

Premier, Inc.
Form DEF 14A
October 18, 2017
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

PREMIER, INC.

(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:

Edgar Filing: Premier, Inc. - Form DEF 14A

(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:

Table of Contents

October 18, 2017

Dear Premier Stockholders:

I am pleased to invite you to attend the Premier, Inc. 2017 Annual Meeting of Stockholders (the Annual Meeting). The meeting will be held on Friday, December 1, 2017, at our corporate headquarters located at 13034 Ballantyne Corporate Place, Charlotte, North Carolina, beginning at 10:00 a.m., Eastern Standard Time.

We will consider the items of business described in the Notice of 2017 Annual Meeting of Stockholders and in the proxy statement accompanying this letter. The proxy statement contains important information about the matters to be voted on and the process for voting, along with information about Premier and its management and directors.

Every stockholder's vote is important to us. Even if you plan to attend the Annual Meeting in person, *please promptly vote* by submitting your proxy by phone, by Internet or by mail if you hold Class A common stock or by providing your voting instructions to Wells Fargo Delaware Trust Company, N.A., the trustee of the Class B common stock under the Voting Trust Agreement, if you beneficially own Class B common stock. The Frequently Asked Questions section of the proxy statement and the enclosed proxy card (or in the case of Class B common stock, the voting instruction card) each contain detailed instructions for submitting your proxy or instructions and voting your shares. If you plan to attend the Annual Meeting in person, you must have an admission ticket and a form of personal identification in order to be admitted to the meeting.

On behalf of the directors, management and employees of Premier, thank you for your continued support of and ownership in our company.

Sincerely,

Richard J. Statuto

Chairman of the Board of Directors

Table of Contents

PREMIER, INC.

NOTICE OF 2017 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON DECEMBER 1, 2017

The Premier, Inc. 2017 Annual Meeting of Stockholders (the Annual Meeting) will be held on Friday, December 1, 2017, at our corporate headquarters located at 13034 Ballantyne Corporate Place, Charlotte, North Carolina, beginning at 10:00 a.m., Eastern Standard Time.

At the Annual Meeting, we will consider:

1. The election of five Class I Directors to the Board of Directors to serve until our 2020 annual meeting of stockholders.
2. The ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for our fiscal year 2018.
3. The approval of a proposal to increase the non-employee director compensation limit under the Amended and Restated Premier, Inc. 2013 Equity Incentive Plan, as amended.
4. The approval, on an advisory basis, of the compensation of our named executive officers as disclosed in the proxy statement for the Annual Meeting.
5. The transaction of such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

Holders of Class A common stock and Class B common stock at the close of business on our record date of October 4, 2017 are entitled to notice of and to vote at the Annual Meeting and any postponement or adjournment of the meeting. With respect to the matters to be voted upon at the Annual Meeting, all shares of Class A and Class B common stock will be voted together as a single class. For Class A common stock, the shares will be voted if present in person or represented by proxy. For Class B common stock, the shares will be voted by Wells Fargo Delaware Trust Company, N.A. (the Trustee), as trustee under the Voting Trust Agreement (the VTA), among Premier, Inc., Premier Healthcare Alliance, L.P. (f/k/a Premier Purchasing Partners, L.P.), the holders of our Class B common stock and the Trustee. As of the record date, our outstanding Class B common stock represented a majority of our total outstanding shares of Class A and Class B common stock combined and, accordingly, can control the outcome of the matters to be voted upon at the Annual Meeting. References herein to holders of our Class B common stock, or similar phrases, are to the beneficial owners of the Class B common stock held by the Trustee pursuant to the VTA. The Trustee is the sole record holder of our Class B common stock.

Your vote is important. Holders of Class A and Class B common stock should vote or provide voting instructions, as applicable, in one of these ways:

- (1) INTERNET: Go to www.proxyvote.com and follow the instructions. You will need to enter the control number printed on your proxy or voting instruction card;

Edgar Filing: Premier, Inc. - Form DEF 14A

(2) TELEPHONE: Call toll-free 1-800-690-6903 and follow the instructions. You will need to enter the control number printed on your proxy or voting instruction card; or

(3) MAIL: Complete, sign, date and promptly return your proxy or voting instruction card in the enclosed envelope.

In addition, holders of Class A common stock may submit a completed ballot in person at the Annual Meeting. While holders of Class B common stock are welcome to attend the Annual Meeting in person, they will

Table of Contents

not be able to vote or provide voting instructions at the Annual Meeting. Holders of Class B common stock may only vote their Class B common stock by providing voting instructions to the Trustee.

For a period of at least 10 days prior to the Annual Meeting, a complete list of stockholders entitled to vote at the Annual Meeting will be open for examination by any stockholder for any purpose germane to the meeting during regular business hours at our corporate headquarters located at 13034 Ballantyne Corporate Place, Charlotte, North Carolina.

If you plan to attend the Annual Meeting, you will need to obtain an admission ticket and present photo identification. Instructions on how to obtain an admission ticket are set forth in the accompanying proxy statement under **How do I gain admission to the Annual Meeting?**

Important Notice Regarding the Availability of Proxy Materials

For the Annual Meeting of Stockholders to be Held on December 1, 2017

Premier, Inc.'s proxy statement on Schedule 14A, form of proxy or voting instruction card and 2017 Annual Report (including the 2017 Annual Report on Form 10-K) are available at www.proxyvote.com after entering the control number printed on your proxy or voting instruction card.

By order of the Board of Directors,

Anna-Marie Forrest

Corporate Secretary

October 18, 2017

Table of Contents

PREMIER, INC.

PROXY STATEMENT

TABLE OF CONTENTS

<u>INTRODUCTION</u>	1
<u>FREQUENTLY ASKED QUESTIONS</u>	1
<u>COMPANY INFORMATION AND MAILING ADDRESS</u>	10
<u>ITEMS OF BUSINESS REQUIRING YOUR VOTE</u>	11
<u>ITEM 1 ELECTION OF DIRECTORS</u>	11
<u>ITEM 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	19
<u>ITEM 3 APPROVAL OF A PROPOSAL TO INCREASE THE NON-EMPLOYEE DIRECTOR COMPENSATION LIMIT UNDER THE 2013 EQUITY INCENTIVE PLAN</u>	21
<u>ITEM 4 ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	31
<u>CORPORATE GOVERNANCE AND BOARD STRUCTURE</u>	33
<u>COMPENSATION OF DIRECTORS</u>	51
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	56
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	59
<u>RELATED PERSON TRANSACTIONS</u>	60
<u>EXECUTIVE COMPENSATION</u>	64
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	64
<u>COMPENSATION COMMITTEE REPORT</u>	97
<u>REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE</u>	99
<u>EXECUTIVE OFFICERS</u>	100
<u>OTHER BUSINESS</u>	103
<u>ANNUAL REPORT ON FORM 10-K</u>	103
<u>STOCKHOLDER PROPOSALS FOR 2018 ANNUAL MEETING OF STOCKHOLDERS</u>	104
<u>Amended and Restated Premier, Inc. 2013 Equity Incentive Plan</u>	A-1
<u>Fiscal Year 2017 Performance GAAP to non-GAAP Reconciliations</u>	B-1

Table of Contents

PREMIER, INC.

2017 PROXY STATEMENT

INTRODUCTION

The 2017 Annual Meeting of Stockholders (the Annual Meeting) of Premier, Inc., a Delaware corporation (Premier, we, us, our or the Company), will be held on Friday, December 1, 2017, beginning at 10:00 a.m., Eastern Standard Time, at our principal executive offices located at 13034 Ballantyne Corporate Place, Charlotte, North Carolina 28277. We encourage all of our stockholders to vote at or before the Annual Meeting, and we hope the information contained in this document will help you decide how you wish to vote.

FREQUENTLY ASKED QUESTIONS

What is the purpose of this proxy statement?

Our Board of Directors (the Board of Directors or Board) is (i) soliciting a proxy from each holder of our Class A common stock to vote on and (ii) requesting that voting instructions be provided by each holder of our Class B common stock to Wells Fargo Delaware Trust Company, N.A. with respect to, the items to be considered at the Annual Meeting, which will be held on December 1, 2017. Wells Fargo Delaware Trust Company, N.A. is the trustee (the Trustee) of the voting trust (the Class B Voting Trust) under the Voting Trust Agreement (the VTA) among Premier, Premier Healthcare Alliance, L.P. f/k/a Premier Purchasing Partners, L.P. (Premier LP), the holders of our Class B common stock and the Trustee. References herein to holders of our Class B common stock or similar phrases are to the beneficial owners of the Class B common stock held by the Trustee pursuant to the VTA. The Trustee is the sole record holder of our Class B common stock.

This proxy statement and related materials are first being sent to our stockholders on or about October 18, 2017.

Why did I receive a notice regarding the availability of proxy materials on the Internet?

Pursuant to the rules adopted by the U.S. Securities and Exchange Commission (the SEC), we are furnishing proxy materials to our stockholders primarily via the Internet rather than mailing paper copies of these materials to each stockholder. We believe that this process expedites stockholders receipt of the proxy materials, lowers the costs of the Annual Meeting and helps conserve natural resources. On or about October 18, 2017, we will mail to each stockholder (other than those stockholders who had previously requested electronic or paper delivery of the proxy materials) a Notice of Internet Availability of Proxy Materials containing instructions on how to access and review the proxy materials, including our proxy statement and annual report, on the Internet and how to access a proxy card (or voting instruction card in the case of holders of our Class B common stock) to vote on the Internet or by telephone. The Notice of Internet Availability of Proxy Materials also contains instructions on how to request a paper copy of the proxy materials. If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a paper copy of the proxy materials unless you request one. If you would like to receive a paper copy of the proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials. We may at our discretion voluntarily choose to mail or deliver a paper copy of the proxy materials, including our proxy statement and annual report, to one or more stockholders.

What items of business will be voted on at the Annual Meeting?

At the Annual Meeting, we will consider and act upon the following proposals:

1. The election of five Class I Directors to the Board of Directors to serve until our 2020 annual meeting of stockholders.

Table of Contents

2. The ratification of the appointment of Ernst & Young LLP (EY) to serve as our independent registered public accounting firm for our fiscal year 2018.
3. The approval of a proposal to increase the non-employee director compensation limit under the Amended and Restated Premier, Inc. 2013 Equity Incentive Plan, as amended (the 2013 EIP).
4. The approval, on an advisory basis, of the compensation of our named executive officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC.
5. The transaction of such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

Who is entitled to vote at the Annual Meeting?

Holdings of Class A common stock. Holders of our Class A common stock as of the record date of October 4, 2017 (the Record Date) are entitled to notice of and to vote at the Annual Meeting and any postponement or adjournment of the meeting.

Holdings of Class B common stock. The Trustee, as the record holder of the Class B common stock on the Record Date, is entitled to vote the Class B common stock at the Annual Meeting and any postponement or adjournment of the meeting. As provided in the VTA, beneficial owners of Class B common stock as of the Record Date are eligible to provide voting instructions to the Trustee with respect to their shares of Class B common stock. Beneficial owners of Class B common stock must provide voting instructions not later than 11:59 p.m. Eastern Standard Time, November 28, 2017 in order to be counted.

How will the Trustee vote the Class B common stock held in the Class B Voting Trust?

Based on the instructions of the beneficial owners of the Class B common stock and pursuant to the VTA, the Trustee will vote all of the Class B common stock as a block in the manner determined by the plurality of the votes timely received by the Trustee from such beneficial owners of Class B common stock for the election of directors to serve on our Board of Directors, and by a majority of the votes timely received by the Trustee from such beneficial owners of the Class B common stock for all other matters. In the event that the voting instructions provided by the beneficial owners of the Class B common stock result in a tie, the Trustee shall vote all Class B common shares held in the Class B Voting Trust based upon our written direction. In such case, we intend to instruct the Trustee to vote the Class B common shares in accordance with the recommendations of the Board of Directors on each matter as set forth in this proxy statement.

How does the Board of Directors recommend stockholders vote on the business of the Annual Meeting?

The Board of Directors recommends that stockholders vote their shares:

1. **FOR** the election of each of the five Class I Director nominees identified in this proxy statement.

Edgar Filing: Premier, Inc. - Form DEF 14A

2. **FOR** the ratification of the appointment of EY to serve as our independent registered public accounting firm for our fiscal year 2018.

 3. **FOR** the approval of a proposal to increase the non-employee director compensation limit under the 2013 EIP.

 4. **FOR** the approval of the compensation of our named executive officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC.
- With respect to any other matter that properly comes before the Annual Meeting, the proxy holders will vote in accordance with their judgment on such matter.

Table of Contents

How many shares can be voted at the Annual Meeting?

At the close of business on October 4, 2017, 53,561,358 shares of our Class A common stock and 86,067,478 shares of our Class B common stock were outstanding. Each share of Class A common stock and each share of Class B common stock is entitled to one vote. The Trustee of the Class B Voting Trust will vote all shares of Class B common stock as a block based on voting instructions from the beneficial owners of the Class B common stock (or pursuant to our written directions, in the event such instructions result in a tie), as described above.

How many shares must be present or represented at the Annual Meeting to constitute a quorum to conduct business?

Under our Amended and Restated Bylaws (the Bylaws), the holders of a majority of the voting power of our stock (Class A common stock and Class B common stock combined) issued and outstanding and entitled to vote at the Annual Meeting, present in person or represented by proxy at the Annual Meeting, constitute a quorum to conduct business at the Annual Meeting. Abstentions will be treated as present for purposes of determining a quorum. Regardless of how the beneficial owners of Class B common stock instruct the Trustee to vote their shares, under the VTA, all of the shares of Class B common stock held in the Class B Voting Trust will be counted as present for the purposes of establishing a quorum. Accordingly, regardless of the number of shares of Class A common stock voted, we expect to have a quorum established for the Annual Meeting.

What vote is required to approve each of the items of business?

Item 1 Election of directors. Directors will be elected by the holders of a plurality of the votes cast by the holders of Class A common stock and Class B common stock, voting together as one class, whether present in person or represented by proxy at the Annual Meeting, outstanding at the close of business on our Record Date and entitled to vote on the election of directors.

Item 2 Ratification of independent registered public accounting firm. The affirmative vote of the holders of a majority of the votes cast by the holders of Class A common stock and Class B common stock, voting together as one class, whether present in person or represented by proxy at the Annual Meeting, outstanding at the close of business on our Record Date and entitled to vote, is required to ratify EY as our independent registered public accounting firm.

Item 3 Approval of a proposal to increase the non-employee director compensation limit under the 2013 EIP. The affirmative vote of the holders of a majority of the votes cast by the holders of Class A common stock and Class B common stock, voting together as one class, whether present in person or represented by proxy at the Annual Meeting, outstanding at the close of business on our Record Date and entitled to vote, is required to approve the proposal to increase the non-employee director compensation limit under the 2013 EIP.

Item 4 Say-on-pay. Please note that the say-on-pay vote is only advisory in nature and has no binding effect on us or our Board of Directors. Our Board of Directors will consider Item 4 approved if the votes cast in favor of such proposal exceed the votes cast against such proposal.

Can Class B holders determine the outcome of the proposals?

As of the Record Date, our outstanding Class B common stock represented approximately 62% of our total outstanding shares of Class A common stock and Class B common stock combined. Accordingly, sufficient shares of Class B common stock are held in the Class B Voting Trust to determine the outcome of each item under consideration. Although the beneficial owners of our Class B common stock have not indicated how they will instruct

Edgar Filing: Premier, Inc. - Form DEF 14A

the Trustee to vote their shares of Class B common stock, under the VTA, so long as we are a controlled company under the NASDAQ stock market (NASDAQ) rules, beneficial owners of Class B

Table of Contents

common stock are required to use reasonable efforts to cause (i) the appointment or nomination of directors necessary to constitute the full Board of Directors; (ii) the election of at least three independent directors, including one who is an audit committee financial expert under the federal securities laws, and (iii) Premier to be in compliance with NASDAQ listing requirements. In the event that the voting instructions provided by the beneficial holders of the Class B common stock result in a tie, the Trustee shall vote all shares of Class B common stock held in the Class B Voting Trust based upon our written direction. In such case, we intend to instruct the Trustee to vote the shares of Class B common stock in accordance with the recommendations of the Board of Directors on each matter as set forth in this proxy statement.

In addition, according to the records of our transfer agent, as of the Record Date, certain holders of our Class B common stock also beneficially owned 2,595,857 shares of our Class A common stock, representing approximately 4.8% of our outstanding Class A common stock and representing approximately 1.9% of our total outstanding shares of Class A common stock and Class B common stock combined.

See [What effect do abstentions and broker non-votes have on the items of business?](#) for the effect of abstentions and broker non-votes on the required votes above.

What is the Class B common unit exchange process? Will it impact the Annual Meeting?

In connection with our reorganization and initial public offering (IPO), our member owners were issued Class B common units in Premier LP and an equivalent number of shares of our Class B common stock. Subject to the terms of the Exchange Agreement entered into as of September 25, 2013, and effective as of October 1, 2013, by and among us, Premier LP and its limited partners (the Exchange Agreement), each member owner has the cumulative right, subject to certain restrictions, commencing on October 31, 2014, and during each year thereafter, to exchange up to one-seventh of its initial allocation of Premier LP Class B common units, as well as any additional Premier LP Class B common units purchased by such member owner pursuant to certain rights of first refusal set forth in the Exchange Agreement, on a quarterly basis, for shares of our Class A common stock (on a one-for-one basis), cash or a combination of both, the form of consideration to be at the discretion of the Audit and Compliance Committee of our Board of Directors. For each Premier LP Class B common unit that is exchanged pursuant to the Exchange Agreement, the member owner will also surrender one corresponding share of Premier Class B common stock, which will automatically be retired.

As of the Record Date there were 86,067,478 Class B common units of Premier LP outstanding. On October 31, 2017, the next quarterly exchange date under the Exchange Agreement, 39,872,212 Class B common units of Premier LP will be eligible for exchange under the Exchange Agreement. Based on indicated participation in the October 31, 2017 Class B common unit exchange process, as of the Record date, a maximum of 3,651,294 Class B common units will be exchanged for shares of Class A common stock, cash, or a combination thereof, as determined by our Audit and Compliance Committee. Correspondingly, we expect 3,651,294 shares of Class B common stock to be removed from the Class B Voting Trust and retired. On or about October 31, 2017, we expect to file with the SEC a Current Report on Form 8-K regarding the final results of the October 31, 2017 exchange process.

