

AMERISOURCEBERGEN CORP

Form DEF 14A

January 18, 2008

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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

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

AmerisourceBergen Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(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:

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January 18, 2008

Dear Stockholder:

I am pleased to invite you to attend our 2008 Annual Meeting of Stockholders on Thursday, February 28, 2008, 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 2008 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 2007 and respond to stockholder questions.

Your vote is very important. Whether or not you plan to attend the 2008 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.

We are pleased to be one of the first companies to take advantage of the new Securities and Exchange Commission rule that allows issuers to furnish proxy materials to their stockholders on the Internet. We believe the new rules will allow us to provide our stockholders with the information they need for the 2008 Annual Meeting of Stockholders, while lowering the costs of delivery.

Thank you for your support.

Sincerely,

RICHARD C. GOZON

Chairman of the Board

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Notice of 2008 Annual Meeting of Stockholders

TIME AND DATE:	2:00 p.m., Eastern Time, on Thursday, February 28, 2008
PLACE:	Four Seasons Hotel Philadelphia One Logan Square Philadelphia, Pennsylvania
ITEMS OF BUSINESS:	(1) To elect three members to the Board of Directors for three-year terms. (2) To ratify the appointment of Ernst & Young LLP as AmerisourceBergen's independent registered public accounting firm for fiscal year 2008. (3) To transact any other business properly coming before the meeting.
WHO MAY VOTE:	Stockholders of record on December 31, 2007.
DATE OF AVAILABILITY:	This Notice and Proxy Statement are being made available to stockholders on or about January 18, 2008.

By order of the Board of Directors,

JOHN G. CHOU

Senior Vice President, General Counsel and Secretary

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January 18, 2008

AmerisourceBergen Corporation

1300 Morris Drive

Chesterbrook, PA 19087

PROXY STATEMENT

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ABOUT THE 2008 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 2008 Annual Meeting of Stockholders to be held February 28, 2008, and at any adjournments thereof. Our Annual Report on Form 10-K for the fiscal year ended September 30, 2007 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 three members to the Board of Directors for three-year terms.

To ratify the appointment of Ernst & Young LLP as AmerisourceBergen's independent registered public accounting firm for fiscal year 2008.

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?

In accordance with new rules recently adopted by the Securities and Exchange Commission, we are providing access to our proxy materials over the Internet. Accordingly, on or about January 18, 2008, 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 2008 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 31, 2007, which is the record date. You are entitled to one vote for each share of common stock that you own. As of December 31, 2007, we had 162,991,795 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 31, 2007, 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.

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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.proxypush.com/abc*.

By telephone You may vote and submit your proxy by calling 1-866-509-2151.

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.

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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.

Can I change my mind after I 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 28, 2008.

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 2008.

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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, The Bank of New York, at 1-800-524-4458.

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 our outstanding shares of common stock as of December 31, 2007 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.

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.

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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 2008 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 \$7,000, 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 2008 Annual Meeting of Stockholders. It has been customary for our directors to attend our annual meetings of stockholders. Seven directors attended the 2007 Annual Meeting of Stockholders. The three directors who did not attend were unable to do so as a result of travel delays caused by inclement weather.

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 being as nearly equal in number as possible. 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 I directors will expire at the 2008 Annual Meeting. There currently are four Class I directors, three of whom have been nominated for election at the 2008 Annual Meeting.

What is the size of the Board of Directors?

The Board of Directors currently consists of 9 members.

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Who are the current Class I directors?

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

Who are this year's nominees?

Dr. Henney and Messrs. Cotros and Yost will stand for reelection as Class I directors. Mr. Brady will not stand for reelection as a Class I director.

Why is Mr. Brady not standing for reelection as a Class I director?

Mr. Brady will be 75 years of age prior to the 2008 Annual Meeting. Our corporate governance principles require directors to resign at the Annual Meeting following their 75th birthday. As a result of this policy, Mr. Brady is not eligible to stand for reelection and his term as a director will expire at the 2008 Annual Meeting.

Which of this year's nominees are independent?

Dr. Henney and Mr. Cotros are independent (as independence is defined in Section 303A of the NYSE Listed Company Manual and in our corporate governance principles). Mr. Yost is not considered independent.

