are 50% of the in-person meeting fee. A director may elect to have the meeting fees paid in cash or credited to a deferred compensation account. In addition, we provide our directors with a prescription drug benefit. We also reimburse our directors for the cost of transportation, food and lodging in connection with their service as directors.

Restricted Stock Awards. Our non-employee directors receive a grant of restricted stock having a fair value of $50,000 in connection with their initial election to the Board. In most cases, the restrictions on the stock lapse three years after the grant date. A director who retires before the restrictions lapse may, in the Board s discretion, receive a partial or full distribution of such stock. These grants are made under the AmerisourceBergen Corporation 2001 Restricted Stock Plan.

Option Awards. Our non-employee directors also receive an annual grant of non-qualified options on our common stock having a grant date fair value of $100,000 (or a pro rata portion of the annual stock option grant in the year of their initial election to the Board). The exercise price of all options granted is the closing price of a share of our common stock on the date of grant. Options vest over three years beginning on the first anniversary of the grant date, with one-third of the options granted vesting each year. Vested options may be exercised at any time prior to the tenth anniversary of the grant date unless a director ceases to be a member of the Board. Generally, options will expire one or three years after the director ceases to be a member of the Board, depending on the reason for termination.

Deferral and Other Arrangements. Directors may elect to defer all or any part of the annual retainer and meeting fees and credit the deferred amount to an account under the AmerisourceBergen Corporation 2001 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 may also elect to forego 50% or more of their annual cash retainer and receive an enhanced amount of restricted stock or stock options for the cash compensation foregone. If they choose to receive restricted stock, they will receive restricted stock having a value equal to 125% of the cash compensation foregone. If they choose to receive options, they will receive non-qualified stock options having a fair value equal to 150% of the cash compensation foregone.

Stock Ownership Guidelines. We require our non-employee directors to own shares of AmerisourceBergen common stock to align their interests with those of the stockholders and to provide an incentive to foster our long-term success. In the first and second years after their election to the Board, non-employee directors must own stock equal in value to one or two times the annual retainer, respectively. From and after the third year following their Board election, non-employee directors must own stock equal in value to at least three times the annual retainer.

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 the AmerisourceBergen Corporation Code of Ethics and Business Conduct, in its current form, in May 2004. 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 AmerisourceBergen Code of Ethics and Business Conduct to directors or executive officers must be made either by the Board of Directors or the Governance and Nominating 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 the AmerisourceBergen Corporation 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, Chief Financial Officer and Corporate Controller. Any waiver or amendment of the AmerisourceBergen Corporation 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 AmerisourceBergen Corporation Code of Ethics and Business Conduct and the AmerisourceBergen Corporation Code of Ethics for Designated Senior Officers under the Investors section of our Internet website at *www.amerisourcebergen.com*. A copy of the AmerisourceBergen Corporation Code of Ethics for Designated Senior Officers has also been filed with the SEC as an exhibit to our periodic reports under the Securities Exchange Act of 1934, as amended. In addition, we will provide copies of these codes of ethics in print without charge to any stockholder who makes written request to: John G. Chou, Secretary, AmerisourceBergen Corporation, 1300 Morris Drive, Chesterbrook, Pennsylvania 19087.

CORPORATE GOVERNANCE

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

The Board of Directors has adopted the AmerisourceBergen Corporation Corporate Governance Principles, which are intended to comply with the requirements of Section 303A.09 of the NYSE Listed Company Manual.

The corporate governance principles for the Board, together with the charters of the Board committees, provide the framework for the governance of AmerisourceBergen. The Board reviews and updates the corporate governance principles and the committee charters from time to time to reflect corporate governance best practices. The corporate governance principles address a variety of governance issues, including:

- Role and functions of the Board.
- Qualifications of directors, including age limitations.
- Mandatory tender of resignation by any director who changes employer or present job responsibility.
- Independence of directors.
- Election of directors, size of the Board and selection process.
- Mandatory tender of resignation by any director or nominee who fails to receive the vote required under our bylaws.
- Board committees.