Since the exchange date does not occur until October 31, 2017, which is after the Record Date, any shares of our Class A common stock issued in exchange for Class B common units will not be entitled to be voted at the Annual Meeting and, accordingly, will not have any impact on the outcome of the matters presented for approval. Upon retirement of shares of Class B common stock in connection with any Class B common unit exchange, the number of Class B common shares held in the Class B Voting Trust will also be reduced, and, since such Class B common shares will no longer be eligible to be voted by the Trustee, the Trustee will not include those ineligible shares in its determination of the vote to be made on behalf of the holders of Class B common stock at the Annual Meeting.

Edgar Filing: Premier, Inc. - Form DEF 14A

As previously noted, as of the Record Date, our outstanding Class B common stock represented approximately 62% of our total outstanding shares of Class A common stock and Class B common stock combined and, thus,

Table of Contents

can determine the outcome of each item under consideration. Following the completion of the exchange process, based on the discussion above, we expect the percentage of voting power represented by the then-outstanding Class B common stock to decrease to approximately 59% (assuming we settled the exchange solely with shares of Class A common stock) or approximately 61% (assuming we settled the exchange solely with cash). While we do not currently expect the Class B common unit exchange process to materially impact the Annual Meeting or the matters to be voted upon thereat, in the event that is not the case, we will provide updated soliciting material to our stockholders prior to the Annual Meeting.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Most of our Class A common stockholders hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholder of record. If your shares are registered directly in your name with our transfer agent, Wells Fargo Bank, N.A., you are considered, with respect to those shares, the stockholder of record, and we have made these proxy materials available to you over the Internet or have delivered paper copies of these materials to you by mail, in connection with the solicitation of proxies for the Annual Meeting. As the stockholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the meeting. We have enclosed a proxy card for you to use.

Beneficial owner. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your broker, bank or nominee which is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank or nominee on how to vote and are also invited to attend the meeting. However, because you are not the stockholder of record, you may not vote these shares in person at the meeting unless you obtain a signed proxy from the record holder giving you the right to vote the shares. Your broker, bank or nominee has enclosed or provided a voting instruction card for you to use in directing the broker, bank or nominee how to vote your shares. If you do not provide the stockholder of record with voting instructions, your shares will constitute broker non-votes. The effect of broker non-votes is more specifically described in *What effect do abstentions and broker non-votes have on the items of business?* below.

All of the Class B common stockholders are beneficial owners of the Class B common stock held in the Class B Voting Trust. The Trustee is the record holder of all of the shares of Class B common stock. Beneficial owners of Class B common stock will receive a voting instruction card that should be used to provide voting instructions to the Trustee.

How can I have my shares represented at the Annual Meeting?

Voting by Proxy or Returning Voting Instruction Card

Holders of Class A common stock may submit a proxy by:

following the instructions on your proxy card to vote by telephone or the Internet. These instructions can also be found at www.proxyvote.com. Your telephone or Internet proxy must be received no later than 11:59 p.m., Eastern Standard Time, on November 30, 2017; or

completing, signing, dating and returning the proxy card so that it is received prior to the Annual Meeting.

Table of Contents

David L. Klatsky and Michael J. Alkire (the proxy holders) have been designated by our Board of Directors to vote the shares represented by proxy at the Annual Meeting. Mr. Klatsky is the General Counsel of Premier, and Mr. Alkire is the Chief Operating Officer of Premier.

The proxy holders will vote the shares represented by your valid and timely received proxy in accordance with your instructions.

If you do not specify instructions on your proxy when you submit it, the proxy holders will vote the shares represented by the proxy in accordance with the recommendations of the Board of Directors on each item of business listed above.

If any other matter properly comes before the Annual Meeting, the proxy holders will vote the shares represented by proxy on that matter in their discretion.

Holders of Class B common stock may submit voting instructions by:

following the instructions on your voting instruction card to vote by telephone or the Internet. These instructions can also be found at www.proxyvote.com. Your telephone or Internet voting instructions must be received no later than 11:59 p.m., Eastern Standard Time, on November 28, 2017; or

completing, signing, dating and returning your voting instruction card so that it is received no later than 11:59 p.m., Eastern Standard Time, on November 28, 2017.

Holders of Class B common stock must vote their shares in accordance with the VTA. Holders of Class B common stock must return their voting instructions as indicated above in order to have their voting instructions considered by the Trustee. Pursuant to the VTA, the Trustee, as the record holder, will vote all of the Class B common stock as a block in the manner determined by the plurality of the votes timely received by the Trustee for the election of directors to serve on our Board of Directors, and by a majority of the votes timely received by the Trustee for all other matters. The Trustee may vote the Class B common stock in person or by proxy in a manner similar to the holders of our Class A common stock.

Attending the Meeting

While we encourage voting in advance by proxy, holders of Class A common stock also have the option of voting their shares in person at the Annual Meeting. Beneficial owners of Class B common stock may only vote their shares in accordance with the terms of the VTA and cannot vote their shares in person at the Annual Meeting (although they are invited and welcome to attend the Annual Meeting in person).

Shares of Class A common stock held directly in your name as the stockholder of record may be voted in person at the Annual Meeting. Submitting your proxy by telephone, by Internet or by mail will in no way limit your right to vote at the Annual Meeting if you later decide to attend in person.

Shares of Class A common stock held beneficially in street name may be voted in person by you only if you obtain a signed proxy from the record holder giving you the right to vote the shares. **Owners of shares of Class A common stock held in street name that expect to attend and vote at the meeting should contact their broker, bank or nominee as soon as possible to obtain the necessary proxy.**

Please see [How do I gain admission to the Annual Meeting?](#) below if you plan to attend the Annual Meeting in person.

Even if you currently plan to attend the Annual Meeting, we recommend that you also submit your proxy as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

Table of Contents

Can I change my vote or voting instructions, or revoke my proxy, after I return my proxy or voting instruction card?

Holders of Class A common stock. You may change your vote or revoke your proxy before your proxy is voted at the Annual Meeting by:

sending written notice to Anna-Marie Forrest, Corporate Secretary, Premier, Inc., 13034 Ballantyne Corporate Place, Charlotte, North Carolina, 28277, so long as your revocation is received by 11:59 p.m., Eastern Standard Time, on November 30, 2017;

submitting a proxy bearing a later date than the proxy being revoked to Vote Processing c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, NY 11717, so long as your later dated proxy is received by 11:59 p.m., Eastern Standard Time, on November 30, 2017;

voting again by telephone or the Internet by 11:59 p.m., Eastern Standard Time, on November 30, 2017; or

attending the Annual Meeting and voting in person.

Holders of Class B common stock. You may change your voting instructions before the Trustee votes on your behalf at the Annual Meeting by:

submitting voting instructions bearing a later date than the voting instructions being revoked to Vote Processing c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, NY 11717, so long as your later dated voting instructions are received by 11:59 p.m., Eastern Standard Time, on November 28, 2017; or

submitting your voting instructions again by telephone or the Internet by 11:59 p.m., Eastern Standard Time, on November 28, 2017.

What effect do abstentions and broker non-votes have on the items of business?

A broker non-vote occurs when a bank, broker or other nominee holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. If you are a beneficial owner of Class A common stock, your bank, broker or other nominee holder of record is permitted to vote your shares on the ratification of the independent registered public accounting firm even if the record holder does not receive voting instructions from you. Absent instructions from you, the record holder may not vote on any nondiscretionary matter, including a director election, an equity compensation plan, a matter relating to executive compensation or any stockholder proposal. In that case, without your voting instructions, a broker non-vote will occur. For all other matters, including the ratification of our independent registered public accounting firm, the record holder may vote at its discretion. You should consult your bank, broker or other nominee holder if you have questions about this. As indicated above, our Board of Directors will consider Item 4 approved if the votes cast in favor of such proposal exceed the votes cast against such proposal.

Accordingly, broker non-votes will not be counted as votes cast for or against Item 4 (say-on-pay).

An abstention will occur at the Annual Meeting if your shares of Class A common stock are deemed to be present at the Annual Meeting, either because you attend the Annual Meeting or because you have properly completed and returned a proxy, but you do not vote on any proposal or other matter which is required to be voted on by our stockholders at the Annual Meeting. An abstention on any of the items listed above will have the effect of a vote against that item, except for the election of directors and Item 4 (say-on-pay), in each case for which abstentions will not be counted.

The affirmative vote of at least a majority of our issued and outstanding shares present, in person or by proxy, and entitled to vote at the Annual Meeting will be required to approve any stockholder proposal validly presented

Table of Contents

at a meeting of stockholders. Under applicable Delaware law, in determining whether any stockholder proposal has received the requisite number of affirmative votes, abstentions will be counted and will have the same effect as a vote against any stockholder proposal, except for the election of any director nominee. Abstentions will have no effect on a vote to elect a director nominee, and broker non-votes will be ignored for all votes. There are no dissenters' rights of appraisal in connection with any stockholder vote to be taken at the Annual Meeting.

Shares of Class B common stock will be voted in accordance with the VTA. We do not expect any broker non-votes or abstentions at the Annual Meeting with respect to our Class B common stock.

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

Most likely, it means (i) your shares of Class A common stock are registered differently or are in more than one account or (ii) you own shares of both Class A and Class B common stock. Please provide voting instructions for all proxy and voting instruction cards you receive.

How do I gain admission to the Annual Meeting?

Attendance at the Annual Meeting is limited to Class A and Class B common stockholders as of the Record Date. Registration will begin at 9:15 a.m. Eastern Standard Time. **You will need to bring admission ticket and valid picture identification.** Cameras, recording devices and other electronic devices will not be permitted at the meeting. Additional rules of conduct regarding the meeting may be provided at the meeting.

To obtain an admission ticket in advance of the meeting, you must send a written request or email along with proof of ownership (such as your brokerage firm account statement, statement of holdings from our transfer agent or Voting Trust Certificate) to Investor Relations, Premier, Inc., 13034 Ballantyne Corporate Place, Charlotte, North Carolina, 28277 or annualmeeting@premierinc.com. Please bring photo identification with you for admittance to the meeting.

Who pays the cost of soliciting votes for the Annual Meeting?

We are making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials. If you choose to access the proxy materials or vote over the Internet, however, you are responsible for Internet access charges you may incur. In addition to the mailing of these proxy materials, when requested, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities. We will request banks, brokers, nominees, custodians and other fiduciaries who hold shares of our stock in street name to forward these proxy solicitation materials to the beneficial owners of those shares, and we will reimburse the reasonable out-of-pocket expenses they incur in doing so. At our discretion, we may engage a proxy solicitation firm to assist us with the solicitation process, for which we will bear the costs of any such engagement. We will also reimburse the Trustee for any reasonable expenses incurred in connection with the administration of its duties under the VTA in connection with the Annual Meeting.

Who will count the votes?

We have retained Broadridge Financial Solutions to tabulate the votes and serve as the independent inspector of election for the Annual Meeting.

Where can I find the voting results of the Annual Meeting?

Edgar Filing: Premier, Inc. - Form DEF 14A

We will publish the final results of the voting in a Current Report on Form 8-K within four business days of the Annual Meeting.

Table of Contents

Can I access the proxy statement and annual report on the Internet?

Yes. As noted above, we are furnishing our proxy materials to our stockholders via the Internet, except for those stockholders who have elected to receive paper copies. We highly recommend that you receive electronic delivery of Premier, Inc. proxy statements, annual reports and other stockholder communications. This helps reduce the use of paper and lowers our printing, postage and other costs. If you have previously requested paper copies of such materials, you can elect to receive electronic copies when you vote on the Internet.

This proxy statement, the form of proxy and voting instruction card and our Annual Report on Form 10-K for the fiscal year ended June 30, 2017 (the 2017 Form 10-K) are available at www.proxyvote.com. If you are a stockholder of record who has requested to receive paper copies of the proxy materials and would like to access future Company proxy statements and annual reports electronically instead of receiving paper copies in the mail, there are several ways to do this. You can mark the appropriate box on your proxy card or follow the instructions if you vote by telephone or the Internet. If you choose to access future proxy statements and annual reports on the Internet, you will receive a proxy card in the mail next year with instructions containing the Internet address for those materials. Your choice will remain in effect until you advise us otherwise. If you have Internet access, we hope you make this choice.

What is householding and how does it affect me?

Pursuant to SEC rules, we are permitted to deliver one copy of our Notice of Internet Availability of Proxy Materials, and our proxy materials for those who have elected paper copies, in a single envelope addressed to all stockholders who share a single address unless they have notified us they wish to opt out of the program known as householding. Under this procedure, stockholders of record who have the same address and last name receive only one copy of the Notice of Internet Availability of Proxy Materials or proxy materials. Householding is intended to reduce our printing and postage costs and material waste. WE WILL DELIVER A SEPARATE COPY OF THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS, AND PROXY MATERIALS IF APPLICABLE, PROMPTLY UPON WRITTEN OR ORAL REQUEST. You may request a separate copy by contacting our Corporate Secretary at 13034 Ballantyne Corporate Place, Charlotte, North Carolina, 28277, or by calling 1-704-816-4662.

If you are a beneficial stockholder and you choose not to have the aforementioned disclosure documents sent to a single household address as described above, you must opt-out by writing to: Broadridge Financial Solutions, Inc., Household Department, 51 Mercedes Way, Edgewood, New York 11717, or by calling 1-866-540-7095, and we will cease householding all such disclosure documents within 30 days. If we do not receive instructions to remove your account(s) from this service, your account(s) will continue to be householded until we notify you otherwise. If you are a beneficial stockholder and other stockholders with whom you share an address currently receive multiple copies of the aforementioned disclosure documents, or if you hold stock in more than one account and, in either case, you wish to receive only a single copy of the disclosure documents, please contact Broadridge Financial Solutions at the address or phone number above. If you own shares in nominee name (such as through a broker), information regarding householding of disclosure documents should have been forwarded to you by your broker.

Who should I contact if I have questions?

If you are a holder of our Class A or Class B common stock through a brokerage account or the Class B Voting Trust, as applicable, and you have any questions or need assistance in voting your shares, you should contact the broker or bank where you hold the account or the Trustee of the Class B Voting Trust, accordingly.

Edgar Filing: Premier, Inc. - Form DEF 14A

If you are a registered holder of our Class A common stock and you have any questions or need assistance in voting your shares, please call our Investor Relations department at 1-704-816-5958.

As an additional resource, the SEC website has a variety of information about the proxy voting process at www.sec.gov/spotlight/proxymatters.shtml.

Table of Contents

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROXY STATEMENT, AND, IF GIVEN OR MADE, SUCH INFORMATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. UNDER NO CIRCUMSTANCES DOES THE DELIVERY OF THIS PROXY STATEMENT CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN OUR AFFAIRS SINCE THE DATE OF THIS PROXY STATEMENT.

COMPANY INFORMATION AND MAILING ADDRESS

We were organized as a Delaware corporation in 2013 in connection with our reorganization and IPO. Our mailing address is Premier, Inc., 13034 Ballantyne Corporate Place, Charlotte, North Carolina, 28277, and our telephone number is 704-357-0022. Our website address is www.premierinc.com. References in this proxy statement to Premier, Company, we, us and our refer to Premier, Inc. and our consolidated subsidiaries, unless the context requires otherwise. References to PHSI refer to Premier Healthcare Solutions, Inc., and references to Premier Plans refer to Premier Plans, LLC, an affiliate of Premier that was merged into PHSI in 2013 in connection with our reorganization and IPO. Information on our website is not intended to be and shall not be deemed to be incorporated into this proxy statement.

Table of Contents

ITEMS OF BUSINESS REQUIRING YOUR VOTE

ITEM 1 ELECTION OF DIRECTORS

The Board is divided into three classes, each containing as nearly as possible an equal number of directors. The current term of office for our Class I Directors expires at the Annual Meeting, while the term for our Class II Directors expires at the 2018 annual meeting and the term for our Class III Directors expires at the 2019 annual meeting. Upon unanimous recommendation by the Nominating and Governance Committee of the Board of Directors, the Board proposes that the following nominees be elected for new terms of three years and until their successors are duly elected and qualified as Class I Directors: Eric J. Bieber, MD, Stephen R. D Arcy, William B. Downey, Philip A. Incarnati and Marc D. Miller. Each nominee has consented to serve if elected, and each nominee is currently a member of our Board of Directors. If any of them becomes unavailable to serve as a director, the Board may designate a substitute nominee. In that case, the persons named as proxy holders will vote for the substitute nominee designated by the Board.

Director Qualifications and Biographies

The Nominating and Governance Committee, consistent with the desires of the full Board, seeks to achieve a Board that represents a diverse mix of skills, perspectives, talents, backgrounds and education that will enhance our decision-making process, oversee management's execution of strategic objectives and represent the interests of all of our stockholders. Key factors considered in connection with the selection of director nominees are independence, critical thinking skills, practical wisdom and mature judgment in the decision-making process. Our Board composition reflects our commitment to include individuals from diverse backgrounds and with diverse experience, and the members of our Nominating and Governance Committee are mindful of that objective when they nominate directors for election. Our Board composition also reflects the Nominating and Governance Committee's determination as to the appropriate size of the Board to facilitate effective communication and cooperation.

Important information about our corporate governance practices, the responsibilities and functioning of the Board and its committees, director compensation and related person transactions is found elsewhere in this proxy statement. We encourage you to review this information in connection with your decisions on the election of the director nominees.

The information set forth below includes, with respect to each nominee and each continuing director, his or her age as of the Record Date, principal occupation and employment during the past five years, the year in which he or she first became one of our directors, and other public company directorships held by such person during the last five years. Further, the independence status of each nominee and each continuing director, as determined by the Board of Directors in accordance with the standards set forth in our Corporate Governance Guidelines and the listing standards of NASDAQ, is provided below. A director or director nominee designated below as a member-director is a director employed by a Premier stockholder hospital or health system or by a group affiliate or other non-provider organization affiliated with one or more Premier member facilities participating in our group purchasing program, which we refer to as our member owners, and, because of such relationship, is not deemed to be independent. Each of our directors also serves on the board of managers of Premier Services, LLC, a wholly-owned subsidiary of Premier and the general partner of Premier LP.

Table of Contents

In addition to the experience, qualifications, attributes and skills of each nominee and continuing director outlined below, which have led the Board to conclude that such person should serve as a member of the Board, our Board believes that each nominee and each continuing director has demonstrated broad-based business knowledge, outstanding achievement in his or her professional career, commitment to ethical and moral values, personal and professional integrity, sound business judgment and a commitment to corporate citizenship.