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 2011 Annual Meeting of Stockholders and until their successors are elected.

What if a nominee is unwilling or unable to serve?

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

Biographical information about this year's nominees:

Charles H. Cotros

Age 70.

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 60.

Director of AmerisourceBergen since January 2002.

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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 60.

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.

Also a director of Electronic Data Systems Corporation and PharMerica Corporation.

How does the Board of Directors recommend that I vote?

We recommend that you vote **For** the election of each of the three nominees to the Board of Directors.

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

Who are the Class II directors?

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

When does the term of the Class II directors expire?

The term of office of the Class II directors will expire at the 2009 Annual Meeting of Stockholders.

Biographical information about Class II directors:

Richard C. Gozon

Age 69.

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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 Weyerhaeuser 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 49.

Director of AmerisourceBergen since May 2006.

Senior Vice President and President, North America and Asia/Pacific Components for Arrow Electronics, Inc. (global distributor of electronic components and computer products) since 2005.

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 71.

Director of AmerisourceBergen since August 2001.

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

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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.

Who are the Class III directors?

The Class III directors are 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:

Edward E. Hagenlocker

Age 68.

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.

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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., Trane Inc. and Alcatel-Lucent.

Henry W. McGee

Age 54.

Director of AmerisourceBergen since November 2004.

President of HBO Video (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

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.

J. Lawrence Wilson

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.

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Name of Committee

and Members

Duties and Responsibilities of Committee

Audit and Corporate Responsibility

Edward E. Hagenlocker, Chairman

Appoints, and has authority to terminate, the company's independent registered public accounting firm.

Rodney H. Brady

Charles H. Cotros

Pre-approves all audit and permitted non-audit services provided by the company's independent registered public accounting firm.

Jane E. Henney, M.D.

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.

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Name of Committee

and Members

Duties and Responsibilities of Committee

Compensation and Succession Planning

J. Lawrence Wilson, Chairman

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.

Richard C. Gozon

Michael J. Long

Henry W. McGee

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.

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Name of Committee

and Members

Duties and Responsibilities of Committee

Governance and Nominating

Charles H. Cotros, Chairman

Recommends selection and qualification criteria for directors.

Rodney H. Brady

Edward E. Hagenlocker

Identifies and recommends qualified candidates to serve as directors of the company.

Jane E. Henney, M.D.

Considers nominees for director recommended by stockholders.

Determines selection and qualification criteria for committee members.

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 2007?

During fiscal year 2007, the Board of Directors met seven times; the Executive and Finance Committee met five times; the Audit and Corporate Responsibility Committee met eleven times; the Compensation and Succession Planning Committee met four 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 or paid to directors who were not employees of AmerisourceBergen during fiscal year 2007. Directors who are employees of AmerisourceBergen receive no compensation for their service as directors or as members of Board committees.

Non-Employee Director Compensation

Name	Fees Earned or Paid in Cash (1)	Stock Awards (2)(3)	Option Awards (2)(4)	All Other Compensation (5)	Total
Rodney H. Brady	\$96,084		\$93,541		\$189,625
Charles H. Cotros	\$45,209	\$47,073	\$93,541	\$284	\$186,107
Richard C. Gozon	\$151,083		\$93,541		\$244,624
Edward E. Hagenlocker	\$129,084	\$14,757	\$93,541	\$568	\$237,950
Jane E. Henney, M.D.	\$35,250	\$50,311	\$93,541		\$179,102
Michael J. Long	\$39,834	\$24,477	\$45,668		\$109,979
Henry W. McGee	\$24,000	\$72,186	\$90,219		\$186,405
J. Lawrence Wilson	\$44,750	\$65,068	\$93,541	\$568	\$203,927