Meetings of non-employee directors, including the procedures for determining which director will preside at such meetings.

Self-evaluation of the Board.

Ethics and conflicts of interest.

Reporting of concerns to non-employee directors or the Audit and Corporate Responsibility Committee.

Compensation of the Board.

Stock ownership requirements.

Access to senior management of the company.

Access to independent advisors.

The corporate governance principles are posted under the Investors section of our website at *www.amerisourcebergen.com*.

In accordance with our director resignation policy, two of our directors, Jane E. Henney, M.D. and Michael J. Long, offered to resign from the Board in 2008 when they changed their then present job responsibilities. In January 2008, Dr. Henney stepped down from her position as Senior Vice President and Provost for Health Affairs at the University of Cincinnati, but remained a Professor in the College of Medicine, University of Cincinnati. In March 2008, Mr. Long was promoted to President, Chief Operating Officer and elected a director of Arrow Electronics, Inc. In each case, the Governance and Nominating Committee considered these offers to resign, voted unanimously to reject them and recommended that the Board do the same. The Board then considered the offers to resign and the Governance and Nominating Committee s recommendations at the next Board meeting. After discussion, the Board determined that it was in the best interest of the stockholders that Dr. Henney and Mr. Long remain on the Board in light of their respective knowledge and experience and substantial and continuing contributions to the Board. Neither Dr. Henney nor Mr. Long participated in the Governance and Nominating Committee s or the Board s decisions concerning them.

Has the Board adopted a majority vote standard and director resignation policy?

In November 2007, the Board adopted amendments to our bylaws and corporate governance principles to provide for a majority voting 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 reelection, 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 reelection, 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.

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

Table of Contents

Has the Board determined which of the directors are independent?

The Board has determined that, except for Mr. Yost, all of the directors and director nominees are independent. Our corporate governance principles require us to maintain a minimum of 70% independent directors on our Board. If the three director nominees are elected at the 2009 Annual Meeting, eight out of nine directors then serving, or approximately 90% of the Board, 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, which are available to stockholders under the Investors section of our website at *www.amerisourcebergen.com*. 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 to the company, the Board reviewed the applicable legal standards for director and Board committee member independence and our corporate governance standards. As a result of this review, the Board has determined that each of the following directors is independent: Charles H. Cotros, Richard W. Gochnauer, Richard C. Gozon, Edward E. Hagenlocker, Jane E. Henney, M.D., Michael J. Long, Henry W. McGee and J. Lawrence Wilson. The Board has also determined that, as required by their charters, all members of the Audit and Corporate Responsibility, Compensation and Succession Planning and Governance and Nominating Committees are independent. In addition to the independence standards in our corporate governance principles, members of the Audit and Corporate Responsibility Committee may not accept directly or indirectly any consulting, advisory or other compensatory fee from us other than their directors compensation. All members of the Audit and Corporate Responsibility Committee satisfy this additional SEC and NYSE independence requirement for audit committee members. We also apply this additional independence standard to the Compensation and Succession Planning Committee and the Governance and Nominating Committee and their members satisfy this standard. In undertaking its review, the Board considered that some of our directors serve on the board of directors of companies for which we perform (or may seek to perform) drug distribution and other services in the ordinary course of business.

Where can stockholders find our corporate governance documents?

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

Our corporate governance documents also are available in print upon request. Stockholders who wish to request any of such documents in print should submit their requests in writing to: John G. Chou, Secretary, AmerisourceBergen Corporation, 1300 Morris Drive, Chesterbrook, Pennsylvania 19087.

PROCESS FOR IDENTIFYING AND EVALUATING DIRECTOR NOMINEES AND FOR SUBMITTING RECOMMENDATIONS

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

Director nominees should:

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

The Governance and Nominating Committee seeks to identify candidates who bring diverse experience at policymaking levels in business, management, marketing, finance, technology, human resources, communications, education, government, healthcare and in other areas that are relevant to our activities.

Additionally, director nominees should have sufficient time to effectively carry out their duties. The President and Chief Executive Officer of AmerisourceBergen may serve on the board of no more than one other public company. Other director nominees may serve on the boards of no more than four other public companies.