Directors Standing for Election**Nominees to Serve as Class I Directors until the 2020 Annual Meeting****Eric J. Bieber, MD****57****Member-Director**

Dr. Bieber has been a director of Premier since June 2015. Dr. Bieber has been the President and Chief Executive Officer of Rochester Regional Health System since November 2014. From 2010 until November 2014, he served in several roles at University Hospitals in Cleveland, Ohio, and most recently was the President of Community Hospitals West Region and President of University Hospitals Accountable Care Organizations. Prior to his time with University Hospitals, Dr. Bieber served in various positions with Geisinger Health Systems in Danville, Pennsylvania from 2001 to 2009, including Chief Medical Officer, Geisinger Wyoming Valley, and Chairman and Medical Director, Women's Health. Since May 2016, Dr. Bieber has served as a member of the board of governors of the Greater New York Hospital Association, Inc. Clinically, Dr. Bieber was an Obstetrician/Gynecologist and Reproductive Endocrinologist. Dr. Bieber received a bachelor's degree from Illinois Wesleyan University and his Doctor of Medicine Degree from Loyola University's Stritch School of Medicine. He also holds a master's degree in Microbiology from Illinois State University and a master's degree in Healthcare Management from Harvard University. We believe that Dr. Bieber's qualifications to serve on our Board include his approximately 31 years of experience in the healthcare industry, his strong background in healthcare and healthcare management and his leadership experience through his executive positions at large healthcare systems.

Committee Membership: Nominating and Governance Committee**Stephen R. D Arcy****62****Independent Director**

Mr. D Arcy has been a director of Premier since October 2013. Mr. D Arcy has served as a Partner of Quantum Group LLC, an investment and consulting firm, since 2010. Previously, he worked for PricewaterhouseCoopers LLP, a multinational professional services firm, for 34 years, serving most recently as Global Automotive Leader from 2002 to 2010. He served on the board of directors of Vanguard Health Systems Inc., a company previously listed on the New York Stock Exchange (NYSE), from 2011 to 2013. Since 2016, Mr. D Arcy has served as a director and audit committee member of the board of Navistar International Corporation, a NYSE-listed company. In addition, he serves on the boards of Penske Corporation and the Hudson-Webber Foundation and served as Non-Executive Chairman of the board of trustees of The Detroit Medical Center from 2006 to 2010. Mr. D Arcy obtained a bachelor's degree in Business Administration from the University of Michigan. We believe Mr. D Arcy's qualifications to serve on our Board of Directors include his strong financial, corporate accounting, business development and leadership experience through his various corporate positions, his current service on the audit committee of a publicly-traded company, his previous service as Chairman of the audit committee of a publicly-traded healthcare company and his service on the boards at several privately-held companies and enterprises.

Committee Memberships: Audit and Compliance Committee, Conflict Advisory Committee and Compensation Committee

William B. Downey

58

Member-Director

Mr. Downey has been a director of Premier since June 2015. Mr. Downey has been the President and CEO of Riverside Health System in Newport News, Virginia since January 2012. He served in various roles with

Table of Contents

Riverside Health System from 2001 to 2011, including Executive Vice President and Chief Operating Officer. Mr. Downey is a Fellow of the American College of Healthcare Executives. He currently serves on the boards of directors of Greater Peninsula NOW, where he serves as Chair, Virginia Chamber of Commerce, Jamestown/Yorktown Foundation, Inc. and United Way of the Virginia Peninsula and on the advisory board of TowneBank Peninsula. He just completed serving on the board of directors of An Achievable Dream. Mr. Downey received a bachelor's degree from James Madison University and a master's degree in Health Administration from Virginia Commonwealth University/Medical College of Virginia. We believe that Mr. Downey's qualifications to serve on our Board of Directors include his approximately 32 years of experience in the healthcare industry, his strong background in healthcare and healthcare management and his leadership experience through his executive positions at a large healthcare system.

Committee Membership: Nominating and Governance Committee

Philip A. Incarnati**63****Member-Director**

Mr. Incarnati has been a director of Premier since October 2013. Since 1989, Mr. Incarnati has served as the President and Chief Executive Officer of McLaren Health Care Corporation. Mr. Incarnati currently serves as a member of the boards of directors of Reliant Renal Care, Inc. and McLaren Health Care. Mr. Incarnati previously served as a member of the boards of directors of Anthelio HealthCare Solutions, Inc., King Pharmaceuticals, McKesson Corporation, Theragenics Corporation and the Medical Staffing Network, and as Chair of the Eastern Michigan University board of regents. Mr. Incarnati received his bachelor's degree and Master of Management and Finance from Eastern Michigan University. We believe Mr. Incarnati's qualifications to serve on our Board of Directors include his approximately 37 years of experience in the healthcare industry, his strong background in healthcare and healthcare management and his leadership experience through his executive positions at a large healthcare system.

Committee Membership: Finance Committee

Marc D. Miller**47****Member-Director**

Mr. Miller has been a director of Premier since August 2015. Mr. Miller has been the President of Universal Health Services, Inc., a NYSE-listed company, in King of Prussia, Pennsylvania since 2009. Prior to his current position, Mr. Miller served in various executive roles with Universal Health Services, as well as key positions with Central Montgomery Medical Center, Wellington Regional Medical Center, The George Washington University Hospital and Mayo Clinic. He has served on the board of directors of Universal Health Services since 2006 and on the board of trustees of Universal Health Realty Income Trust, a NYSE-listed company, since 2008. Mr. Miller received a bachelor's degree from the University of Vermont and a Master of Business Administration with a concentration in healthcare management and finance from The Wharton School at the University of Pennsylvania. We believe that Mr. Miller's qualifications to serve on our Board of Directors include his approximately 22 years of experience in the healthcare industry, his strong background in healthcare and healthcare management, his leadership experience through his executive positions at large healthcare systems and his public company experience.

Committee Membership: Compensation Committee

Board Recommendation

The Board of Directors unanimously recommends a vote FOR the election of each of the director nominees named above.

In accordance with the Board's recommendation, the proxy holders will vote the shares of Class A common stock covered by valid and timely received proxies **FOR** the election of each of the Class I director nominees set forth above, unless instructed otherwise. The Trustee will vote all of the Class B common stock as a block in the manner determined by the plurality of the votes timely received by the Trustee.

Table of Contents**Other Directors Not Standing for Election at this Meeting**

Directors who will continue to serve after the 2017 Annual Meeting are:

Class II Directors with Terms Expiring at the 2018 Annual Meeting**Barclay E. Berdan****64****Member-Director**

Mr. Berdan has been a director of Premier since December 2015. Mr. Berdan has been the Chief Executive Officer of Texas Health Resources since 2014. Prior to his current position, Mr. Berdan served in various executive roles with Texas Health Resources since 1986, including Chief Operating Officer, Senior Executive Vice President, President of Texas Health Harris Methodist Fort Worth and Vice President of Harris Methodist Southwest Hospital Fort Worth. He previously held leadership and administrative positions with American Medical International, Inc., Northwestern Memorial Hospital and Jackson Park Hospital. Mr. Berdan is a Fellow of the American College of Healthcare Executives and received the Texas Hospital Association's 2013 Earl M. Collier Award for Distinguished Healthcare Administrator. He serves on the executive committee of the Healthcare Leadership Council and as chair of the American Excess Insurance Exchange Risk Retention Group. He served as chair of the 2016-17 United Way Campaign of Tarrant County, Texas and as past Chair of the Texas Association of Volunteer Hospitals, the American Heart Association of Tarrant County and the Texas Hospital Association. Mr. Berdan received a bachelor's degree from Texas Christian University and a Master of Business Administration with a specialization in hospital administration from the University of Chicago. We believe that Mr. Berdan's qualifications to serve on our Board of Directors include his approximately 41 years of experience in the healthcare industry, his strong background in healthcare and healthcare management and his leadership experience through his executive positions at large healthcare systems.

Committee Membership: Finance Committee

William E. Mayer**77****Independent Director**

Mr. Mayer has served as a member of the Board of Directors of Premier since May 2013 and was a member of the board of directors of PHSI and the board of managers of Premier Plans from 1997 to 2013. Since 1999, Mr. Mayer has served as a partner and founder of Park Avenue Equity Partners in New York. Mr. Mayer currently serves as a member of the boards of directors of BlackRock Capital Investment Corporation, a NASDAQ-listed company, Lee Enterprises, Incorporated, a NYSE-listed company, and Rosehill Resources, Inc., a NASDAQ-listed company. During his extensive career, Mr. Mayer has been a member of the boards of directors of numerous other publicly-traded and privately held companies. Mr. Mayer currently serves on the executive committee (and was the Chairman from 2000 to 2008) of the board of trustees of the Aspen Institute. He also serves as a member of the board of advisors of Miller Buckfire & Co., the Rubin Museum and the Atlantic Council. Mr. Mayer also serves as a member of the board of governors at the Pardee RAND Graduate School, as a member of the Council on Foreign Relations and as the Vice Chairman of the Middle East Investment Initiative. Mr. Mayer was named to the 2013 National Association of Corporate Directors, which honors leaders in corporate governance and in the boardroom. He obtained his bachelor's degree and Master of Business Administration from the University of Maryland. We believe Mr. Mayer's qualifications to serve on our Board of Directors include his approximately 32 years of experience in financial and senior executive positions and his experience serving on the boards of several other publicly-traded companies.

Committee Memberships: Compensation Committee (Chair), Finance Committee and Member Agreement Review Committee (Chair)

Table of Contents

Scott Reiner	53	Member-Director
---------------------	-----------	------------------------

Mr. Reiner has been a director of Premier since December 2015. Since 2014, Mr. Reiner has been the Chief Executive Officer of Adventist Health, a hospital system serving more than 75 communities in California, Oregon, Washington and Hawaii. Mr. Reiner previously served in various executive roles with Adventist Health, including Executive Vice President and Chief Operating Officer from 2011 to 2014 and Senior Vice President from 2007 to 2011. Prior to Adventist Health, he served as President and Chief Executive Officer of Glendale Adventist Medical Center and served in executive positions with General Health System, Tennessee Christian Medical Center and Affiliated Physicians Medical Group. Mr. Reiner serves on the boards of directors of Adventist Health, California Hospital Association, Loma Linda University Health and Loma Linda University Medical Center and previously served on the board of directors of American Hospital Association Region Nine. He is a registered nurse and received a bachelor's degree from Pacific Union College, a Master of Science in Health Administration from California State University, Northridge and a Certificate in Managed Care Administration from the University of Missouri. We believe that Mr. Reiner's qualifications to serve on our Board of Directors include his approximately 29 years of experience in the healthcare industry, his strong background in healthcare and healthcare management and his leadership experience through his executive positions at large healthcare systems.

Committee Membership: Nominating and Governance Committee

Terry D. Shaw	55	Member-Director
----------------------	-----------	------------------------

Mr. Shaw has served as a member of the Board of Directors of Premier since May 2013 and has served as the Vice Chairman of the Board of Directors of Premier since July 2015. Mr. Shaw was a member of the board of directors of PHSI and the board of managers of Premier Plans from 2012 to 2013. Since 2017, Mr. Shaw has served as the Chief Executive Officer of Adventist Health System, a nine-state health system headquartered in Florida. Prior to that position, he served Adventist Health System from 2000 to 2010 as the Senior Vice President and Chief Financial Officer and from 2010 to 2017 as Executive Vice President, Chief Financial Officer and Chief Operations Officer. Mr. Shaw is currently a member of the Hospital Financial Management Association, the Texas State Board of Public Accountancy, the American College of Healthcare Executives and several other professional and service organizations. Mr. Shaw currently serves as a member of the boards of directors of Centura Health, Florida Hospital and Adventist Health System. Mr. Shaw obtained a bachelor's degree from Southern Adventist University and his Master of Business Administration from the University of Central Florida. We believe Mr. Shaw's qualifications to serve on our Board of Directors include his approximately 21 years of experience in the healthcare industry, his strong background in healthcare and healthcare management and his leadership experience through his executive positions at a large healthcare system.

Committee Memberships: Nominating and Governance Committee (Chair) and Finance Committee

Richard J. Statuto	60	Member-Director
---------------------------	-----------	------------------------

Mr. Statuto has served as a member and Chairman of the Board of Directors of Premier since May 2013. He was a member of the board of directors of PHSI and the board of managers of Premier Plans from 2011 to 2013. Since 2005, Mr. Statuto has served as the President and Chief Executive Officer of Bon Secours Health System, which has more than 30 facilities in seven states in the eastern United States. He served as President and Chief Executive Officer of St. Joseph Health System from 1995 to 2004. Mr. Statuto currently serves as a member of the boards of directors of the Catholic Medical Mission Board and the Innovation Institute. Mr. Statuto previously served as a member of the board of directors of Kmart Corporation, as Chairman of the board of directors of Catholic Health Association and as Vice

Chairman of the board of directors of Christus Health System. Mr. Statuto received his bachelor's degree in chemical engineering from Vanderbilt University and his Master of Business Administration from Xavier University. We believe Mr. Statuto's qualifications to serve on our Board of Directors include his approximately 32 years of experience in the healthcare industry, his strong

Table of Contents

background in healthcare and healthcare management and his leadership experience through his executive positions at large healthcare systems.

Committee Memberships: Compensation Committee and Finance Committee

Ellen C. Wolf	63	Independent Director
----------------------	-----------	-----------------------------

Ms. Wolf has been a director of Premier since October 2013. Ms. Wolf served as Senior Vice President and Chief Financial Officer of American Water Works Company, Inc., the largest investor-owned U.S. water and wastewater company, from 2006 until 2013. She served as Senior Vice President and Chief Financial Officer of USEC, Inc. beginning in 2003 and as Vice President and Chief Financial Officer of American Water Works from 1999 to 2003. Prior to that, since beginning her career in 1979, Ms. Wolf held various positions with increasing responsibility in corporate accounting, finance and business development. She has served as a director of Connecticut Water, a NASDAQ-listed company, since 2015, as a director and Chair of the audit committee of InfraREIT, L.L.C., a NYSE-listed company, since 2014, and previously as a director of Airgas, Inc., a NYSE-listed company, from 2008 to May 2016. Ms. Wolf also serves on the board of the Philadelphia Zoo. Ms. Wolf obtained a bachelor's degree from Duke University and a Master of Business Administration from the University of Pennsylvania. We believe that Ms. Wolf's qualifications to serve on our Board of Directors include her strong financial, corporate accounting, business development and leadership experience through her corporate senior executive positions, her service on the audit committee of another publicly-traded company and her prior service on the audit and compensation committees of a privately-held company.

Committee Memberships: Audit and Compliance Committee (Chair), Conflict Advisory Committee, Nominating and Governance Committee and Member Agreement Review Committee

Class III Directors with Terms Expiring at the 2019 Annual Meeting

Susan D. DeVore	58	Employee-Director
------------------------	-----------	--------------------------

Ms. DeVore has served as the President and Chief Executive Officer and as a member of the Board of Directors of Premier since May 2013. She has served in the same positions at PHSI and the general partner of Premier LP and also as a member of the board of directors of PHSI since 2009. She also served as a member of the board of managers of Premier Plans from 2009 to 2013. Ms. DeVore served as the Chief Operating Officer of PHSI from 2006 to 2009 and as the Chief Operating Officer for a number of other Premier entities from 2007 to 2009. Ms. DeVore's previous executive experience includes over 20 years at Ernst & Young LLP, where she served as a Senior Healthcare Industry Management Practice Leader. Ms. DeVore also serves as a member of the board of directors or as a member of the following non-profit and state-based organizations: Healthcare Leadership Council, Coalition to Protect America's Healthcare, Medicare Rights Center, Charlotte Chamber of Commerce, the Institute of Medicine Roundtable on Value and Science Driven Healthcare and UNC Charlotte. Ms. DeVore also serves as a board member and member of the audit and finance committees of Adventist Health System. Ms. DeVore obtained a bachelor's degree from the University of North Carolina at Charlotte and a Master of Management from McGill University. We believe Ms. DeVore's qualifications to serve on our Board of Directors include her approximately 32 years of experience in senior positions involving hospital strategy, large-scale operations transformation, quality improvement and financial management.

Committee Membership: Member Agreement Review Committee

Jody R. Davids

61

Independent Director

Ms. Davids has been a director of Premier since January 2015. Since April 2016, Ms. Davids has been the Senior Vice President and Global Chief Information Officer of PepsiCo, Inc., a NYSE-listed company that has a global portfolio of food and beverage brands. From April 2014 to April 2016, Ms. Davids served as the Chief Information

Table of Contents

Officer of Agrium, Inc., a NYSE-listed company and Toronto Stock Exchange-listed company that is a global producer and marketer of nutrients for agricultural and industrial markets. From December 2013 to April 2014, Ms. Davids served as a management consultant to Agrium, providing information technology consulting services specializing in technology and organizational strategy. From 2010 to 2013, Ms. Davids was the Senior Vice President, Global Business Services and Chief Information Officer for Best Buy, Inc., a NYSE-listed company. From 2000 to 2009, Ms. Davids was with Cardinal Health, Inc., a NYSE-listed company, in various capacities including as the Executive Vice President, Global Shared Services and Chief Information Officer from 2007 to 2009 and the Executive Vice President and Chief Information Officer from 2003 to 2007. Ms. Davids obtained a bachelor's degree and a Master of Business Administration from San Jose State University. We believe that Ms. Davids' qualifications to serve on our Board of Directors include her strong background in information technology, supply chain, logistics and distribution experience and her leadership experience through her corporate senior executive positions of other publicly-traded companies.

Committee Memberships: Audit and Compliance Committee and Conflict Advisory Committee

Peter S. Fine**65****Member-Director**

Mr. Fine has been a director of Premier since October 2013. He served previously on the board of directors of PHSI from 2003 through 2009. Since 2000, Mr. Fine has served as the President and Chief Executive Officer of Banner Health. Mr. Fine also currently serves as a member of the board of directors of Banner Health. In addition, he previously served on the boards of directors of Accuray Incorporated and the Translational Genomics Research Institute and as member of the Heard Museum board of trustees. Mr. Fine received his bachelor's degree from Ohio University and Master of Arts in Healthcare Administration from George Washington University. We believe Mr. Fine's qualifications to serve on our Board of Directors include his approximately 39 years of experience in the healthcare industry, his strong background in healthcare and healthcare management and his leadership experience through his executive positions at a large healthcare system.