- (1) These amounts represent annual retainer and meeting fees paid to directors in cash for Board and committee service in fiscal year 2007, including amounts deferred into our deferred compensation plan. Mr. McGee is the only director who elected to defer fees in fiscal year 2007 and, in accordance with his election, 100% of Mr. McGee's meeting fees (\$24,000) have been deferred into our deferred compensation plan.
- (2) The amounts reported represent the compensation cost that would be recognized by us in fiscal year 2007 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 2007. See Note 10 to the consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended September 30, 2007 for assumptions used to estimate the fair values of restricted stock and option awards granted during fiscal year 2007.
- (3) Restricted stock awards are payable in lieu of a director's annual retainer, at the director's election. Such awards are made in quarterly increments generally on November 1, February 1, May 1 and August 1 of each year. Set out below is the outstanding restricted stock held by each non-employee director as of September 30, 2007 and the grant date fair value of restricted stock awards granted to them in fiscal year 2007. The fair value of restricted stock is based on the closing price of our common stock on the date of grant.

Name	Stock Awards Outstanding at September 30, 2007	Grant Date Fair Value of Stock Awards Granted in Fiscal Year 2007
Rodney H. Brady		
Charles H. Cotros	3,959	\$ 71,000
Richard C. Gozon		
Edward E. Hagenlocker	568	
Jane E. Henney, M.D.	4,517	\$ 76,050
Michael J. Long	2,269	\$ 56,251
Henry W. McGee	6,901	\$ 76,050

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J. Lawrence Wilson	5,085	\$	76,050
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- (4) On February 19, 2007, each non-employee director received a grant of non-qualified stock options to purchase 6,918 shares of our common stock with an exercise price of \$53.72 per share. The option award had a grant date fair value of \$100,000, which was determined based on a binomial method of valuation. As of September 30, 2007, each non-employee director held the following outstanding stock options: Mr. Brady 82,646, Mr. Cotros 39,500, Mr. Gozon 133,087, Mr. Hagenlocker 84,037, Dr. Henney 26,112, Mr. Long 14,118, Mr. McGee 29,491 and Mr. Wilson 71,774. These numbers reflect the effect of the anti-dilution adjustment made to all outstanding stock options in connection with the spin-off of PharMerica Long-Term Care on July 31, 2007.
- (5) Amounts shown are the dividends accrued and paid on restricted stock that vested in fiscal year 2007.

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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 2007, 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. 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 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 pro rata 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 chose to receive restricted stock, they will receive restricted stock having a value equal to 125% of the cash compensation foregone. If they chose 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 after their Board election, non-employee directors must own stock equal in value to at least three times the annual retainer.

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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.

Any waiver or amendment of the code of ethics for designated senior officers will be disclosed promptly on our Internet website.

CORPORATE GOVERNANCE

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

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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.

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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.

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

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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.

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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 2008 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 conform to 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. The Board has determined that each of the following directors is independent: Rodney H. Brady, Charles H. Cotros, Richard C. Gozon, Edward E. Hagenlocker, Jane E. Henney, M.D., Michael J. Long, Henry W. McGee and J. Lawrence Wilson. Kurt J. Hilzinger also served as a director of AmerisourceBergen until his resignation in September 2007. Mr. Hilzinger was not an independent director.

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.

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.

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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 2009, the name of the proposed nominee and supporting biographical information and description of the qualifications of the proposed nominee must be received before September 19, 2008. 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.

Is the Governance and Nominating Committee currently seeking to identify additional directors?

The Governance and Nominating Committee has commenced efforts to identify candidates for director to fill the vacancy that exists as a result of the resignation of Kurt Hilzinger as a member of the Board of Directors on September 14, 2007. The Governance and Nominating Committee has engaged a nationally-recognized search firm to help identify such candidates. The Governance and Nominating Committee does not expect to fill the vacancy that will arise at the 2008 Annual Meeting of Stockholders when Mr. Brady will retire as a director pursuant to AmerisourceBergen's mandatory retirement policy for directors and intends to decrease the size of the Board at that time to nine members. The current target size of the Board, as set forth in the corporate governance principles, is nine to 12 directors.

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

The committee reviewed and discussed with AmerisourceBergen's management and its independent registered public accounting firm (i) the audited financial statements contained in the company's Annual Report on Form 10-K for the fiscal year ended September 30, 2007 and (ii) the company's internal control over financial

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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 2007 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, 2007 (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 independent registered public accounting firm, which is responsible for expressing an opinion on the conformity of the audited financial statements with U.S. generally accepted accounting principles, the firm's judgments as to the quality, not just the acceptability, of the company's accounting principles, the reasonableness of significant judgments reflected in the financial statements and the clarity of disclosures in the financial statements as well as such other matters as are required to be discussed with the committee under the standards of the Public Company Accounting Oversight Board (United States).