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

Stockholders may propose nominees for consideration by the Governance and Nominating Committee by submitting the names, appropriate biographical information and qualifications in writing to: John G. Chou, Secretary, AmerisourceBergen Corporation, 1300 Morris Drive, Chesterbrook, Pennsylvania 19087.

In considering any nominee proposed by a stockholder, the Governance and Nominating Committee will reach a conclusion based on the criteria described above. After full consideration, the stockholder proponent will be notified of the decision of the committee.

In order to be considered by the Governance and Nominating Committee for the Annual Meeting of Stockholders to be held in 2010, the name of the proposed nominee and supporting biographical information and description of the qualifications of the proposed nominee must be received by us no earlier than November 20, 2009 and no later than December 21, 2009. Our bylaws set forth the required information that a stockholder should provide about a nominee. You may obtain a copy of the company s bylaw requirements by writing to the Secretary at the principal offices of the company. The deadline for submitting stockholder recommendations for nominees does not affect the deadline for submitting stockholder proposals for inclusion in the proxy statement, nor does it apply to questions a stockholder may wish to ask at the meeting.

AUDIT MATTERS

Audit Committee Financial Expert

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

Report of the Audit and Corporate Responsibility Committee

The Audit and Corporate Responsibility Committee consists of the three 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 (i) the audited financial statements contained in the company s Annual Report on Form 10-K for the fiscal year ended September 30, 2008 and (ii) the company s internal control over financial reporting. AmerisourceBergen s 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 the company s fiscal year 2008 10-K Report were prepared in accordance with U.S. generally accepted accounting principles and that the company s internal control over financial reporting was effective as of September 30, 2008 (based on the criteria set forth in 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

17

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 Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended. 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 which 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 accountant s communications with the audit 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, including significant deficiencies identified, if any.

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 2008.

AUDIT AND CORPORATE RESPONSIBILITY

COMMITTEE

Edward E. Hagenlocker, Chairman

Charles H. Cotros

Jane E. Henney, M.D.

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.

Independent Registered Public Accounting Firm s Fees

During the fiscal years ended September 30, 2008 and 2007, 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:

Fee Category	Fiscal year 2008	Fiscal year 2007
Audit Fees	$4,058,440	$4,182,619
Audit-Related Fees	1,274,230	2,269,445
Tax Fees	381,937	423,782
All Other Fees	4,000	4,000
TOTAL	$5,718,607	$6,879,846

Table of Contents

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 the 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. Audit-related fees also included (i) fees for the audit during fiscal year 2008 of financial statements for PMSI, our former workers compensation business, which we divested in October 2008, and (ii) fees for the audit during fiscal year 2007 of financial statements for our former institutional pharmacy services business, PharMerica Long-Term Care, which we spun off to our stockholders in July 2007, and related consultation and assistance, including consents and assistance with review of documents filed with the SEC related to the spin-off and the subsequent merger of PharMerica Long-Term Care with Kindred Healthcare s institutional pharmacy business into a new public company.

Tax fees consisted primarily of fees for tax compliance, tax advice and tax planning services. Tax fees also included fees incurred in connection with the preparation of a legal opinion on the tax implications of a proposed corporate structure.

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 are consistent with the maintenance of the external auditors 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 2009

(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, 2009. The Audit and Corporate Responsibility Committee of the Board of Directors has appointed Ernst & Young LLP to serve as our independent registered public accounting firm for fiscal year 2009. 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, 2009, the Audit and Corporate Responsibility Committee will investigate the reasons for the rejection by the stockholders and will reconsider the appointment of Ernst & Young LLP.

What services will the independent registered public accounting firm provide?

Audit services provided by Ernst & Young LLP for fiscal year 2009 will include the examination of the consolidated financial statements of AmerisourceBergen and services related to periodic filings made with the SEC. Audit services for fiscal year 2009 also will include 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. Additionally, Ernst & Young LLP may provide audit-related, tax and other services comparable in nature to the services performed in fiscal years 2007 and 2008, as described above under the heading *Independent Registered Public Accounting Firm s Fees*.