Committee Membership: Finance Committee (Chair)

David H. Langstaff**63****Independent Director**

Mr. Langstaff has been a director of Premier since September 2016. Mr. Langstaff has served as the President of Argotyche, Inc., a consulting and advisory services company, since 2013. He has also served as Chairman of the Board of Directors of Protagonist Technology (previously Monitor 360), a narrative analytics and strategy company, since 2015; as Chairman of the Proxy Board of MorphoTrust, a biometric identification company, since 2016; and as President of Higher Ground LLC since 2008. Mr. Langstaff served as a member of the Board of Directors of TASC, Inc., a defense contractor, from 2009 to 2013, as Chairman from 2009 to 2011, and as President and Chief Executive Officer from 2011 to 2013. Prior to TASC, Mr. Langstaff was founder, President and Chief Executive Officer and a director of Veridian Corporation, a NYSE-listed company specializing in mission-critical national security programs, from 1995 until 2003, and Chief Executive Officer and Co-Chairman of The Olive Group, a global integrated security company, from 2006 until 2007. He served on the Board of Directors of SRA International (now known as CSRA Inc.), a NYSE-listed company, from 2004 to 2010 and on the Board of Directors of QinetiQ Group PLC, a company listed on the London Stock Exchange, from 2009 to 2011. Mr. Langstaff also serves on the Defense Business Board, which provides independent advice to the Secretary and Deputy Secretary of Defense, and has been associated with The Aspen Institute since 1998, serving as Chair of the Advisory Board of the Business and Society Program since 2006 and as a Senior Moderator of the Aspen Global Leadership Network since 2010. Mr. Langstaff obtained a

bachelor's degree, cum laude, and a Master of Business Administration from Harvard University. We believe that Mr. Langstaff's qualifications to serve on the Company's Board include his strong background serving as senior executive of a variety of technology companies and his prior board and committee service with other publicly-traded companies.

Committee Memberships: Audit and Compliance Committee, Conflict Advisory Committee and Member Agreement Review Committee

Table of Contents

Marvin R. O Quinn	65	Member-Director
--------------------------	-----------	------------------------

Mr. O Quinn has been a director of Premier since August 2015. Mr. O Quinn has been the Senior Executive Vice President and Chief Operating Officer of Dignity Health in San Francisco, California since 2009. Prior to joining Dignity Health, Mr. O Quinn served as President and Chief Executive Officer of Jackson Health System in Miami, Florida. Before assuming his role at Jackson Health System, Mr. O Quinn served as Executive Vice President and Chief Operating Officer of Atlantic Health System in Florham Park, New Jersey and held executive positions with New York Presbyterian Health System, Providence Medical Center and Providence Milwaukee Hospital in Portland, Oregon. Additionally, he has held key positions with other hospitals and medical centers in Portland, Fresno and Seattle. He holds board appointments with Charles Drew University of Medicine and Science (Chairman), PriMed/Hill Physicians, Francisco Partners and Ministry Leadership Center. Mr. O Quinn received a bachelor's degree and a Master of Health Administration from the University of Washington. We believe that Mr. O Quinn's qualifications to serve on our Board of Directors include his approximately 38 years of experience in the healthcare industry, his strong background in healthcare and healthcare management and his leadership experience through his executive positions at large healthcare systems.

Committee Membership: Nominating and Governance Committee

There are no family relationships between any of our executive officers, directors and director nominees. The business address of each of our directors and director nominees is 13034 Ballantyne Corporate Place, Charlotte, NC 28277

Table of Contents

**ITEM 2 RATIFICATION OF APPOINTMENT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Appointment of Ernst & Young LLP

In accordance with its charter, the Audit and Compliance Committee selected the firm of Ernst & Young LLP (EY) to be our independent registered public accounting firm for the fiscal year 2018 audit period and, with the endorsement of the Board of Directors, recommends to our stockholders that they ratify that appointment. The Audit and Compliance Committee will reconsider the appointment of EY for the next audit period if such appointment is not ratified. Representatives of EY are expected to attend the Annual Meeting, will have the opportunity to make a statement if they desire and are expected to be available to respond to appropriate questions.

The Audit and Compliance Committee recognizes the importance of maintaining the independence of our independent registered public accounting firm, both in fact and appearance. Consistent with its charter, the Audit and Compliance Committee has evaluated EY's qualifications, performance and independence, including that of the lead audit partner. The Audit and Compliance Committee reviews and approves, in advance, the audit scope, the types of non-audit services, if any, and the estimated fees for each category for the coming year. For each category of proposed service, EY is required to confirm that the provision of such services does not impair its independence. Before selecting EY, the Audit and Compliance Committee carefully considered that firm's qualifications as an independent registered public accounting firm. This included a review of its performance in prior years, as well as its reputation for integrity and competence in the fields of accounting and auditing. The Audit and Compliance Committee has expressed its satisfaction with EY in all of these respects. The Audit and Compliance Committee's review included inquiry concerning any litigation involving EY and any proceedings by the SEC against the firm, if any. In this respect, the Audit and Compliance Committee has concluded that the ability of EY to perform services for Premier is in no way adversely affected by any such investigation or litigation.

Audit and Compliance Committee Pre-Approval of Accounting Services

The Audit and Compliance Committee of our Board of Directors is responsible for the appointment, oversight and evaluation of our independent registered public accounting firm. In accordance with our Audit and Compliance Committee's charter, our Audit and Compliance Committee must approve, in advance of the service, all audit and permissible non-audit services provided by our independent registered public accounting firm. Our independent registered public accounting firm may not be retained to perform the non-audit services specified in Section 10A(g) of the Securities Exchange Act of 1934, as amended (the Exchange Act). The Audit and Compliance Committee has concluded that provision of the non-audit services described in that section is not compatible with maintaining the independence of EY.

The Audit and Compliance Committee has established a policy regarding pre-approval of audit and permissible non-audit services provided by our independent registered public accounting firm, as well as all engagement fees and terms for our independent registered public accounting firm. Under the policy, the Audit and Compliance Committee must approve the services to be rendered and fees to be charged by our independent registered public accounting firm. Typically, the Audit and Compliance Committee approves services up to a specific amount of fees. The Audit and Compliance Committee must then approve, in advance, any services or fees exceeding those pre-approved levels, subject to the *de minimis* exception set forth in Section 10A(i)(1)(B) of the Exchange Act. The Audit and Compliance Committee may delegate general pre-approval authority to a subcommittee of which the chairman of the Audit and Compliance Committee is a member. All requests or applications for services to be provided by our independent registered public accounting firm must be submitted to specified officers who may determine whether such services

are included within the list of pre-approved services. All requests for services that have not been pre-approved must be accompanied by a statement that the request is consistent with the independent registered public accounting firm's independence from Premier.

Table of Contents**Principal Accounting Fees and Services**

The following table presents the fees billed to Premier and its subsidiaries for services rendered by EY for the fiscal years ended June 30, 2017 and 2016.

	FY 2017	FY 2016
	(in thousands)	
Audit Fees(1)	\$ 3,845	\$ 2,934
Audit-Related Fees(2)	704	612
Tax Fees(3)	147	195
Total(4)	\$ 4,696	\$ 3,741

- (1) Represents audit fees billed in each of fiscal years 2017 and 2016. Audit fees in fiscal years 2017 and 2016 include the audit of our consolidated financial statements, the audit of our internal control over financial reporting, issuances of comfort letters and consents for securities offerings (in fiscal 2016 only), and services provided in connection with the review of our quarterly condensed consolidated financial statements included in our SEC filings.
- (2) Represents audit-related fees billed in each of fiscal years 2017 and 2016. Audit-related fees in fiscal years 2017 and 2016 principally related to professional services in connection with financial due diligence, internal controls and other services that are traditionally performed by our independent registered public accounting firm.
- (3) Represents tax fees billed in each of fiscal years 2017 and 2016. Tax fees in fiscal years 2017 and 2016 principally related to domestic tax compliance and other tax-related consulting services.
- (4) In fiscal years 2017 and 2016, EY did not provide any products or services that would be required to be disclosed under all other fees in the table above. In fiscal years 2017 and 2016, the Audit and Compliance Committee did not approve any services or fees pursuant to the *de minimis* exception set forth in Section 10A(i)(1)(B) of the Exchange Act.

Board Recommendation

The Board of Directors unanimously recommends a vote FOR the ratification of the appointment of EY to serve as our independent registered public accounting firm for our fiscal year ending June 30, 2018.

In accordance with the Board's recommendation, the proxy holders will vote the shares of Class A common stock covered by valid and timely received proxies **FOR** the ratification of the appointment of EY to serve as our independent registered public accounting firm for our fiscal year ending June 30, 2018, unless instructed otherwise. The Trustee will vote all of the Class B common stock as a block in the manner determined by the majority of the votes timely received by the Trustee.

Table of Contents

**ITEM 3 APPROVAL OF A PROPOSAL TO INCREASE THE NON-EMPLOYEE
DIRECTOR COMPENSATION LIMIT UNDER THE 2013 EQUITY INCENTIVE PLAN**

General

On September 28, 2017, our Board approved an amendment to our 2013 Equity Incentive Plan, as amended and restated effective December 4, 2015, as further amended effective August 11, 2016 (the "2013 EIP"), to increase the current non-employee director compensation limit from \$250,000 to \$500,000, subject to stockholder approval. The increased limit would include, in the aggregate, (i) the amount of cash and equity grants that could be awarded to non-employee directors during a calendar year and (ii) cash compensation, including cash retainers and meeting fees earned during a calendar year. We are requesting that stockholders approve this increase to the current non-employee director compensation limit.

We are not requesting stockholders to approve an increase in the number of shares available for awards under the 2013 EIP. If this proposal is approved, we will be able to provide equity awards under the 2013 EIP and cash compensation with a value greater than \$250,000 but not exceeding \$500,000 for the 2017 calendar year and thereafter. If this proposal is not approved by stockholders, we will be unable to provide any equity awards under the 2013 EIP and cash compensation in excess of \$250,000, which will require us to limit amounts that would have otherwise been payable under our director compensation program.

Reasons for the Proposal

Based on our review of market data from the Compensation Committee's independent compensation consultant, we believe that the proposed increase is reasonable and in line with compensation practices at our peer companies. As previously disclosed, our new director compensation program, which became effective on January 1, 2017, was adopted after a review of market and peer group practices and with the input and advice of the Compensation Committee's independent compensation consultant. We believe the proposed increase in the non-employee director compensation limit is necessary in order to implement these changes to our director compensation program. We are not increasing amounts payable to our non-employee directors under our director compensation program, as set forth below under the heading "Compensation of Directors."

We are not requesting approval for any change in the manner in which we apply compensation against this limit. Equity awards will be counted against this limit based on their grant date fair value, as determined by us for financial reporting purposes. Cash compensation means cash retainers, meeting fees and cash awards paid to certain member-directors in lieu of equity awards under the 2013 EIP, but not expense reimbursements related to service as a director.

Description of the Proposed Amendment and Other 2013 EIP Terms

The following is a summary of the material terms of the 2013 EIP as amended and restated. Such description is qualified by reference to the full text of the 2013 EIP as amended and restated, which is appended hereto as **Appendix A**. Changes to the 2013 EIP in the amendment and restatement are marked in **Appendix A**.

Text of Proposed Amendment

If approved by stockholders, the existing first sentence of Section 3.1(b) of the 2013 EIP would be replaced with the sentence below as follows:

Edgar Filing: Premier, Inc. - Form DEF 14A

Current 2013 EIP: The aggregate value of Awards granted to, and cash compensation earned by, a Non-Employee Director during a single calendar year shall not exceed \$250,000.

Amended 2013 EIP: The aggregate value of Awards granted to, and cash compensation earned by, a Non-Employee Director during a single calendar year shall not exceed \$500,000.

No other changes are being proposed at this time.

Table of Contents

2013 EIP Purpose

The purposes of the 2013 EIP are to attract and retain employees, directors and consultants who will provide services to us, our subsidiaries and our affiliates and to provide such persons with incentives and rewards for superior performance. To accomplish these purposes, the 2013 EIP provides for the issuance of stock options, stock appreciation rights, restricted stock, restricted stock units, performance share awards, performance units, other equity-based awards and cash-based awards.

Administration

The 2013 EIP is administered by the Compensation Committee of the Board of Directors. Our Compensation Committee determines who receives awards under the 2013 EIP, the number of shares of stock, share units and/or dollars covered by such award and the terms and conditions of each award. Within the terms of the 2013 EIP, our Compensation Committee may accelerate the vesting of any award and modify, cancel or substitute any awards. In addition, our Compensation Committee interprets the 2013 EIP and may adopt any administrative rules, regulations, procedures and guidelines governing the 2013 EIP or any awards granted under the 2013 EIP as it deems to be appropriate. Our Compensation Committee may delegate to any subcommittee of our Board of Directors the authority to make awards or to our Chief Executive Officer the authority to make awards to employees who are not executive officers.

Available Shares

At the time we established the 2013 EIP, we reserved 11,260,783 shares of our Class A common stock for issuance under the 2013 EIP. As of June 30 and September 30, 2017, there were 4,605,246 shares and 3,483,221 shares, respectively, remaining available for issuance under the 2013 EIP. These shares may be shares of original issuance, shares held in treasury or shares that have been reacquired by us. The number of our shares of Class A common stock authorized for grant under the 2013 EIP is subject to adjustment, as described below. Awards that are to be settled by issuing shares are only counted against the number of shares available under the 2013 EIP to the extent shares are actually issued under those awards. Shares withheld to satisfy tax withholding obligations or tendered to pay the exercise price of an option under the 2013 EIP and shares repurchased on the open market with the proceeds of an option exercise shall again be available for grant under the 2013 EIP.

Director Compensation

The aggregate value of equity awards granted to, and cash compensation earned by, any individual non-employee director during any calendar year may not exceed \$500,000. The value of equity granted to a non-employee director is determined as of the grant date. With respect to stock options and stock appreciation rights, the equity value is determined based on the pricing model we use to report our financial results and assumptions set forth in the our SEC filings. With respect to other equity awards, the equity value is the fair market value of a share of our Class A common stock as of the grant date.

Eligibility for Participation; Minimum Vesting and Performance Period

Our Compensation Committee may grant awards to employees and consultants; provided, however, only employees shall be eligible to receive incentive stock options (ISOs). Our Board of Directors may grant awards to non-employee directors. As of September 30, 2017, approximately 400 employees and non-employee directors were eligible to receive awards under the 2013 EIP; additional employees may receive awards at the discretion of the Chief Executive Officer. In general, awards granted to employees, other than stock options and stock appreciation rights, vest no more

rapidly than pro rata over a three-year period, and awards granted to employees that are intended to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986 (the Code) have a minimum performance period of 12 months.

Table of Contents

Award Agreement

Awards granted under the 2013 EIP will be evidenced by award agreements, which need not be identical, that provide additional terms, conditions, restrictions and/or limitations covering the grant of the award, including, without limitation, additional terms providing for the acceleration of exercisability or vesting of awards in the event of a change of control or conditions regarding the participant's employment, as determined by the Compensation Committee in its sole discretion.

Nonqualified Stock Options

An award of a nonqualified stock option grants a participant the right to purchase a certain number of shares of our Class A common stock during a specified term in the future, after a vesting period, at an exercise price equal to at least 100% of the fair market value of a share of our Class A common stock on the grant date. The term of a nonqualified stock option may not exceed 10 years from the date of grant. The exercise price may be paid, in the Compensation Committee's sole discretion, with cash or check, shares of our Class A common stock already owned by the participant, a reduction in shares issuable upon exercise which have a value equal to the exercise price, to the extent permitted by law, with proceeds from a sale of shares from broker-assisted cashless exercise, any other consideration deemed appropriate by the Compensation Committee or any combination of the foregoing, in each case as permitted by the Compensation Committee. A nonqualified stock option is an option that does not meet the qualifications of an ISO, as provided in Section 422 of the Code and summarized in part below.

Incentive Stock Options

An ISO is a stock option that meets the requirements of Section 422 of the Code, which include that the option have an exercise price of no less than 100% of fair market value of a share of our Class A common stock on the grant date, have a term of no more than 10 years and be granted from a plan that has been approved by stockholders.

Stock Appreciation Rights

A stock appreciation right (SAR) entitles the participant to receive a percentage (up to 100%) of the difference between the fair market value of our Class A common stock on the exercise date and the exercise price of the SAR, multiplied by the number of shares subject to the SAR. Payment to a participant upon the exercise of an SAR may be in cash or shares of our Class A common stock. No SAR may be exercised more than 10 years from the date of grant.

Restricted Stock

A restricted stock award is an award of outstanding shares of our Class A common stock that does not vest until after a specified period of time, or satisfaction of other vesting conditions as determined by our Compensation Committee, and which may be forfeited if conditions to vesting are not met. Participants generally receive dividend payments on the shares subject to their award during the vesting period (unless the awards are subject to performance-vesting criteria) and are also generally entitled to vote the shares underlying their awards.

Restricted Stock Units

A restricted stock unit is an award denominated and settled in shares of our Class A common stock, subject to terms and conditions determined by our Compensation Committee. Participants do not have voting rights, but our Compensation Committee may authorize the payment of dividend equivalent payments on a current, deferred or contingent basis.

Table of Contents

Other Stock-Based Awards

The 2013 EIP provides our Compensation Committee the discretion to grant other awards payable in shares, such as deferred stock units and unrestricted shares. In the event of such an award, the Compensation Committee would determine the terms and conditions of such award, including any vesting criteria applicable thereto.

Cash-Based Awards

A cash-based award is a cash-denominated award which the Compensation Committee may grant to participants, subject to conditions determined by the Compensation Committee, which conditions may include the achievement of individual or company performance objectives. Each cash-based award will specify a payment amount, formula or payment ranges as determined by the Compensation Committee. Payment with respect to any cash-based award shall be made in cash.