The committee discussed with the company's independent registered public accounting firm the matters required to be discussed by 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 Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, as amended.

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 fiscal year 2007 10-K Report.

AUDIT AND CORPORATE RESPONSIBILITY

COMMITTEE

Edward E. Hagenlocker, Chairman

Rodney H. Brady

Charles H. Cotros

Jane E. Henney, M.D.

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

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

Table of Contents**Independent Registered Public Accounting Firm's Fees**

During the fiscal years ended September 30, 2007 and 2006, 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 2007	Fiscal year 2006
Audit Fees	\$4,182,619	\$4,312,900
Audit-Related Fees	\$2,269,445	\$1,985,955
Tax Fees	\$423,782	\$302,695
All Other Fees	\$4,000	\$4,000
TOTAL	\$6,879,846	\$6,605,550

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 fees for the audit 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.

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 2008

(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, 2008. 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 2008. 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

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AmerisourceBergen's independent registered public accounting firm for the fiscal year ending September 30, 2008, 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 2008 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 2008 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 2006 and 2007, 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 2008.

COMPENSATION COMMITTEE MATTERS

General

The members of the Compensation and Succession Planning Committee are J. Lawrence Wilson (Chairman), Richard C. Gozon, Michael J. Long and Henry W. McGee. The Board of Directors has determined that each of them is independent in accordance with the standards set forth in our corporate governance policies and those applicable to companies listed on the NYSE.

The committee is responsible for our executive compensation program and review of succession planning. It reviews and approves compensation for our executives, including the named executive officers listed in the Summary Compensation Table on page 32. The committee also oversees our employee pension, long-term incentive, savings, health and welfare plans. The committee's duties and responsibilities under its charter are described on page 10. The committee reviews its charter annually. The committee delegates the day-to-day administration of our pension and benefit plans to an internal benefits committee, composed of senior finance, human resources and legal executives.

Processes and Procedures

Meetings. The committee met four times in 2007. The Chairman, in consultation with the other committee members and with AmerisourceBergen management, prepares agendas, which address an annual calendar of topics and other topics requiring the attention of the committee. The committee meets in executive session, either during or after a meeting, whenever necessary to discuss matters it deems appropriate.

Role of External Compensation Consultant. We, with the approval of members of the committee, have historically engaged Mercer Human Resource Consulting to advise us on executive compensation matters, plan

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design and industry trends. During 2007, Mercer prepared analyses and recommendations for the committee and the Board relating to all aspects of the compensation of our executives, including pay recommendations for Mr. Yost. Mercer also reviewed the composition of the peer group we use to benchmark compensation and recommended changes. In addition to meeting in executive session with the committee, Mercer also met privately with members of the committee from time to time to plan for committee meetings and discuss executive compensation matters.

Mercer also provided other general compensation services to us during 2007. These services included providing advice on director compensation, actuarial services in connection with our pension and benefit plans, assistance in plan administration matters and benefits consulting services related to the spin off of our former subsidiary, PharMarica Long-Term Care. Mercer affiliates provided strategic and business consulting services for some of our operating subsidiaries during 2007.

In November 2007, the Board and the committee approved amendments to the committee's charter to provide that the committee has sole authority to retain or terminate any consulting firm engaged to advise the committee in the evaluation of compensation for executive officers, including the chief executive officer. The committee has sole authority to approve the fees and terms of any such arrangement. The amended charter also provides that starting in March 2008, following our 2008 Annual Meeting, any consulting firm retained by the committee to assist with executive compensation must be independent, provided that any such firm will not be disqualified if it has not received more than \$100,000 in the aggregate for the performance of any other services for us (including services for management, another committee or the Board) during the fiscal year in which the firm is providing executive compensation-related services.