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

Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting. Such representatives will have an opportunity to make a statement, if they desire to do so, 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 2009.

APPROVAL OF AMENDMENTS TO THE AMERISOURCEBERGEN CORPORATION 2002 MANAGEMENT STOCK INCENTIVE PLAN AND APPROVAL OF THE PLAN, AS AMENDED

(Item 3 on the Proxy Card)

What am I voting on?

You are voting on a proposal to approve the AmerisourceBergen Corporation Management Incentive Plan (the Plan) in the form attached to this Proxy Statement as *Appendix A*, which is an amendment and restatement of the AmerisourceBergen Corporation 2002 Management Stock Incentive Plan. This amended and restated Plan includes a number of changes. The most important changes to the Plan are described below under *What are the changes being made by this amended and restated Plan?* . Stockholder approval of the amended and restated Plan is a condition for favorable tax treatment of stock options intended to be incentive stock options pursuant to Section 422 of the Internal Revenue Code of 1986, as amended (the Code), and for the company to maintain the deductibility of any performance-based compensation granted under the Plan to certain officers under Section 162(m) of the Code.

Has the Compensation and Succession Planning Committee approved the amended and restated Plan?

Yes. The Compensation and Succession Planning Committee of the Board of Directors (the Compensation Committee), which administers the Plan, has unanimously approved the amended and restated Plan, subject to stockholder approval.

What are the changes being made by this amended and restated Plan?

The most important changes are described below:

Expiration Date of Plan. The amended and restated Plan extends the expiration date of the Plan to February 18, 2019.

Increase in Number of Available Shares. The amended and restated Plan increases the number of shares of our common stock that may be issued pursuant to awards granted under the Plan by 8,500,000 shares for a total number of shares available for issuance under the Plan of 43,300,000. No more than 2,000,000 of such total number of shares may be issued in connection with stock awards, restricted stock units and performance share awards.

Table of Contents

Increase in Calendar Year Limit. The Plan provides for a calendar year limit on the number of shares of common stock that an eligible individual may receive pursuant to awards under the Plan in any calendar year. The amended and restated Plan increases this calendar year share limit from 250,000 to 300,000.

Eligibility. The amended and restated Plan allows awards to be granted to our directors and independent contractors under the Plan.

Enhanced Retirement Benefits. The amended and restated Plan provides that, for awards made on or after February 19, 2009, an employee who has completed at least 60 continuous months of service with us who retires after attaining age 62 will continue to vest in his or her awards under the Plan and, with respect to stock options and stock appreciation rights, can continue to exercise such award until the stated expiration date of such award.

Authority of Committee. The amended and restated Plan permits the Compensation Committee or its delegate to waive repurchase and lapse restrictions with respect to stock awards and restricted stock units.

Forfeiture and Repayment Rules. The amended and restated Plan provides that, for awards made on or after February 19, 2009, if a participant is terminated for cause or otherwise breaches certain obligations to the company, that participant will immediately forfeit any rights he or she had to outstanding awards and will be required to pay over to us the economic benefit realized upon the vesting or exercise of an award.

Why are these changes necessary?

Extending the expiration date of the Plan until February 18, 2019 is necessary in order for us to continue to provide awards under the Plan. Without this amendment and restatement, no further awards can be made under the Plan after April 22, 2009. We rely heavily on the Plan to recruit, retain and reward qualified employees, officers and other eligible recipients.

The current aggregate number of shares of our common stock that may be issued pursuant to awards under the Plan is 34,800,000, of which only approximately 7,990,000 remain available for awards under the Plan. The increase in the number of shares of common stock that may be issued pursuant to awards under the Plan is necessary in order to replenish the supply of shares available for issuance under the Plan. As stated above, we rely heavily on the Plan to recruit, retain and reward qualified employees, officers, and other eligible recipients. We expect that the remaining 7,990,000 shares plus the additional 8,500,000 shares will be sufficient to cover awards under the Plan for at least eight years.