Performance Share Awards

The 2013 EIP authorizes our Compensation Committee to grant performance share awards, which may be payable in shares, share units or cash. Performance share awards vest and become payable upon the achievement of performance objectives within a period of time specified by our Compensation Committee. No dividend equivalents shall be made with respect to any performance share award. Performance share awards may be subject to the achievement of specified performance objectives. Performance objectives may be described in terms of company-wide objectives or objectives that are related to the performance of the individual participant or a subsidiary, division, department or function within our company or a subsidiary of ours in which the participant is employed. Performance objectives may be measured on an absolute or relative basis, and relative performance may be measured by a group of peer companies or by a financial market index. The 2013 EIP provides the Compensation Committee discretion to modify performance goals as it deems appropriate or increase or decrease the amount payable at a given level of performance, other than for awards intended to qualify as performance-based compensation under Section 162(m) of the Code.

Performance-Based Awards

A performance-based award is an award of restricted shares, restricted stock units, performance share awards, other stock-based awards or cash-based awards intended to qualify as performance-based compensation under Section 162(m) of the Code. Performance-based awards are subject to the rules described below under the headings 162(m) Annual Limits and Performance Goals .

162(m) Annual Limits

The maximum number of shares of our Class A common stock with respect to which any stock option or stock appreciation right may be granted under the 2013 EIP during any calendar year to any eligible individual is 500,000. The maximum number of shares (other than stock options and stock appreciation rights) that are subject to the attainment of specified performance goals and intended to qualify as performance-based compensation under Section 162(m) of the Code that may be granted under the 2013 EIP during any calendar year to any eligible individual is 500,000, or if the performance-based award is paid in cash or other property, no more than the value of 500,000 shares (calculated on the last day of the performance period to which the award relates). The maximum value of a cash payment made under a performance award is \$3,000,000 if the performance period is 12 months or less and \$6,000,000 if the performance period is more than 12 months.

Performance Goals

Awards may be subject to the achievement of specified performance objectives. Performance objectives may be described in terms of company-wide objectives or objectives that are related to the performance of the individual

Table of Contents

participant or a subsidiary, division, department or function within our company or a subsidiary of ours in which the participant is employed. Performance objectives may be measured on an absolute or relative basis, and relative performance may be measured by a group of peer companies or by a financial market index. Any performance objectives applicable to a performance-based award shall be based on one or more of the following:

growth in net sales or revenue;

share price;

return measures;

appreciation in the fair market value or book value of the Class A common stock;

gross profit margin;

economic value added;

operating expense ratios;

debt to equity ratio/debt levels;

operating expense targets;

measures of customer satisfaction (such as member cost, quality and safety improvements);

productivity ratios;

market share;

operating income;

acquisitions or strategic transactions;

gross or operating margins;

quantitative measures of employee satisfaction/engagement;

EBIT, EBITDA or a similar measure (before or after taxes);

employee retention/attrition;

net earnings or net income (before or after taxes);

safety;

earnings per share;

budget achievement;

cash flow;

expense reduction or cost savings;

working capital targets;

productivity improvements; or

funds from operations or similar measures;

inventory control/efficiency.

capital expenditures;

For performance-based awards, our Compensation Committee is authorized at any time during the first 90 days of a performance period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), to adjust or modify the calculation of a performance goal for a performance period based on changes in accounting principles and by excluding any of the following items if our Compensation Committee so determines: (i) infrequent or unusual events; (ii) exchange rate effects, as applicable, for non-U.S. dollar denominated operating earnings; (iii) the effects of any statutory adjustments to corporate tax rates; (iv) the impact of losses from discontinued operations; (v) restatements and other unplanned special charges; (vi) divestitures; (vii) stock offerings or repurchases and (viii) strategic loan loss provisions. The Compensation Committee may reduce or eliminate cash amounts paid under any performance-based award upon satisfaction of performance criteria based on any further considerations that the Compensation Committee may determine in its sole discretion.

Time-based restricted stock, restricted stock units and other awards (other than stock options and stock appreciation rights) are not intended to qualify as performance-based compensation.

Change in Control

Except as otherwise provided in an award agreement, in the event of a Change in Control (as defined in the 2013 EIP), our Compensation Committee may, but shall not be obligated to, (i) accelerate, vest or cause the restrictions to lapse with respect to, all or any portion of an award; (ii) cancel awards for a cash payment equal to their fair value (as determined in the sole discretion of our Compensation Committee) which, in the case of options and SARs, shall be deemed to be equal to the excess, if any, of the value of the consideration to be paid

Table of Contents

in the Change in Control transaction to holders of the same number of shares subject to such options or SARs (or, if no consideration is paid in any such transaction, the fair market value of the shares subject to such options or SARs) over the aggregate strike price; (iii) provide for the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected awards previously granted hereunder as determined by our Compensation Committee in its sole discretion; (iv) terminate options without providing accelerated vesting or (v) take any other action with respect to awards that the Compensation Committee deems appropriate. The treatment of awards upon a Change in Control may vary among participants in our Compensation Committee's sole discretion. Performance awards will be settled upon a Change in Control as determined by the Compensation Committee in its sole discretion based upon the extent to which the performance goals for any such awards have been achieved after evaluating actual performance over the course of the performance period until the date of the Change in Control and the anticipated level of performance as of the date of the Change in Control.

Repricing

The terms of a stock option or stock appreciation right cannot be amended to lower the strike price, and options and stock appreciation rights may not be cancelled in exchange for cash, other awards or stock options and stock appreciation rights with a strike price lower than the strike price of the cancelled stock options or stock appreciation rights without, in each case, stockholder approval.

Recoupment and Clawback

All awards granted under the 2013 EIP are subject to any compensation recovery policy, and all awards (and any proceeds) are subject to any clawback policy we may implement, including any policy implemented to comply with legal requirements such as the Dodd-Frank Act.

Amendment and Termination

The 2013 EIP may be amended or terminated by our Board of Directors at any time, but no amendment may be made without stockholder approval if it would increase the number of shares issued or available under the 2013 EIP, materially expand benefits accruing to plan participants, reduce the minimum exercise price of an option or base price of an SAR granted under the 2013 EIP, modify the eligibility criteria for participation in the 2013 EIP, increase per-person limits or the number of shares which may be issued, delete or limit the prohibition against repricing or otherwise require approval by stockholders in order to comply with applicable law or the rules of a national stock exchange on which the shares subject to the 2013 EIP are listed. Unless required to comply with applicable laws, no termination, suspension or amendment of the 2013 EIP may adversely affect the right of any participant with respect to a previously granted award without the participant's written consent.

Transferability

Awards granted under the 2013 EIP are generally nontransferable (other than by will or the laws of descent and distribution), except that the committee may provide for the transferability of nonqualified stock options at the time of grant or thereafter to certain family members.

Effective Date; Term

If approved by stockholders at the Annual Meeting, the 2013 EIP as amended and restated will be effective as of December 1, 2017. No award will be granted under the 2013 EIP on or after May 17, 2023.

Certain U.S. Federal Income Tax Consequences

Federal Income Tax Consequences of Equity Incentive Plan Awards

The following is a brief summary of the principal U.S. federal income tax consequences of transactions under the 2013 EIP, based on current U.S. federal income tax laws. This summary is not intended to be exhaustive, does

Table of Contents

not constitute tax advice and, among other things, does not describe state, local or foreign tax consequences, which may be substantially different.

Nonqualified Stock Options. Generally, a participant will not recognize taxable income on the grant or vesting of a nonqualified stock option. Upon the exercise of a nonqualified stock option, a participant will recognize ordinary income in an amount equal to the difference between the fair market value of our Class A common stock received on the date of exercise and the option cost (number of shares purchased multiplied by the exercise price per share). We will ordinarily be entitled to a deduction on the exercise date equal to the ordinary income recognized by the participant upon exercise.

Incentive Stock Options. No taxable income is recognized by a participant on the grant or vesting of an ISO. If a participant exercises an ISO in accordance with its terms and does not dispose of the shares acquired within two years after the date of the grant of the ISO or within one year after the date of exercise, the participant will not, upon exercise, recognize ordinary income or capital gain or loss, and we will not be entitled to a deduction by reason of the grant or exercise of the ISO; however, the excess of the fair market value over the exercise price of the shares acquired is an item of adjustment in computing alternative minimum tax of the participant. If a participant holds the shares acquired for at least one year from the exercise date and does not sell or otherwise dispose of the shares for at least two years from the grant date, the participant's gain or loss upon a subsequent sale will be long-term capital gain or loss equal to the difference between the amount realized on the sale and the participant's basis in the shares acquired.

If a participant sells or otherwise disposes of the shares acquired without satisfying the required minimum holding period, such disqualifying disposition will give rise to ordinary income equal to the excess of the fair market value of the shares acquired on the exercise date or, if less, the amount realized upon the disqualifying disposition over the participant's tax basis in the shares acquired. We will ordinarily be entitled to a deduction equal to the amount of the ordinary income recognized by a participant as a result of a disqualifying disposition.

Stock Appreciation Rights. Generally, a participant will not recognize taxable income upon the grant or vesting of an SAR, but will recognize ordinary income upon the exercise of an SAR in an amount equal to the cash amount received upon exercise (if the SAR is cash-settled) or the difference between the fair market value of our Class A common stock received from the exercise of the SAR and the amount, if any, paid by the participant in connection with the exercise of the SAR. The participant will recognize ordinary income upon the exercise of an SAR regardless of whether the shares of our Class A common stock acquired upon the exercise of the SAR are subject to further restrictions on sale or transferability. The participant's basis in the shares will be equal to the ordinary income attributable to the exercise and the amount, if any, paid in connection with the exercise of the SAR. The participant's holding period for shares acquired pursuant to the exercise of an SAR begins on the exercise date. Upon the exercise of an SAR, we will ordinarily be entitled to a deduction in the amount of the ordinary income recognized by the participant.

Restricted Shares. A participant generally will not be taxed at the time of a restricted stock award but will recognize taxable income when the award vests or otherwise is no longer subject to a substantial risk of forfeiture. The amount of taxable income will be the fair market value of the shares at the time of vesting.

Participants may elect to be taxed at the time of grant by making an election under Section 83(b) of the Code within 30 days of the award date. If a restricted stock award subject to the Section 83(b) election is subsequently canceled, no deduction will be allowed for the amount previously recognized as income, and no tax previously paid will be refunded. Unless a participant makes a Section 83(b) election, dividends paid to a participant on shares of an unvested restricted stock award will be taxable to the participant as ordinary income in compensation for services. If the participant made a Section 83(b) election, the dividends will be taxable to the participant as dividend income.

Table of Contents

We will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant. Unless a participant has made a Section 83(b) election, we will also be entitled to a deduction, for federal income tax purposes, for dividends paid on unvested restricted stock awards.

Restricted Stock Units and Performance Share Awards. A participant generally will not be subject to income tax at the time of grant of a restricted stock unit award or performance share award or upon vesting but will recognize taxable income upon receiving stock under the award and cash that is attributable to dividend equivalents, if any. Restricted stock units and performance share awards are subject to Federal Insurance Contribution Act tax upon vesting. The amount of taxable income will be the fair market value of the shares at the time of issuance. No Section 83(b) election is available for restricted stock units or performance share awards.

We will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant. We will also be entitled to a deduction, for federal income tax purposes, for cash dividend equivalent payments on restricted stock units.

Other Equity-Based Awards. A participant will generally not recognize taxable income on a deferred stock award until shares subject to the award are distributed. A participant will recognize ordinary income in an amount equal to the fair market value of the shares of our Class A common stock on the date of distribution. Any dividend equivalents paid on unvested deferred stock awards are taxable as ordinary income when paid to the participant. We will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant. We will also be entitled to a deduction, for federal income tax purposes, on any dividend equivalent payments made to the participant.

A participant will generally recognize taxable income on the grant of unrestricted stock, in an amount equal to the fair market value of the shares on the grant date. We will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant.

Cash Awards. A participant will generally recognize taxable income upon the payment of a cash award, in an amount equal to the amount of the cash received. We will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant.

Withholding. To the extent required by law, we will withhold from any amount paid in settlement of an award amounts of withholding and other taxes due or take other action as we deem advisable to enable ourselves to satisfy withholding and tax obligations related to any awards.

Table of Contents**New 2013 EIP Benefits; Future 2013 EIP Awards**

If stockholders approve this proposal, set forth below is the expected amount of compensation that would be payable under our current director compensation program to each of our current non-employee directors, for calendar year 2017.

Director	Cash Compensation ¹	Equity Awards ²	Cash Awards in lieu of		Total
			Equity Awards ³	Charitable Contributions ⁴	
Barclay E. Berdan ³	\$ 87,500	\$ 0	\$ 100,000	\$ 1,000	\$ 188,500
Eric J. Bieber, MD	\$ 86,000	\$ 125,000	\$ 0	\$ 1,000	\$ 212,000
Stephen R. D Arcy	\$ 110,000	\$ 125,000	\$ 0	\$ 1,000	\$ 236,000
Jody R. Davids	\$ 102,500	\$ 125,000	\$ 0	\$ 1,000	\$ 228,500
William B. Downey	\$ 86,000	\$ 125,000	\$ 0	\$ 1,000	\$ 212,000
Peter S. Fine	\$ 95,000	\$ 125,000	\$ 0	\$ 1,000	\$ 221,000
Philip A. Incarnati	\$ 87,500	\$ 125,000	\$ 0	\$ 1,000	\$ 213,500
David H. Langstaff ⁵	\$ 107,000	\$ 165,018	\$ 0	\$ 1,000	\$ 273,018
William E. Mayer	\$ 125,000	\$ 125,000	\$ 0	\$ 1,000	\$ 251,000
Marc D. Miller	\$ 87,500	\$ 125,000	\$ 0	\$ 1,000	\$ 213,500
Marvin R. O Quinn	\$ 84,500	\$ 125,000	\$ 0	\$ 1,000	\$ 210,500
Scott Reiner	\$ 86,000	\$ 125,000	\$ 0	\$ 1,000	\$ 212,000
Terry D. Shaw ³	\$ 107,000	\$ 0	\$ 100,000	\$ 1,000	\$ 208,000
Richard J. Statuto	\$ 161,000	\$ 125,000	\$ 0	\$ 1,000	\$ 287,000
Ellen C. Wolf	\$ 128,000	\$ 125,000	\$ 0	\$ 1,000	\$ 254,000

- (1) The amounts reflected in this column are the retainers and meeting fees earned for service as a director in the calendar year for 2017, regardless of when such fees are paid. The amounts assume attendance by each director at currently scheduled meetings for the remainder of calendar year 2017.
- (2) Each non-employee director, except Messrs. Berdan, Langstaff and Shaw, received an annual award of restricted stock units (RSUs) with a grant date fair value, computed in accordance with Accounting Standards Codification 718, *Compensation Stock Compensation*, of \$125,000. Grant date fair value assumptions are consistent with those disclosed in *Note 16 Stock-Based Compensation* to our Consolidated Financial Statements in our 2017 Form 10-K. RSU grants fully vest on the first anniversary of the grant date.
- (3) Cash awards are made pursuant to the Director Compensation Policy and are not made under 2013 EIP. Each of Messrs. Berdan and Shaw provided a written certification stating that he was prohibited by his employer from receiving equity-based compensation from Premier, and accordingly, each received an annual cash award of \$100,000 in lieu of the annual equity award. See note 2 above.
- (4) Under the Director Compensation Policy effective January 1, 2017, a contribution of \$1,000 is expected to be made to the charity of choice for each member of the Board of Directors. Contributions are generally made annually in December.
- (5) Mr. Langstaff was appointed to the Board of Directors on September 1, 2016. Mr. Langstaff received an award of RSUs with a grant date fair value of \$31.51 per share based on the closing price of our Class A common stock on the award date, January 26, 2017, representing a prorated portion for his service in 2016 plus an annual award for 2017.

For years after 2018, the Committee, with the advice and input of its compensation consultant, will review our director compensation program from time to time for adjustment in light of market practices and other relevant factors to setting director remuneration.

Table of Contents**Equity Compensation Plan Information**

We have granted equity awards to employees and directors under the Premier, Inc. 2013 EIP, as amended, which was initially approved by our stockholders prior to our IPO and was approved most recently by our stockholders in December 2015. The following table sets forth certain information as of June 30, 2017 concerning the shares of Class A common stock authorized for issuance under the 2013 EIP. No shares of Class B common stock are authorized for issuance under the 2013 EIP, and we have no equity compensation plans under which shares may be issued that have not been approved by our stockholders.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders:			
Premier, Inc. 2013 Equity Incentive Plan	5,035,359(1)	\$ 30.31(2)	4,605,246(3)
Equity compensation plans not approved by security holders		n/a	
Total	5,035,359(1)	\$ 30.31(2)	4,605,246(3)

- (1) Assumes RSUs, restricted stock awards, Performance Shares and stock option awards are paid at target level, except for August 31, 2015 performance-based restricted stock awards that were granted at the maximum payout level (and are subject to forfeiture). Actual shares awarded may be higher or lower based upon actual performance over the measurement period. For more detailed information, see *Note 16 Stock-Based Compensation* to our Consolidated Financial Statements included in our 2017 Form 10-K.
- (2) This calculation reflects only outstanding stock option awards.
- (3) Reflects, as of June 30, 2017, shares reserved for future grants of stock options, restricted stock units, restricted stock awards, Performance Shares and/or other equity awards. Any shares withheld to satisfy tax withholding obligations or tendered to pay the exercise price of an option will again be available for grant under the terms of the 2013 EIP.

Board Recommendation

The Board of Directors unanimously recommends a vote FOR the approval of a proposal to increase the non-employee director compensation limit under the 2013 EIP.

In accordance with the Board's recommendation, the proxy holders will vote the shares of Class A common stock covered by valid and timely received proxies **FOR** the approval of a proposal to increase the non-employee director compensation limit under the 2013 EIP, unless instructed otherwise. The Trustee will vote all of the Class B common

stock as a block in the manner determined by the majority of the votes timely received by the Trustee.

Table of Contents

ITEM 4 ADVISORY VOTE ON EXECUTIVE COMPENSATION

In accordance with the Dodd-Frank Act and related SEC rules, we request stockholders to approve, on an advisory basis, our executive compensation program. We ask that you support the compensation of our named executive officers, or NEOs, as disclosed under the heading Executive Compensation, including the Executive Summary section, beginning on page 64 and the accompanying tables and related narrative disclosure. This proposal, commonly referred to as a say-on-pay proposal, gives stockholders the opportunity to express their views on the NEOs compensation as required under Section 14A of the Securities Exchange Act. This vote is not intended to address any specific item of compensation, but rather the overall compensation of the NEOs and the philosophy, policies and practices described in this proxy statement.