Role of Executive Officers and Management. Our senior vice president, human resources, in consultation with the chief executive officer and our compensation consultant, formulates recommendations on matters of compensation philosophy, plan design and specific awards for executive officers. The chief executive officer gives the committee a performance assessment and, taking into account the recommendation of our senior vice president, human resources and our compensation consultant, pay recommendation for each of the named executive officers other than himself. Our compensation consultant provides competitive data concerning Mr. Yost's pay in comparison to the peer group. The committee considers the recommendations and competitive data and makes decisions, as it deems appropriate, based on its assessment of individual performance and achievement of goals. Our chief executive officer, senior vice president, human resources and senior vice president, general counsel and secretary generally attend the meetings but are not present for the executive sessions or for any discussion of their own compensation.

The Board of Directors establishes the compensation of directors upon the recommendation of the Governance and Nominating Committee.

Compensation Committee Interlocks and Insider Participation

To our knowledge, there were no other relationships involving members of the Compensation and Succession Planning Committee requiring disclosure in this section of our proxy statement pursuant to the applicable SEC regulations. None of the members of the committee:

has ever been an officer or employee of the company,

is or was a participant in any related person transaction in 2007 (see page 44 for a description of our policy on related person transactions), or

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is an executive officer of another entity at which one of our executive officers serves on the board of directors.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

AmerisourceBergen is one of the largest pharmaceutical services companies in the world. We operate in a highly competitive business environment. We seek to attract and retain talented individuals to serve as our leaders and motivate them to achieve superior long-term results for our stockholders. Our compensation program is designed to pay our executives fairly and to link compensation with the attainment of financial and strategic goals. We believe that employees will be best motivated to achieve these goals by making a portion of their compensation dependent upon corporate performance and stockholder returns, and that executives should have a greater portion of their compensation at risk than other employees. Accordingly, a substantial portion of the compensation provided to our named executive officers is tied to our future performance.

Our long-term financial goals are to grow diluted earnings per share from continuing operations in the range of 15 percent annually by growing operating revenues in line with pharmaceutical market growth, expanding operating margins and generating free cash flow that approximates net income. Our compensation program is designed to provide cash compensation in the range of the median for executives at the companies in our peer group when we deliver targeted financial results.

In fiscal year 2007, we delivered excellent financial and strategic results. Operating revenue grew by 9% to \$61.7 billion. We expanded our operating margin by 5 basis points to 1.20% in our pharmaceutical distribution segment. We generated free cash flow of \$1.1 billion and net income of \$469.2 million. We achieved a return on invested capital that exceeded our weighted average cost of capital. Diluted earnings per share from continuing operations grew by 16% to \$2.63. We returned a substantial amount of cash to our stockholders in fiscal year 2007 by doubling our dividend and repurchasing \$1.4 billion of our stock. We also advanced our long-term business goals in fiscal year 2007 by making a number of strategic acquisitions and spinning off our former institutional pharmacy business.

Role of the Compensation and Succession Planning Committee

The committee reviews and makes decisions about executive compensation policies and plans. The committee determines the amount of base salary, cash bonus and long-term incentive awards made to our executives. The committee evaluates the named executive officers' performance and determines their compensation in light of the objectives of our executive compensation program. Our chief executive officer (other than with respect to himself) and senior vice president, human resources assist the committee in reaching compensation decisions with respect to the named executive officers. The compensation consultant provides information and analysis to assist the committee in making decisions about our chief executive officer's compensation and executive compensation generally.

Executive Compensation Policy and Objectives

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We seek to attract, retain and motivate talented senior executives who will help us fulfill our business goals, meet the needs of our customers and suppliers and contribute to our long-term success. Our executive compensation program is designed to link pay with the achievement of our annual and long-term business goals.

The committee considers the following objectives in setting executive compensation:

Attract and retain knowledgeable and experienced senior executives.

Align individual objectives and performance with company objectives and performance.

Motivate our employees to work for and achieve superior results from year-to-year and in the longer term.

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Reward performance that exceeds established performance goals.

Require holdings of our stock to align the interests of our executives with those of our stockholders.