We believe that allowing awards to be made under the Plan to our directors and independent contractors would enable us to use the Plan to further align their interests with the interests of our stockholders, which will encourage those individuals to materially contribute to our growth. In addition, allowing awards to be made under the Plan to directors and independent contractors will enable us to use the Plan to recruit, retain and reward qualified current and future directors and independent contractors.

Allowing employees who have completed at least 60 continuous months of service with us who retire from the company after attaining age 62 to continue to vest in their awards and continue to exercise stock options and stock appreciation rights until the expiration date of such awards will encourage and reward long-term dedicated service to the company and further align such employees long-term financial interests with the interests of our stockholders.

Providing the Compensation Committee with the discretion to waive repurchase and lapse restrictions applicable to stock awards and restricted stock units will provide the Compensation Committee with the flexibility to reward and retain qualified participants where circumstances warrant the waiver of such restrictions.

Table of Contents

By providing that participants whose service with us is terminated for cause or who otherwise breach certain obligations to the company will forfeit any rights to outstanding awards and be required to pay over to us the economic benefit realized upon vesting or exercise of an award, the Plan will encourage loyalty to the company and provide an additional level of protection and leverage in connection with the activities of our current and future service providers while protecting the business interests of the company.

What is the effect on the Plan if the stockholders do not approve the amended and restated Plan?

If the stockholders do not approve the amended and restated Plan, no further awards may be made under the Plan after April 22, 2009.

What is the purpose of the Plan?

The purpose of the Plan, as amended and restated, is to provide employees and officers, as well as directors, independent contractors and consultants of the company and its subsidiaries with the opportunity to receive grants of stock awards and other incentive compensation. We believe that this will promote the company s interests and the interests of stockholders by providing an additional means of attracting and retaining management personnel, encouraging the participants to contribute materially to the growth of the company and aligning the long-term financial interests of the participants with the interests of the stockholders.

Who is eligible to participate in the Plan?

All officers and other key employees and consultants of the company or its subsidiaries are eligible to participate in the Plan. If the amended and restated Plan is approved, directors and independent contractors of the company will also be eligible to participate in the Plan. We have five executive officers, all of whom participate in the Plan. We have eight non-employee directors who will be eligible to participate in the Plan if the amended and restated Plan is approved. There are approximately 520 employees who currently are considered eligible to participate in the Plan. There are no independent contractors or consultants who hold outstanding awards under the Plan.

When was the Plan formed?

The Plan is the result of the merger of the Bergen Brunswig Corporation 1999 Management Stock Incentive Plan and the AmeriSource Health Corporation 2001 Stock Option Plan. The resulting merged Plan became effective on April 23, 2002. Grants made under the merged Plan following the merger of the prior plans are subject to the terms of the Plan. Grants made under the prior plans remain subject to the terms of the applicable prior plan. As of December 22, 2008, there were unexercised options for approximately 10,973,812 shares outstanding under the Plan, including 622,313 shares from the prior plans. The fair market value of the outstanding options was $28.2 million as of December 22, 2008.

What are the material features of the Plan?

The brief summary of the Plan which follows is qualified in its entirety by reference to the complete text of the amended and restated Plan, a copy of which is attached to this Proxy Statement as *Appendix A*.

Administration of the Plan. The Compensation Committee administers the Plan. Each member of the Compensation Committee is an outside director under Section 162(m) of the Code, a non-employee director under Section 16b-3 of the Securities Exchange Act of 1934, as amended, and an independent director under the listing standards of the NYSE.

Types and Descriptions of Options and Other Awards Under the Plan. The Compensation Committee has discretionary authority to select which eligible persons will receive awards under the Plan. As discussed below,

Table of Contents

the Compensation Committee may delegate this authority to an administrator or the company s Chief Executive Officer. The Plan permits grants of the following types of awards:

- Stock options;
- Stock appreciation rights (SARs);
- Restricted stock awards;
- Restricted stock units (RSUs);
- Performance share awards; and
- Other awards.