Our executives including our NEOs are critical to our success. That is why we design our executive compensation program to attract, retain and motivate exceptional executive talent. We structure our executive compensation program to focus on stockholders interests by incentivizing superior sustainable long-term performance. We believe our executive compensation program strikes the appropriate balance between utilizing responsible, measured pay practices and effectively incentivizing our NEOs to dedicate themselves fully to value creation for our stockholders.

Under our executive compensation program, we align pay and performance by making a significant portion of our NEOs compensation contingent on:

achieving specific and challenging annual and long-term performance goals; and

increasing stockholder value.

We also incorporate rigorous compensation-related design and governance practices to protect our stockholders interests, including the following:

strong stock ownership guidelines for our executive officers that promote alignment of their interests with those of our stockholders;

our long-term incentive plan is 100% equity-based;

85% of our CEO s target total compensation is at-risk, incentive-based pay (67% of which is based on our long-term performance);

on average, 77% of our other NEOs target total compensation is at-risk, incentive-based pay (57% of which is based on long-term performance);

we do not pay tax gross ups associated with benefits payable in connection with a change in control;

we do not generally offer our executives material perquisites;

we mitigate risk by limiting incentive payments using multiple performance measures in our incentive plans and imposing a strong incentive compensation recoupment (clawback) policy; and

we prohibit hedging, pledging and short sales of our common stock.

We encourage you to read the Compensation Discussion and Analysis section beginning on page 64 of this proxy statement, which includes a recap of what we do and what we don't do on page 67, and the Executive Compensation Tables beginning on page 85 of this proxy statement to better understand the details of our NEOs' compensation for 2017 and their opportunities to realize compensation in the future.

Our Compensation Committee and our Board believe that our executive compensation program for our NEOs serves our stockholders' interests. The vote on this resolution, commonly known as a say-on-pay resolution, is not intended to address any specific element of compensation but rather the overall NEO compensation program as described in this proxy statement. Although this vote is advisory and not binding on us, the Board, and the

Table of Contents

Compensation Committee, which is responsible for developing and administering our executive compensation philosophy and program, will consider the results as part of its ongoing review of our executive compensation program.

The Board recommends that stockholders indicate their support for our compensation of our NEOs, and we ask you to vote **FOR** the following resolution at our Annual Meeting:

RESOLVED, that Premier's stockholders approve, on an advisory basis, the compensation paid to Premier's named executive officers, as disclosed in this Proxy Statement for the 2017 Annual Meeting of Stockholders pursuant to the SEC's compensation disclosure rules, including the Compensation Discussion and Analysis section, Summary Compensation Table for Fiscal 2017 and the other related tables and discussion.

Board Recommendation

The Board of Directors unanimously recommends a vote **FOR the approval of the compensation of our named executive officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC.**

In accordance with the Board of Directors' recommendation, the proxy holders will vote the shares of Class A common stock covered by valid and timely received proxies **FOR** the approval of the compensation of our named executive officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC, unless instructed otherwise. The Trustee will vote all of the Class B common stock as a block in the manner determined by the majority of the votes timely received by the Trustee.

Table of Contents

CORPORATE GOVERNANCE AND BOARD STRUCTURE

Corporate Governance

Our corporate governance practices are established, monitored and regularly assessed by our Board of Directors with assistance from the Nominating and Governance Committee. The Board of Directors considers current and proposed legal requirements and governance best practices in connection with its decisions on the governance practices for us and our business.

Corporate Governance Guidelines

To assist the Board of Directors in the exercise of its duties and responsibilities and to serve the best interests of us and our stockholders, the Board of Directors has adopted Corporate Governance Guidelines that set forth, among other things:

a governance matrix depicting the structure and committees of the Board.

the Board's role in overseeing the management and conduct of our business, including:

the job description and specific functions of the Board and its committees;

Board membership criteria and core competencies required by members;

annual review and evaluation of the Chief Executive Officer led by the Chairman of the Board in collaboration with the Compensation Committee;

annual senior management evaluation;

annual review and update, if appropriate, of the management succession plan;

risk management and oversight by the Audit and Compliance Committee; and

annual Board self-assessment to evaluate whether the Board is functioning effectively and meeting objectives and goals.

director qualifications and responsibilities, including:

individual director qualification standards and personal traits;

director nomination, selection and assessment;

director responsibilities to exercise common sense business judgment, exercise their fiduciary duties to all stockholders and exercise personal accountability through regular attendance and participation and investment of time and energy in our business;

commitment to support the needs of the Board and fully serve out the established board term;

limits on other board service;

director orientation and continuing education;

director mentorship program;

notice of changes in principal employment or changes in independence; and

director compensation and independent/outside director stock ownership.

Board independence, including:

director independence standards while we are a controlled company under NASDAQ rules and thereafter and required reviews of each director's independence;

Board leadership and the annual election of a Board chair and vice chair that are not officers of ours;

Table of Contents

Board job descriptions;

the annual election of Company officers, including a president, chief executive officer and secretary;
and

independence and other qualifications for Board committee members while we are a controlled company under NASDAQ rules and thereafter.

Board accountability, ethics and integrity, including:

adherence to the Board's Conflict of Interest Policy;

adherence to our Code of Conduct and the Board Code of Ethics;

regularly held executive sessions outside the presence of management; and

Board access to and retention of independent advisors.

Board structure, including:

Board size and review of the same;

Board class structure and term of each class;

term limits; and

resignation and failure to be re-elected.

Board committees, including:

standing committees and committee structure;

assignment and rotation of committee members and committee chairs;

committee chair job description; and

committee meeting frequency, length and agenda.

Board meetings, agenda and information, including:

regular meeting schedules and attendance expectations;

Board agenda process;

Board information flow, materials and presentations;

director access to senior management;

right to call a special meeting of the Board and related procedures; and

annual stockholder meeting and attendance.

Board interaction/communications with stockholders, analysts, institutional investors, member owners and the media where appropriate.

Board responsiveness to stockholder proposals that receive substantial support.

Under its charter, the Nominating and Governance Committee, in consultation with the Chairman of the Board and the Chief Executive Officer, periodically reviews, revises, interprets and confirms compliance with the Corporate Governance Guidelines.

Code of Ethics

We have adopted a Corporate Code of Conduct, as well as a Board Code of Ethics and a Board Conflict of Interest Policy and Disclosure Statement, together our code of ethics, that apply, as applicable, to all

Table of Contents

employees, directors and officers, including our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions. The purpose of the code of ethics is to deter wrongdoing and promote:

honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

full, fair, accurate, timely and understandable disclosure in reports required to be filed with or submitted by us to the SEC and in other public communications;

compliance with all applicable rules and regulations that apply to us and our officers and directors;

the prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and

accountability for adherence to the code.

We will disclose any future amendments to, or waivers from, certain provisions of these ethical policies and standards for officers and directors on the Investors section of our website at <http://investors.premierinc.com> promptly following the date of such amendment or waiver. Upon written request to our Corporate Secretary, we will also provide a copy of the code of ethics free of charge.

Corporate Website

We maintain a Corporate Governance area within the Investors section of our website and an Ethics and Compliance area with the About Premier section of our website where you can find copies of our principal governance documents and ethics policies. Our Corporate Governance and Ethics and Compliance areas of our website are located at <http://investors.premierinc.com/corporate-governance/> and <https://www.premierinc.com/about-premier/ethics-and-compliance/>, respectively, and include the following documents, among others:

Certificate of Incorporation;

Bylaws;

Corporate Governance Guidelines;

Whistleblower Policy;

Insider Trading Policy;

Corporate Code of Conduct;

Group Purchasing Code of Conduct;

Board Code of Ethics;

Board Conflict of Interest Policy and Disclosure Statement;

Audit and Compliance Committee Charter;

Nominating and Governance Committee Charter;

Finance Committee Charter;

Compensation Committee Charter;

Conflict Advisory Committee Charter; and

Member Agreement Review Committee Charter.

We encourage our stockholders to read our governance documents, as we believe they illustrate our commitment to good governance practices and ethical business conduct.

Table of Contents

Role of the Board in the Oversight of Risk

Our Board of Directors plays an active role in overseeing management of our risks. We have identified five primary areas of enterprise risk across our operations that are monitored and managed by our Board of Directors, management and internal auditors. These areas include risks associated with strategic, operational, financial, legal, and information technology and systems. In conjunction with its management of these specific risk areas, our Board of Directors manages reputational risks across all of our operations. Our Board of Directors is primarily responsible for oversight of the strategic, operational and information technology and systems risks that we may encounter. The committees of our Board of Directors assist our full Board in risk oversight by addressing specific matters within the purview of each committee. Our Audit and Compliance Committee focuses on oversight of financial, legal and regulatory compliance, as well as ethical risks. Our Finance Committee oversees financial risks related to capital allocation and financial forecasting. Our Compensation Committee, as discussed in more detail below, focuses on risks relating to executive compensation plans and arrangements, and our Nominating and Governance Committee focuses on reputational and corporate governance risks relating to our company including the independence of our Board of Directors. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, our full Board of Directors remains regularly informed regarding such risks through committee reports and otherwise. In addition, our Board and its committees receive regular reports from our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel, Chief Ethics and Compliance Officer, and other members of senior management regarding areas of significant risk to us, including strategic, operational, financial, legal and regulatory, information technology and systems, and reputational risks. We believe the leadership structure of our Board of Directors supports and promotes effective risk management and oversight.

The Compensation Committee reviews and considers our compensation policies and programs in light of the Board of Directors' risk assessment and management responsibilities on an annual basis. Our human resources department in consultation with Mercer (US) Inc. (Mercer) prepared and presented to the Compensation Committee a risk assessment report that addressed the incentive compensation structure, plans and processes at all levels of our Company. The assessment included, among other things, a review of pay mix (fixed versus variable, cash versus equity and short versus long-term), performance metrics, target setting, performance measurement practices, pay determination, mitigation practices such as the Compensation Recoupment Policy and overall governance and administration of pay programs. After reviewing this report and making inquiries of management, the Compensation Committee determined we have no compensation policies and programs that give rise to risks reasonably likely to have a material adverse effect on us.

Communications to Directors

Stockholders and other parties interested in communicating directly to the Board of Directors, any committee or any non-employee director may do so by writing to the address listed below:

PREMIER, INC.

BOARD OF DIRECTORS

13034 BALLANTYNE CORPORATE PLACE

CHARLOTTE, NORTH CAROLINA 28277

ATTENTION: [Addressee*]

C/O ANNA-MARIE FORREST, CORPORATE SECRETARY

*** Including the name of the specific addressee(s) will allow
us to direct the communication to the intended recipient.**

All communications received as set forth in this paragraph will be reviewed by the office of our General Counsel for the sole purpose of determining whether the contents represent a message to our directors. Any contents that

Table of Contents

are not in the nature of advertising, promotions of a product or service or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the Board of Directors or any group or committee of directors, the General Counsel's office will make sufficient copies of the contents to send to each director who is a member of the group or committee to which the envelope is addressed.

Board Structure and Director Nominations

Board Structure and Meetings

The Board's overarching responsibility is to advise and oversee the management and conduct of our business by our Chief Executive Officer and other members of management charged with the long-term health and overall success of Premier's business. To that end, our business, property and affairs are managed under the direction of our Board of Directors. Our Board size may not exceed 18 directors, and our Board is currently comprised of 16 members, five of whom are independent under the standards discussed below, 10 of whom are member-directors as discussed below and one of whom is our Chief Executive Officer, Ms. DeVore. The Board is divided into three classes (Class I, Class II and Class III) with staggered terms of three years each. The term of one class expires at each annual meeting of stockholders; thus, directors typically stand for election after three years, unless they are filling an unexpired term. Under our Corporate Governance Guidelines, no director may serve for more than two full three-year consecutive terms except for (i) the Chief Executive Officer; (ii) each director who is not a director, officer, employee or agent of, or otherwise affiliated with, any stockholder of ours and (iii) a Director serving as Chairman of the Board, whose term may be extended at the discretion of the Board.

Our Bylaws and Corporate Governance Guidelines provide that the Chairman of the Board shall not be one of our officers. We believe that having a non-executive Chairman of our Board creates an environment that is more conducive to objective evaluation and oversight of management's performance, increasing management accountability and improving the ability of the Board of Directors to monitor whether management's actions are in the best interests of us and our stockholders. Our Chief Executive Officer, Board Chairman and Board Vice-Chairman work together to set the Board agenda. Board members are invited to make agenda suggestions, and the Board approves the annual schedule of Board and committee items. The Board Chairman presides over Board meetings and coordinates the work of the committees of our Board of Directors and performs other duties delegated to the Chairman by our Board of Directors. Committee assignments and designation of the committee chair are made by the Board based upon recommendations of the Board Chairman and Nominating and Governance Committee. Executive sessions of independent directors, held outside the presence of employee Board members and member-directors, are scheduled at each in-person Board meeting and may be called at any other Board or committee meeting. The Chair of the Audit and Compliance Committee presides over executive sessions.

The Board of Directors adopted the foregoing structure to promote decision-making and governance independent of that of our management and to better perform the Board's monitoring and evaluation functions. Members of our Board of Directors are kept informed of our business through discussions with our Chief Executive Officer and other officers, by reviewing materials provided to them, by visiting our offices and by participating in meetings of the Board of Directors and its committees.

Under our Corporate Governance Guidelines, Board members are expected to prepare for and attend at least 75% of all Board and applicable committee meetings. The Board of Directors met 10 times during fiscal year 2017. In addition, the independent directors met in executive session four times during fiscal year 2017. Each incumbent member of the Board of Directors attended 75% or more of the meetings of the Board of Directors and of the committees on which he or she served that were held during the period for which he or she was a director or committee member, respectively. In addition, under our Corporate Governance Guidelines, directors are encouraged

to attend each annual meeting of stockholders. Eleven of the 16 directors who were serving as directors at the time of our 2016 Annual Meeting of Stockholders held December 2, 2016 attended such annual meeting. We expect all of our Directors to attend the Annual Meeting.

Table of Contents

Criteria for Board Members

Our Corporate Governance Guidelines provide criteria applicable to both the composition of the Board as a whole and individual directors. The Board as a whole has been designed to possess all of the following core competencies, with each director contributing knowledge, experience and skills in at least one of the following domains:

senior executive level leadership experience;

group purchasing, value-based purchasing, pharmacy management and supply chain operations;

healthcare transformation, healthcare continuum of care and population management;

performance improvement, clinical quality improvement, patient safety, outcomes management, risk management and healthcare measurement;

information technology and knowledge management;

outsourcing services;

finance, audit and significant transactions/M&A/private equity/public equity;

national perspective on healthcare policy and advocacy;

healthcare insurance and payment systems; or

academic medical experience.

The Board has adopted a Board Competency and Succession Plan Policy as the guideline for the Nominating and Governance Committee in evaluating and nominating Board candidates. The Board recognizes that criteria change as the membership of the Board changes and takes into account the current make-up and requirements of the Board in its nomination process. To be considered for Board membership, individual directors should possess the following personal traits:

a strong strategic planning orientation, including the ability to view our goals and plans strategically;

ability to effectively oversee risk and innovation, thus safeguarding our mission and stockholder interests;

knowledge of effective governance policies and practices;

proven leadership skills as an executive in a successful organization;

ability to listen, engage, reflect and generally work effectively with other directors and management;

willingness to ask management and each other tough questions and challenge traditional thinking;

adeptness at managing change, ambiguity and complexity;

integrity backed by a record of ethical conduct;

understanding of the importance and implications of compliance with regulatory requirements;

interest and ability to serve in a Board leadership position (e.g., Board Chairman, Vice-Chairman, committee chair) in the future; and

ability to make a priority commitment to support the needs of the Board and to fully serve out the established Board term.

With respect to member-directors, the Board Competency and Succession Plan Policy requires consideration of the following characteristics:

type of stockholder (e.g., member owner, group affiliate);

Table of Contents

type of organization (e.g., health system, hospital, other);

organization's size and scope of services;

organization's primary markets (e.g., urban, suburban, rural, safety net);

geography;

level of engagement with us; and

candidate's gender, ethnic background and age.

Board Diversity

Although there is no formal policy on diversity of nominees, both the Board of Directors and the Nominating and Governance Committee believe that diversity of skills, perspectives and experiences as represented on the Board as a whole, in addition to the primary factors, attributes or qualities discussed above, promotes improved monitoring and evaluation of management on behalf of the stockholders and produces more creative thinking and solutions. The Nominating and Governance Committee considers, but does not base its choices solely on, the distinctive skills, perspectives and experiences that candidates diverse in gender, ethnic background, geographic origin and professional experience offer. In addition, under our Board Competency and Succession Plan Policy, the Board seeks to have a composition diverse in gender, ethnicity and age. Our Corporate Governance Guidelines do not explicitly provide limitations on Board service due to age.

Resignation Policy; Vacancies

Under our Corporate Governance Guidelines, our non-management directors must submit a letter of resignation upon resignation or retirement from, or termination of, the director's principal current employment, or other similarly material changes in professional occupation or association. The Board is free to accept or reject the letter of resignation based on the best interests of the Board and stockholders and shall promptly notify such director of its decision.

A director appointed by the Board to fill a vacancy, including a vacancy created by a resignation, will serve until the next election of the class for which such director has been appointed and until his or her successor is elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal.

Director Nomination Process

The Nominating and Governance Committee, in consultation with the Chairman of the Board and the Chief Executive Officer, is responsible for identifying, considering, recommending, recruiting and selecting, or recommending that the Board select, candidates to fill open positions on the Board consistent with Board-approved criteria and qualifications for membership. It is the Board's expectation that all Board members participate in Board recruitment efforts.

Internal Process for Identifying Candidates

The Board Competency and Succession Plan Policy is the guideline for the Nominating and Governance Committee in evaluating and nominating Board candidates. The Nominating and Governance Committee has two primary methods for identifying director nominees (other than those proposed by stockholders, as discussed below). First, on a periodic basis, the Committee solicits ideas for possible candidates from members of the Board of Directors, senior level executives and other individuals personally known to the members of the Board. Second, the Committee may from time to time use its authority under its charter to retain, at our expense, one or more search firms to identify candidates (and to approve such firms' fees and other retention terms).