Benchmarking Process

We consider market pay practices when setting executive compensation. Benchmarking helps the committee assess whether our level of executive pay is appropriate when compared to industry standards. The committee uses a peer group to evaluate each element of pay and benefit competitiveness, review pay practices (such as pay mix, incentive plan leverage, performance measurement and weighting) and compare performance. The committee considers peer group proxy statement data when benchmarking compensation for the named executive officers and published compensation survey data when reviewing compensation for our other executives. When assessing pay levels, the committee also reviews the relative positioning of our executive officers with each other.

Our peer group is comprised of companies with business models and operations comparable to our own, including our two largest direct competitors. Most companies in our peer group are similar in size to AmerisourceBergen. Their revenues fall within an approximately 50% to 200% range of our expected revenues. We believe this mix of companies reflects the type and complexity of business risks managed by our executives. We also believe we compete with these companies for executive talent. The 2007 peer group was comprised of the following 13 companies: Cardinal Health, Inc., Costco Wholesale Corporation, CVS Caremark Corporation, The Home Depot, Inc., Ingram Micro Inc., The Kroger Co., McKesson Corporation, Safeway Inc., Supervalu Inc., Sysco Corporation., Target Corporation, United Parcel Service, Inc. and Walgreen Co.

In 2007, we asked Mercer to review the composition of the peer group. Based on Mercer's recommendation and discussions with management, in November 2007, the committee added two additional companies, Federal Express Corporation and Medco Health Solutions, Inc., to our peer group because those companies had business models that were similar to our own and because the additions of those companies would bring the median revenues of the peer group closer in line with our level of revenues. In addition, Medco Health Solutions, Inc. operates in the healthcare industry. As a result, beginning in fiscal year 2008, the committee will assess executive compensation against a peer group comprised of 15 members.

Our compensation program targets various levels relative to our peer group for each element of executive pay as follows:

Target Percentile Compensation for Fiscal Year 2007

Base Salary	Total Cash Compensation	Total Direct Compensation
	(Salary + Bonus)	(Salary + Bonus + Long-Term Incentive)
35 th percentile of	50 th percentile of	50 th - 75 th percentile of
peer group	peer group	peer group

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For years in which we meet our financial goals, base salary plus cash bonus is intended to result in pay to our named executive officers in the range of the median (50th percentile) of our peer group. If we exceed our financial goals, base salary, cash bonus and equity incentive could reach the 75th percentile of our peer group depending on the extent of our success. In fiscal year 2007, none of the named executive officers exceeded our targeted percentiles on any element of pay. Although we exceeded our financial goals for fiscal year 2007, total direct compensation (salary, cash bonus and equity incentive) for each of the named executive officers fell below the peer group median in each case. Moreover, the total direct compensation for Mr. Yost fell substantially below his peer group target for fiscal year 2007. As a result, the committee has implemented a performance-based long-term incentive award for Mr. Yost, in part to provide him with the opportunity to bring his total direct compensation closer to the median for chief executive officers in our peer group (see discussion under Fiscal Year 2008 Compensation Decisions on pages 27-28).

Table of Contents**Components of the Executive Compensation Program**

Our executive compensation program consists of three components—base salary, cash bonus and long-term incentive. This represents a mix of fixed pay and short-term and long-term incentives. A significant portion of our named executive officers' pay is at risk or subject to our future performance. We believe that emphasizing incentive pay helps our executives to focus on the financial and strategic goals that create profitability and value for our stockholders. The following chart shows the percentage of each pay component awarded to the named executive officers for fiscal year 2007:

Base Salary. Base salary is a fixed component of pay that is determined yearly in advance. We aim to provide salary that is reasonable for a company of our size and complexity, and sufficiently competitive to attract and retain talented individuals. For the named executive officers, we target base salary in the 35th percentile range for similar positions in our peer group. By providing base salary below our peer median, we place greater emphasis on incentive compensation for our named executive officers.