The Compensation Committee may grant stock options, restricted stock or other types of awards alone, in addition to, or in tandem with any other awards under the Plan. Generally, the Compensation Committee has the authority to determine the terms and conditions of all awards under the Plan, including vesting, exercisability, payment and restrictions applicable to awards. The Compensation Committee may also accelerate:

- the vesting or payment of an award;
- the lapse of restrictions applicable to an award; or
- the date an option or SAR first becomes exercisable.

Stock Options. The Compensation Committee may grant options to purchase shares of our common stock upon terms and conditions that the Compensation Committee may establish in its discretion, subject to the provisions of the Plan. Options may be non-qualified stock options and/or incentive stock options (ISOs). ISOs are intended to comply with Section 422 of the Code.

The exercise price of any option is determined by the Compensation Committee at the time of grant. Consistent with sound corporate governance practices:

- the exercise price of options granted may not be less than the fair market value of the underlying shares of common stock on the date of grant; and options granted may not be repriced by any method, including by cancellation and reissuance, without stockholder approval.

Subject to the terms of the specific option, the exercise price of a stock option may be paid in cash, previously owned shares, a combination of cash or previously owned shares, or through withholding of shares subject to the stock option. Generally, options will expire either seven or ten years after the date of grant.

Generally, unexercised options expire three months after the date of a voluntary termination of employment with the company. In the event that employment of the optionholder with the company terminates due to death, disability or termination by the company without cause, unexercised options will expire one year from the date of termination of employment. Generally, for unexercised options granted on or after August 10, 2004 but prior to February 19, 2009, in the event an employee retires from the company after having attained age 62 and having completed at least 60 months or more of continuous service with the company, the options will expire three years from the date of such retirement. Generally, for options granted on or after February 19, 2009, in the event an employee retires from the company after having attained age 62 and having completed at least 60 months or more of continuous employment with us, the options will continue to vest following the termination of employment and will expire on the stated expiration of the term of the award (generally seven years from the date of grant). If the company terminates an employee for cause, outstanding options terminate immediately. Except as described above, unvested options normally cease to vest upon any termination of employment.

Table of Contents

Stock Appreciation Rights (SARs). SARs are the right to receive the appreciation in the value of the company s common stock over a specified period of time. The Compensation Committee may grant SARs separately or in tandem with an option. Tandem SARs may be granted either at the time the option is granted or at any time while the option remains outstanding. A recipient of tandem options and SARs may choose to exercise either the SAR or the corresponding option, but not both.

Upon exercising a SAR, a participant will receive an amount of cash, common stock, or a combination of cash and common stock equal to the amount by which the fair market value of the number of underlying shares of common stock on the date of exercise exceeds the stock appreciation right exercise price specified by the Compensation Committee when the SAR is awarded. Whether the payments upon exercise of the SAR are made in cash, in common stock, or in combination, is within the discretion of the Compensation Committee. On or after February 19, 2009, the Compensation Committee may grant SARs that will continue to vest following a participant s retirement and will expire on the stated expiration date of the SAR (generally seven to ten years from the date of grant) in the event that the participant retires from the company after having attained age 62 and having completed at least 60 months or more of continuous employment with us.

Restricted Stock Awards. Stock awards are grants of the company s stock that are subject to at least one of the following minimum vesting conditions:

- performance-based vesting that cannot be satisfied sooner than one year following the date of grant, or

- time-based vesting that cannot be satisfied unless the participant remains employed or otherwise provides services to the company for three or more years from the date the restricted stock award is made.

The company expects that stock awards will provide for dividends to accrue, but not be paid, upon any restricted shares of the company s common stock while they are vesting. Accrued dividends will be paid to the participant only if, and after, the restricted shares have vested.

For stock awards granted on or after February 19, 2009, the Compensation Committee may determine at the time of grant that if the participant retires from the company after having attained age 62 and having completed at least 60 months or more of continuous employment with us, the stock award will continue to vest following the termination of employment.

Restricted Stock Units (RSUs). RSUs are grants of common stock-equivalents, which may be settled in our common stock or, if approved by the Board of Directors, in cash. RSUs are intended to be substantially similar to restricted stock awards with the exception that no shares of common stock are issued at the time of the grant of the award