Table of Contents

Proposals for Director Nominees by Stockholders

The Nominating and Governance Committee will consider written proposals from stockholders for director nominees that are timely and properly noticed. In considering candidates submitted by stockholders, the Nominating and Governance Committee will take into consideration the needs of the Board of Directors and the qualifications of the candidate. In accordance with Article I, Section 12 of our Bylaws, to be timely, stockholder notice must be delivered to or mailed and received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 20 days, or delayed by more than 70 days, from such anniversary, proposed nominee(s) and related notice, in order to be timely, must be received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. The Nominating and Governance Committee received no nominee recommendations from stockholders for the Annual Meeting. Stockholder nominations for our 2018 annual meeting of stockholders must be received at our principal executive offices on or after August 3, 2018 and not later than September 2, 2018. A stockholder's notice must be in the form set forth in Article I, Section 12 of our Bylaws and must be addressed to Premier, Inc., 13034 Ballantyne Corporate Place, Charlotte, North Carolina 28277, Attention: Corporate Secretary.

Article I, Section 12 of our Bylaws requires, among other things, that the notice must set forth:

- (1) as to each person whom the stockholder proposes to nominate for election or re-election as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder, including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected;
- (2) the name and record address of the stockholder giving notice and the beneficial owner, if any, on whose behalf the nomination is being made;
- (3) the class and number of shares of our stock which are owned beneficially and of record by such stockholder and such beneficial owner;
- (4) a representation that the stockholder intends to appear in person or by proxy at the meeting to propose such nomination;
- (5) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (i) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of our outstanding capital stock required to elect the nominee and/or (ii) otherwise to solicit proxies from stockholders in support of such nominee;
- (6) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder;
- (7) a description of any agreement, arrangement or understanding with respect to the nomination and/or the voting of shares of any class or series of our stock between or among the stockholder giving the notice, the beneficial owner, if any, on whose behalf the nomination is made, any of their respective affiliates or associates and/or any others acting in

concert with any of the foregoing (collectively, proponent persons); and

(8) a description of any agreement, arrangement or understanding (including without limitation any contract to purchase or sell, acquisition or grant of any option, right or warrant to purchase or sell, swap or other

Table of Contents

instrument) the intent or effect of which may be (i) to transfer to or from any proponent person, in whole or in part, any of the economic consequences of ownership of any security of ours; (ii) to increase or decrease the voting power of any proponent person with respect to shares of any class or series of our stock and/or (iii) to provide any proponent person, directly or indirectly, with the opportunity to profit or share in any profit derived from, or to otherwise benefit economically from, any increase or decrease in the value of any security of ours.

A stockholder proposing a nominee for the annual meeting must update and supplement the notice required by Article I, Section 12 of our Bylaws so that the information in the notice is true and correct as of the record date for the annual meeting and as of the date that is 15 days prior to the annual meeting or any adjournment or postponement thereof; such update and supplement shall be delivered in writing to the Corporate Secretary at our principal executive offices not later than five days after the record date for the meeting (in the case of any update and supplement required to be made as of the record date), and not later than 10 days prior to the date for the meeting or any adjournment or postponement thereof (in the case of any update and supplement required to be made as of 15 days prior to the meeting or any adjournment or postponement thereof). We may require any proposed nominee to furnish such other information as may reasonably be required to determine the eligibility of such proposed nominee to serve as a director. Any stockholder that intends to submit a nominee should read the entirety of the requirements in our Bylaws, particularly Article I, Section 12, which can be found under the Corporate Governance area within the Investors section of our website at <http://investors.premierinc.com/corporate-governance/>.

Evaluation of Candidates

The Nominating and Governance Committee will consider all candidates identified through the processes described above, and will evaluate each of them, including incumbents, based on the same criteria. The selection process involves rigorous vetting of both independent and non-independent director candidates by the Nominating and Governance Committee, the Chairman of the Board and senior management to ensure the best qualified individuals are appointed to the Board. Ultimately, background and reference checks will be conducted, and the Committee will meet to finalize its list of recommended candidates for the Board's consideration. The candidates recommended for the Board's consideration will be those individuals who will create a Board of Directors that is, as a whole, strong in its collective knowledge of, and diverse in skills and experience with respect to, accounting and finance, management and leadership, vision and strategy, business operations, business judgment, crisis management, risk assessment, industry knowledge, corporate governance and global markets.

Director Independence

Status as a Controlled Company

We are currently a controlled company under NASDAQ rules because our member owners, pursuant to the terms of the VTA, beneficially own more than 50% of the total voting power of our outstanding common stock. As a controlled company, we are not required by NASDAQ for continued listing of our Class A common stock to (i) have a majority of independent directors; (ii) maintain an independent compensation committee or (iii) maintain an independent nominating function. We intend to take advantage of all of these exemptions from NASDAQ listing requirements for the foreseeable future. As discussed below, we do maintain an Audit and Compliance Committee comprised entirely of independent directors. Once we cease to qualify as a controlled company, and after any permitted phase-in period, the Board expects to have a majority of independent directors and independent committees as required by NASDAQ.

Review of Director Independence and Standards for Independence

Edgar Filing: Premier, Inc. - Form DEF 14A

On August 10, 2017, the Board of Directors undertook its review of the independence of its directors and director nominees as independent directors based on our Corporate Governance Guidelines. Independent directors must

Table of Contents

meet the standards of independence established by NASDAQ. The Board reviews annually the independence of each director, taking into consideration the recommendations of the Nominating and Governance Committee. Directors have an affirmative obligation to inform the Board of any material changes in their circumstances or relationships that may impact their designation by the Board as independent.

The Board of Directors assessed whether any director had a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of such director. In addition, the Board assessed whether any of the following relationships existed between us and the director or the director's family members (i.e., spouse, parents, children and siblings or anyone residing in the director's home) that would prohibit a finding of independence under NASDAQ rules:

at any time during the past three years was the director employed by us;

has the director or a family member of the director accepted any compensation from us in excess of \$120,000 during any period of 12 consecutive months within the three years preceding the determination of independence, other than the following: (i) compensation for Board or Board committee service; (ii) compensation paid to a family member who is our employee (other than an executive officer) or (iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation;

does the director have a family member who is, or at any time during the past three years was, employed by us as an executive officer;

is the director or his family member a partner in, or a controlling stockholder or an executive officer of, any organization to which we made, or from which we received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than the following: (i) payments arising solely from investments in our securities or (ii) payments under non-discretionary charitable contribution matching programs;

is the director or his family member employed as an executive officer of another entity where at any time during the past three years any of our executive officers served on the compensation committee of such other entity; or

is the director or his family member a current partner of our outside auditor, or was a partner or employee of our outside auditor who worked on our audit at any time during any of the past three years.

In connection with this determination, on an annual basis, each director and executive officer is required to complete a questionnaire which requires disclosure of any transactions with us in which the director or executive officer, or any member of his or her immediate family, has a direct or indirect material interest. There were no such transactions indicated for fiscal year 2017.

In determining the independence of Ms. Wolf, who, until May 2016, was a member of the board of directors of Airgas, Inc., one of our contracted suppliers, our Board of Directors considered the relationship arising through the

ordinary course of business between us and Airgas, Inc., but did not view the relationship as materially impacting its independence determination. Ms. Wolf did not have a direct or indirect material interest in such business relationship.

Determination of Director Independence

Based on its review, the Board of Directors affirmatively determined that each of Stephen R. D Arcy, Jody R. Davids, David H. Langstaff, William E. Mayer and Ellen C. Wolf is an independent director in accordance with our Corporate Governance Guidelines. Each of Barclay E. Berdan, Eric J. Bieber, MD, William B. Downey, Peter S. Fine, Philip A. Incarnati, Marc D. Miller, Marvin R. O Quinn, Scott Reiner, Terry D. Shaw and Richard J. Statuto is a member-director. Ms. DeVore, who is our Chief Executive Officer, was not deemed to be independent.

Table of Contents

Each of our independent directors satisfies the definition of independent director contained in Rule 5605 of the NASDAQ listing standards. As a result of the review and determination above, the Board determined that:

each member of the Audit and Compliance Committee was an independent director under our Corporate Governance Guidelines and otherwise meets the qualifications for membership on such committee imposed by NASDAQ and other applicable laws and regulations; and

each member of the Audit and Compliance Committee had accounting or related financial management expertise and was financially literate, and otherwise meets the audit committee membership requirements imposed by NASDAQ, our Corporate Governance Guidelines and other applicable laws and regulations; and that Ms. Wolf qualifies as an audit committee financial expert within the meaning of SEC regulations.

In addition, there are no arrangements or understandings known to us between any of the directors nominated for election to the Board of Directors and any other person pursuant to which a director was or is to be elected as a director or nominee, other than any arrangements or understandings with our directors or officers acting solely in their capacities as such. None of our directors, nominees or executive officers is a party to any material proceedings adverse to us or any of our subsidiaries or has a material interest adverse to us or any of our subsidiaries.

Committees of the Board of Directors

Committee Memberships and Meetings

The Board reviews and determines the membership of our Board committees at least annually, with input from the Nominating and Governance Committee. Our Board of Directors has the following five standing committees, each of which is governed by a charter and reports its actions and recommendations to the Board of Directors: Audit and Compliance Committee, Compensation Committee, Nominating and Governance Committee, Finance Committee and Member Agreement Review Committee.

Table of Contents

The following table shows the number of meetings held in fiscal year 2017 and the current membership of each of the five Board committees, and the Conflict Advisory Committee, which is overseen by the Audit and Compliance Committee.

	Audit and Compliance Committee(1)	Compensation Committee	Nominating and Governance Committee	Finance Committee	Member Agreement Review Committee	Conflict Advisory Committee(2)
Number of Meetings	10	6	4	5	5	5
Existing Directors:						
Barclay E. Berdan				X		
Eric J. Bieber, MD			X			
Stephen R. D Arcy	X	X				X
Jody R. Davids	X					X
Susan D. DeVore					X	
William B. Downey			X			
Peter S. Fine				Chair		
Philip A. Incarnati				X		
David H. Langstaff	X				X	X
William E. Mayer		Chair		X	Chair	
Marc D. Miller		X				
Marvin R. O Quinn			X			
Scott Reiner			X			
Terry D. Shaw			Chair	X		
Richard J. Statuto		X		X		
Ellen C. Wolf	Chair		X		X	X

(1) The Audit and Compliance Committee also oversees a Disclosure Committee that includes, among others, our General Counsel, Corporate Controller and Chief Ethics and Compliance Officer.

(2) The Conflict Advisory Committee is chaired by our Chief Ethics and Compliance Officer and includes the directors identified above, as well as our General Counsel.

Board Committee Charters

As discussed in more detail in the descriptions of each of our Board committees below, each of our Board committees operates under a written charter adopted by the Board. The charters set forth the purpose, objectives and responsibilities of the respective committee and discuss matters such as committee membership requirements, number of meetings and the setting of meeting agendas. The charters are assessed periodically by the Nominating and Governance Committee and the respective committee and are updated by the Board as needed. The Board committee charters are available under the Corporate Governance area within the Investors section of our website at <http://investors.premierinc.com/corporate-governance/>.

Audit and Compliance Committee

Our Audit and Compliance Committee is intended to meet the requirements of a separately designated standing audit committee as defined under Section 3(a)(58)(A) of the Exchange Act. The Audit and Compliance Committee must consist of at least three members of the Board, with each member satisfying the independence requirements for directors and audit committee members under NASDAQ rules and Rule 10A-3 of the Exchange Act. Each member of the Audit and Compliance Committee must be financially literate, and at least one member of the Audit and Compliance Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background demonstrating financial management experience, as each such qualification is interpreted by the Board in its business judgment. Having been a chief executive officer, chief financial officer or other senior officer with financial oversight

Table of Contents

responsibilities for a public company, for instance, would qualify. In addition, to the extent practicable, at least one member of the Audit and Compliance Committee shall be an audit committee financial expert as such term is defined by the SEC.

The specific responsibilities of the Audit and Compliance Committee set forth under its charter are, among others, to:

review and discuss with management and the independent auditors the annual audited and quarterly financial statements and other related disclosure prior to filing our annual report on Form 10-K and quarterly reports on Form 10-Q, including our disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations;

review any significant issues regarding, or proposed changes to, our auditing and accounting principles and practices identified by the independent auditors, the internal auditors or management;

review financial and business risk exposures and the steps management has undertaken to monitor and control such exposures, including our procedures and any related policies with respect to risk assessment and risk management;

have responsibility for the appointment, compensation, retention, termination (when appropriate) and oversight of the work of the independent auditors and the internal auditors;

pre-approve all audit and permitted non-audit related services (including the fees and terms thereof) to be performed for us by our independent auditors, subject to the *de minimis* exception set forth in Section 10A(i)(1)(B) of the Exchange Act;

at least annually, review a report by our independent auditors regarding their internal quality control procedures, material issues raised by certain reviews, inquiries or investigations relating to independent audits within the last five years and relationships between the independent auditors and us;

consider at least annually the independence of the independent auditors, discussing with the independent auditors, if necessary, relationships identified in the auditors' report, review the experience and qualifications of the lead partner each year and determine that all partner rotation requirements are executed;

discuss with management and the independent auditors, as appropriate, our earnings press releases and corporate policies with respect to the type and presentation of information to be included in earnings releases (paying particular attention to any use of pro forma or adjusted non-GAAP (as defined below) financial information) and our financial information and earnings guidance provided to investors, analysts and rating agencies;

receive reports from the independent auditors and management regarding, and review the adequacy and effectiveness of, our internal controls, including any significant deficiencies in internal controls and significant changes in such controls reported to the committee by the independent auditors, the internal auditor or management, and any special audit steps adopted in light of material deficiencies; receive reports from management regarding, and review the adequacy and effectiveness of, our disclosure controls and procedures, including our policies and procedures to assess, monitor and manage business risk and other legal and ethical compliance programs;

receive and review reports from the independent auditors on: (i) our critical accounting policies and practices; (ii) material alternative treatments of financial information within generally accepted accounting principles (GAAP) that have been discussed with our management, including the ramifications of the use of such alternative treatments and the disclosures or treatments preferred by the independent auditors and (iii) other material written communications between the independent auditors and management;

establish procedures for the receipt, retention and treatment of complaints received by our directors, officers and employees regarding illicit or illegal business practices and conduct and establish a process for investigation and proper resolution of any issues so raised;

Table of Contents

review and approve, in accordance with our Code of Conduct, all related party transactions requiring disclosure under SEC Regulation S-K, Item 404 (including through the oversight of and collaboration with the Conflict Advisory Committee discussed below);

review with our General Counsel and independent auditors (i) legal matters that may have a material impact on our financial statements; (ii) any fraud involving our management or other employees who have a significant role in our internal controls; (iii) compliance policies and (iv) material reports or inquiries received from regulators or governmental agencies that raise material issues regarding our financial statements and accounting or compliance policies; and

advise the Board with respect to our policies and procedures for compliance with applicable laws and regulations, as well as general oversight of our corporate ethics and compliance policies.

For additional information on the Audit and Compliance Committee's role and its oversight of the independent auditors during fiscal year 2017, see Report of the Audit and Compliance Committee.

In connection with its duties, the Audit and Compliance Committee reviews and evaluates, at least annually, the performance of the committee and its members, may obtain the advice and assistance of outside advisors, including consultants and legal and accounting advisors, and performs all acts reasonably necessary to fulfill its responsibilities and achieve its objectives.

Compensation Committee

We have a separately standing Compensation Committee. Our charter requires that the Compensation Committee consist of no fewer than three members, at least two of whom must be outside directors within the meaning of Section 162(m) of the Internal Revenue Code and nonemployee directors within the meaning of SEC Rule 16b-3 under the Exchange Act. As a controlled company under NASDAQ listing rules, we are not required to maintain a Compensation Committee comprised entirely of independent directors. The Compensation Committee is composed solely of independent directors and member-directors. There are no employee-directors on the Compensation Committee. The Compensation Committee's purpose and objectives are to discharge the Board's responsibilities related to the compensation of our and our subsidiaries' executive officers. The committee has overall responsibility for approving and evaluating all of our and our subsidiaries' compensation plans, policies and programs as applicable to the executive officers.

The specific responsibilities of the Compensation Committee are, among others, to:

at least annually, review and approve the annual base salaries and annual incentive opportunities of the executive officers; and periodically and as and when appropriate, review and approve the following items as they affect the executive officers: (i) all other incentive awards and opportunities, including both cash-based and equity-based awards and opportunities; (ii) any employment agreements and severance arrangements; (iii) any change in control agreements and change in control provisions affecting any elements of compensation and benefits and (iv) any special or supplemental compensation and benefits for the executive officers and individuals who formerly served as executive officers, including supplemental retirement benefits and perquisites provided to them during and after employment;

Edgar Filing: Premier, Inc. - Form DEF 14A

make recommendations to the Board with respect to the structure of overall incentive and equity-based plans and adopt, amend or terminate plans consistent with the approved structure;

administer and interpret our equity compensation plans and other long-term compensation plans and programs covering executive officers;

review, approve and oversee all equity award granting practices, and the stock ownership guidelines for senior management and directors and monitor compliance with such guidelines;

review and recommend to the Board the compensation of the non-management directors;

Table of Contents

review and discuss with management the Compensation Discussion and Analysis and related disclosures as may be required by the rules and regulations of the SEC;

determine annually whether any conflicts of interest exist on the part of any executive compensation consultants retained by the Committee, and if so, ensure disclosure of such conflicts, including the nature of the conflict and how it was addressed, in our proxy statement;

evaluate the outcome of the advisory vote of the stockholders regarding say-on-pay and make recommendations or take appropriate actions in response to such advisory vote;

in conjunction with the Board, oversee the management development and succession planning process (including succession planning for emergencies) for the Chief Executive Officer and the Chief Executive Officer's direct reports; and

monitor our compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to loans to directors and officers, and with all other applicable laws affecting employee compensation and benefits.

In connection with its duties, the Compensation Committee reviews and evaluates, at least annually, the performance of the Committee and its members, may obtain the advice and assistance of outside advisors, including consultants and legal and accounting advisors, and performs all acts reasonably necessary to fulfill its responsibilities and achieve its objectives. The Compensation Committee has the sole authority to set the compensation for, and to terminate the services of, its advisors. As discussed in further detail below under Compensation Committee Report Executive Compensation Role of the Compensation Consultant, the Compensation Committee engaged Mercer, a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. (MMC), to provide advice and recommendations to the Compensation Committee on executive officer and Board of Director compensation programs. The Compensation Committee has reviewed the services that Mercer provides to the Compensation Committee and otherwise to us and our management, as well as the services that each individual employee of Mercer provides to us. Based on this review, the Compensation Committee has determined Mercer has no conflict of interest in providing advisory services to us.