The committee reviews executive performance and pay each November. The committee determines whether an executive merits a salary increase and, if so, how much. Our executives are evaluated on job performance, changes in duties, scope and responsibilities and expected future contributions, and their pay is evaluated with reference to our peer group. Mr. Hilzinger resigned from his positions as president and chief operating officer and director in September 2007, but will remain employed by us to provide assistance when requested until March 14, 2008. In November 2006, the committee approved the following salary increases for our named executive officers for fiscal year 2007:

	Fiscal Year 2007
Named Executive Officer	Salary Increase
R. David Yost	4.6%
Michael D. DiCandilo	9.5%
Steven H. Collis	8.7%
Terrance P. Haas	10.0%
Kurt J. Hilzinger	4.6%

These salary increases reflected a positive performance review for all of the named executive officers. In addition to merit, the salary increases for Messrs. DiCandilo, Collis and Haas were also intended to bring their base salaries closer to the targeted 35th percentile range for their positions.

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Cash Bonus. Cash bonuses depend upon the achievement of pre-established performance goals for the fiscal year. We use cash bonuses to motivate executives to improve financial performance year-over-year and to reward executives who deliver targeted financial results in a particular year. All executives and other eligible employees participate in our annual cash bonus program – the AmerisourceBergen Corporation Annual Incentive Plan or AIP.

The committee establishes the performance goals and incentive levels for our bonus program. When making its determinations, the committee reviews the financial and strategic plan prepared by management for the Board. It also reviews recommendations on incentive levels prepared by the compensation consultant and our human resource department for the committee's use. The committee makes its own assessment regarding the appropriate goals and target incentives for executives and then assigns a relative weighting to each performance measure. These weightings may differ for each named executive officer.

For each financial performance goal, there is a target and threshold. Target is the expected level of performance. Threshold refers to the minimum acceptable level of performance. We do not pay bonus if our performance is at or below the threshold. Executives may also receive an additional bonus, called a stretch bonus, for performance above target. We intend the stretch bonus to be challenging. If we exceed our financial performance goals, the named executive officers could receive a stretch bonus of up to 50% of the target incentive level (itself expressed as a percentage of base salary). Total bonus consists of the amount determined for exceeding the thresholds and, if applicable, an amount for exceeding the targets.

In November 2006, the committee approved performance measures for fiscal year 2007. Corporate financial performance measures were diluted earnings per share from continuing operations (EPS) of \$2.46 and return on committed capital (ROCC) of 35%. Target EPS was subsequently adjusted to \$2.44 to reflect the spin-off of PharMerica Long-Term Care. The committee chose these measures because they are the key metrics used by management to set business goals and evaluate financial results. In addition, we communicate our expectations about future business performance to investors by using an EPS range for each fiscal year. We generally set EPS targets to reflect our goal of growing EPS approximately 15% annually, while allowing for some flexibility based on the impact of special items (such as the spin-off of our institutional pharmacy business in 2007) and other market factors from year to year. We use ROCC because it measures how well we deploy our assets from year to year. ROCC was an appropriate performance metric historically because it captured whether we were using capital effectively to drive our business. The corporate level performance measures applied to all of the named executive officers. The table below shows corporate incentive levels and actual performance for fiscal year 2007:

Performance Metric	Threshold	Target (100% payout)	Actual Performance
EPS	\$2.20 ⁽¹⁾	\$2.44 ⁽¹⁾	\$2.54 ⁽²⁾
ROCC	29.75%	35%	46.9%

(1) Threshold and target EPS were adjusted downward by \$0.02 to reflect the spin-off of PharMerica Long-Term Care on July 31, 2007.

(2) EPS is calculated based on diluted earnings per share from continuing operations of \$2.63, less the net impact of special items.

The majority of a business unit leader's bonus is tied to business unit performance. Accordingly, in addition to corporate EPS and ROCC, bonus payments to Messrs. Collis and Haas depended upon the achievement of specified earnings before interest and taxes (EBIT) and ROCC targets for the business units they led during fiscal year 2007 – AmerisourceBergen Specialty Group and AmerisourceBergen Drug Corporation. We believe that this mix, which emphasizes business unit performance, appropriately links their pay to operating responsibility. We select performance goals that generally reflect, at a minimum, greater than 10% annual EBIT growth in these business units each fiscal year. We establish business unit ROCC targets based on the proportionate contribution from the particular business that is necessary to achieve the overall corporate ROCC target of 35%. The committee intends the business unit performance goals to be challenging. The specialty group has achieved target on one or both of its measures four times in the last five fiscal years. The drug distr