Nominating and Governance Committee

We have a separately standing Nominating and Governance Committee. The Nominating and Governance Committee must be comprised of three or more directors as determined by the Board, in accordance with all applicable rules, regulations and stock exchange requirements. As a controlled company under NASDAQ listing rules, we are not required to maintain a nominating and governance committee comprised entirely of independent directors. The Nominating and Governance Committee is composed solely of independent directors and member-directors. There are no employee-directors on the Nominating and Governance Committee. The purpose of the Nominating and Governance Committee is to (i) assist the Board by identifying and nominating individuals qualified to become directors, consistent with criteria approved by the Board; (ii) take a leadership role in shaping the corporate governance of the Company; (iii) oversee the evaluation of the Board and management and (iv) recommend to the Board director nominees for each of the Board's committees. The Nominating and Governance Committee has authority to retain and terminate search firms used to identify director candidates and to approve any such search firm's fees and other retention terms.

The specific responsibilities of the Nominating and Governance Committee are, among others, to:

recommend the criteria and qualifications for membership on the Board;

identify, consider, recommend, recruit and select, or recommend that the Board select, candidates to fill open positions on the Board, including nominees recommended by stockholders;

develop and periodically evaluate policies with regard to the consideration of director candidates recommended by stockholders;

Table of Contents

establish a process for identifying and evaluating nominees for director;

conduct appropriate inquiries into the backgrounds and qualifications of possible candidates;

recommend director nominees for approval by the stockholders;

recommend director nominees for each of the Board's committees;

review and recommend proposed changes to our Certificate of Incorporation and Bylaws;

oversee the Board committee charters and policies;

periodically review, revise, interpret and confirm compliance with the Corporate Governance Guidelines;

establish and maintain an ongoing succession planning process for directors, Board leaders and Board committee members;

recommend ways to enhance services to, and improve communications and relations with, stockholders;

oversee periodic self-evaluations by the Board of its performance;

evaluate the size, needs and effectiveness of the Board;

recommend improvements to our corporate governance;

oversee the Board orientation process for new directors and the development by the Chief Executive Officer of programs for continuing education for all directors;

monitor the functions of the various committees of the Board and conduct periodic reviews of their contributions;

conduct director self- and peer-assessments on a regular basis/interval and regularly review each independent director's continuation on the Board through this process;

establish criteria for an annual performance evaluation of the Committee by the Board; and

participate in evaluating the performance of the Chief Executive Officer.

In connection with its duties, the Nominating and Governance Committee reviews and evaluates, at least annually, the performance of the Committee and its members, may obtain the advice and assistance of outside advisors, including consultants and legal and accounting advisors, and performs all acts reasonably necessary to fulfill its responsibilities and achieve its objectives.

Finance Committee

We have a separately standing Finance Committee. The Finance Committee must be comprised of at least three directors. The Finance Committee is composed solely of independent directors and member-directors. There are no employee-directors on the Finance Committee. The purpose of the Finance Committee is to assist the Board in its oversight of our financial condition, strategies and capital structure.

The specific responsibilities of the Finance Committee are, among others, to:

provide oversight of our financial affairs, including: (i) reviewing the financial condition of us and our subsidiaries and (ii) reviewing, advising and making recommendations to the Board regarding proposed operating budgets for us and our subsidiaries;

review our financial policies as they relate to the Committee's responsibilities;

review and recommend annual limits for expenditures and borrowings;

Table of Contents

review, recommend and monitor significant mergers, acquisitions, divestitures, joint ventures, minority investments and other debt and equity investments;

review and recommend to the Board management's recommendations to the Committee for significant capital expenditures, including for real estate, facilities and information technology;

review management's plans and objectives for our capitalization, including (i) the structure and amount of equity and debt desired to meet our financing needs; (ii) anticipated sources and uses of cash and (iii) our target credit rating;

review and make recommendations to the Board regarding management's recommendations to the Committee with respect to (i) new offerings of equity and debt securities, stock splits, credit agreements, including material changes thereto, and our investment policies; (ii) dividends declared by us and distributions by Premier LP; (iii) any authorization for repurchases of our stock and (iv) our Corporate Cash Investment Policy;

review management's decisions regarding certain financial aspects of our employee benefit plans, including cost and benefits of maintaining or changing certain plan features and the financial impact on us and plan participants of the performance of plan investments and plan contribution types and levels, but not including selecting or changing plan investments or any other duty that might be considered fiduciary in nature within the meaning of the Employment Retirement Income Security Act of 1974 (ERISA);

review our tax risks and other tax matters;

review with management our strategies for managing significant financial risks and contingent liabilities including the use of hedges, derivative instruments, insurance coverage and related costs and other similar risk management techniques; and

carry out such other activities within the scope of its primary purpose or as the Board may from time to time delegate to it.

The Finance Committee also reviews and evaluates, at least annually, the performance of the Committee and its members. In connection with its duties, the Finance Committee may obtain the advice and assistance of outside advisors, including consultants and legal and accounting advisors, and perform all acts reasonably necessary to fulfill its responsibilities and achieve its objectives.

Member Agreement Review Committee

We have a separately standing Member Agreement Review Committee. The Member Agreement Review Committee must be comprised of at least three directors and the Chief Executive Officer. The Member Agreement Review Committee is currently composed of three independent directors and the Chief Executive Officer. The purpose of the

Member Agreement Review Committee is to review and approve non-ordinary course transactions between Premier or a subsidiary and its members, particularly entering into member agreements that provide for savings guarantees or fees at risk. Savings guarantee means an arrangement in which we or our subsidiary contractually provides to identify and/or implement a specific amount of savings for a customer and will pay cash for any shortfall. Fees at risk means a consulting arrangement in which the Company contractually provides to identify and/or implement a certain amount of savings and will have its consulting fees reduced on a proportionate basis or will continue to provide consulting resources at no charge to the customer in the event that such savings are not achieved (until such savings are achieved).

The specific responsibilities of the Member Agreement Review Committee are, among others, to:

assess risks in connection with agreements entered into with members;

review the status of risk-based agreements on a periodic basis;

Table of Contents

review and address the outcome of significant risk-based proposals; and

together with the full Board, approve any increase to the aggregate permitted level of risk in order for management to enter into an agreement that would cause the then-current permitted level of risk to be exceeded.

The Member Agreement Review Committee also reviews and evaluates, at least annually, the performance of the Committee and its members. In connection with its duties, the Member Agreement Review Committee may obtain the advice and assistance of outside advisors, including consultants and legal and accounting advisors, and perform all acts reasonably necessary to fulfill its responsibilities and achieve its objectives.

Conflict Advisory Committee

The Audit and Compliance Committee of the Board of Directors maintains a Conflict Advisory Committee. The Conflict Advisory Committee must be comprised of our General Counsel, our Chief Ethics and Compliance Officer and at least three independent directors. The Conflict Advisory Committee is currently comprised of four independent directors, our General Counsel and our Chief Ethics and Compliance Officer, who chairs the Committee. The purpose of the Conflict Advisory Committee is to provide advice and recommendations to the Audit and Compliance Committee such that each of our directors and officers can exercise the powers and duties thereof in the best interests of us and our stockholders and not to further the interests of such director or officer or the interests of another person (including a family member) or entity, including any limited partner of Premier LP or any member organization related thereto or affiliated therewith. The Conflict Advisory Committee is an advisory committee, and its members serve in a non-fiduciary capacity and have no independent authority to act on our behalf.

The specific responsibilities of the Conflict Advisory Committee are, among others, to:

investigate, review and evaluate any potential conflict of interest (as defined below);

determine the facts and circumstances regarding any such conflict of interest or potential conflict of interest referred to it by the Audit and Compliance Committee and recommend to the Audit and Compliance Committee what action, if any, should be taken with respect to the matter;

regularly review and assess the effectiveness of the Board Conflict of Interest Policy and recommend any changes to the Audit and Compliance Committee for approval;

carry out any other duties delegated by the Audit and Compliance Committee that relate to potential conflicts of interest; and

perform any other activities consistent with its Charter and applicable law as the Conflict Advisory Committee deems necessary or appropriate.

As used in the Conflict Advisory Committee Charter, the term conflicts of interest refers to (i) any matter that the Board believes may involve a conflict of interest between Premier, Inc. or any of its affiliates, on the one hand, and

any of our officers or directors or their affiliates, on the other hand, and (ii) any material Related Party transaction (as such term is defined in the Board Conflict of Interest Policy), including transactions between us or any of our affiliates, on the one hand, and any of our officers or directors or their affiliates, on the other hand.

The Conflict Advisory Committee conducts an annual performance evaluation of itself, including an evaluation of compliance with its Charter, pursuant to the Board self-assessment process. The Conflict Advisory Committee annually reviews and reassesses the adequacy of its Charter and recommends any proposed changes to the Audit and Compliance Committee for approval. The Conflict Advisory Committee may request any of our officers or employees or our outside counsel to attend its meetings or to meet with any members of, or consultants to, the Conflict Advisory Committee.

Table of Contents**COMPENSATION OF DIRECTORS****Director Compensation Policy (effective January 1, 2017)**

In 2013, the Board of Directors approved a Director Compensation Policy to provide an incentive to attract and retain the services of qualified persons to serve as directors. The policy applies to each director who is not an employee of, or compensated consultant to, us or any of our affiliates (non-employee director). The policy is designed to achieve the following key objectives:

align the interests of the non-employee directors and stockholders;

support overall organizational objectives and encourage the creation of stockholder value;

attract and retain high quality talent;

reflect the broad spectrum of talent and diverse sources of market data;

target median competitive pay levels; and

be simple to understand and administer.

Our Director Compensation Policy was established after consulting with the compensation consultant for the Compensation Committee. The Compensation Committee and the Board reviews the policy from time to time to assess whether any adjustments to the type and amount of director compensation should be made in order to fulfill the objectives of the policy. Only the Board may amend this policy.

In August 2016, upon the recommendation of the Compensation Committee, the Board amended the Director Compensation Policy, effective January 1, 2017. The Compensation Committee's recommendation was based on market analysis of director compensation generally, peer group analysis of director compensation, and discussions with the Compensation Committee's independent compensation consultant.

The following table sets forth the compensation elements and levels for non-employee directors and reflects the compensation for the enhanced responsibilities and time commitment associated with the positions.

Director Compensation Elements (Effective January 1, 2017)	Amount
Annual Board Cash Retainer	\$ 80,000
Annual Equity or Cash Award(1)	\$ 125,000/\$100,000
Ad Hoc Meeting Fee (per meeting)	\$ 1,000
Committee Meeting Fee (per meeting)	\$ 1,500
Additional Audit and Compliance Committee Chair Retainer	\$ 15,000

Edgar Filing: Premier, Inc. - Form DEF 14A

Additional Compensation Committee Chair Retainer	\$	15,000
Additional Nominating and Governance Committee Chair Retainer	\$	7,500
Additional Member Agreement Review Committee Chair Retainer	\$	7,500
Additional Finance Committee Chair Retainer	\$	7,500
Short-term Ad Hoc Committee Chair Retainer	\$	5,000
Additional Board Chair Annual Cash Retainer	\$	60,000

- (1) Each non-employee director will receive an annual equity award of restricted stock units valued at \$125,000, with the exception of any director whose employer prohibits the receipt by such individual of equity-based awards from Premier. Non-employee directors prohibited from receiving equity-based compensation will receive an annual cash award of \$100,000 in lieu of the annual equity award.

Components of Director Compensation

Cash Retainer and Fees The amounts in the Fees Earned or Paid in Cash column under the Fiscal 2017 Director Compensation Table below are retainers and meeting fees earned for serving on our Board, its

Table of Contents

committees and as committee chairs and Chairman. All annual retainers are paid quarterly. Each outside director receives his or her cash compensation after first being elected or appointed to the Board on a pro-rated basis for the number of days during which he or she provides service. If an outside director dies, resigns or is removed during any quarter, he or she shall be entitled to a cash payment on a pro-rated basis through his or her last day of service.

Equity or Cash Awards On January 26, 2017, each non-employee director then serving on the Board received an award of restricted stock units (RSUs) with a grant date fair value, computed in accordance with Accounting Standards Codification 718, Compensation – Stock Compensation, of \$125,000, with the exception of any non-employee director whose employer prohibits the receipt by such individual of equity-based awards from Premier. If a director provides a written certification stating that he or she is prohibited by his or her employer from receiving equity-based compensation from Premier, then such director shall receive an annual cash award of \$100,000 in lieu of the annual equity award. With respect to equity grants, grant date fair value assumptions are consistent with those disclosed in *Note 16 Stock-Based Compensation* to our Consolidated Financial Statements in our 2017 Form 10-K. In fiscal year 2017, each non-employee director, except Barclay E. Berdan, David H. Langstaff and Terry D. Shaw, was awarded 3,967 RSUs, with a grant date fair market value of \$31.51 per share based on the closing price of our Class A common stock on the award date, January 26, 2017. David H. Langstaff was awarded 5,237 RSUs with a grant date fair market value of \$31.51 per share based on the closing price of our Class A common stock on the award date, January 26, 2017. Each of Barclay E. Berdan and Terry D. Shaw received a cash award of \$100,000. Each annual equity award, and each annual cash award granted in lieu of the annual equity award, will vest one full year after the grant date. Directors who begin their service mid-year will receive a pro-rated equity or cash award, as applicable (as in the case of Mr. Langstaff, as described above).

Expense Reimbursement Each non-employee director will be reimbursed for his or her reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board and its committees or in connection with other business related to the Board. Each non-employee director will also be reimbursed for his or her reasonable out-of-pocket business expenses authorized by the Board or one of its committees that are incurred in connection with attendance at meetings with our management.

All Other Compensation Each director is entitled annually to direct an amount of \$1,000 to his or her selected not-for-profit organization during the holiday season in lieu of receipt of a holiday gift. No compensation or benefits other than those described above are payable to any directors for Board service.

Director Education Policy

We believe that we and our stockholders are best served by a Board of Directors comprised of individuals who are well versed in modern principles and best practices of corporate governance and other subject matters relevant to board service, including matters related to the healthcare industry, and who thoroughly comprehend the role and responsibilities of board membership. Under our Director Education Policy, we provide both internal and external educational opportunities and association memberships for our directors. To encourage continuing director education, we reimburse directors up to \$7,500 annually for attending U.S.-based director education programs under this policy. Amounts reimbursed include all reasonable costs associated with attending each program, including travel, lodging and meals. Directors serving on multiple boards are encouraged to obtain pro rata reimbursement of their director education expenses from each company that they serve, but we will nonetheless reimburse 100% of the costs if this is not practicable.

Director Stock Ownership Guidelines

Our stock ownership guidelines require our non-employee directors to hold our Class A common stock equal in value to at least three times the annual cash retainer. The non-employee directors are expected to meet the stock ownership guideline level within five years after receipt of their first equity-based award for service to the Board and to continuously own sufficient shares to satisfy the guideline level once attained for as long they remain a

Table of Contents

member of the Board. If a director provides us with a written certification stating that he or she is prohibited by his or her employer from receiving equity-based compensation from Premier, then such director will not receive equity-based awards from us and, accordingly, will not be subject to the stock ownership guidelines.

Prior Director Compensation Policy (through December 31, 2016)

Through December 31, 2016, our Director Compensation Policy provided for compensation of non-employee directors based on their status as either a member-director or an outside director. As stated above, a member-director is a non-employee director who is employed by a Premier stockholder hospital or health system or by a group affiliate or other non-provider organization affiliated with one or more Premier member facilities participating in our group purchasing program. Compensation earned on behalf of member-directors was paid directly to his or her employer. Compensation earned may or may not have been paid to the individual as agreed to by the member-director and his or her employer, and such decision was entirely outside our control. An outside director is an independent non-employee director who is not a member-director.

The following table sets forth the compensation elements and levels for outside directors and member-directors through December 31, 2016.

Director Compensation Elements (through December 31, 2016)	Outside Directors	Member-Directors
Annual Board Cash Retainer	\$ 80,000	\$ 0
Annual Equity Award (Restricted Stock Units)	\$ 100,000	\$ 0
Board In-Person Meeting Fee (per meeting)	\$ 0	\$ 10,000
Board Telephonic Meeting Fee (per meeting)	\$ 0	\$ 1,000
Ad Hoc Meeting Fee (per meeting over one hour)	\$ 1,000	\$ 1,000
Committee Meeting Fee (per meeting)	\$ 1,500	\$ 1,500
Additional Audit and Compliance Committee Chair Retainer	\$ 15,000	N/A(1)
Additional Compensation Committee Chair Retainer	\$ 15,000	\$ 15,000
Additional Nominating and Governance Committee Chair Retainer	\$ 7,500	\$ 7,500
Additional Member Agreement Review Committee Chair Retainer	\$ 7,500	N/A(1)
Additional Finance Committee Chair Retainer	\$ 7,500	\$ 7,500
Short-term Ad Hoc Committee Chair Retainer	\$ 5,000	\$ 5,000
Additional Board Chair Annual Cash Retainer	\$ 60,000	\$ 60,000

(1) Member-Directors do not serve on the Audit and Compliance Committee or Member Agreement Review Committee.

In addition, through December 31, 2016, each director was entitled annually to direct an amount of \$250 to his or her selected not-for-profit organization during the holiday season in lieu of receipt of a holiday gift.

Table of Contents**Fiscal 2017 Director Compensation Table**

Compensation in the table below reflects amounts earned in fiscal 2017 by our non-employee directors serving on our Board for all or a portion of fiscal 2017:

Name	Cash Awards Under Director				Total
	Fees Earned or Paid in Cash (\$)(1)	Stock Awards (\$)(2)	Compensation Policy (\$)(3)	All other Compensation (\$)(4)	
Barclay E. Berdan(5)	\$ 69,500	\$ 0	\$ 100,000	\$ 250	\$ 169,750
Eric J. Bieber, MD(5)	\$ 66,500	\$ 125,000	\$ 0	\$ 250	\$ 191,750
Stephen R. D Arcy	\$ 110,000	\$ 125,000	\$ 0	\$ 250	\$ 235,250
Jody R. Davids	\$ 102,500	\$ 125,000	\$ 0	\$ 250	\$ 227,750
William B. Downey(5)	\$ 67,500	\$ 125,000	\$ 0	\$ 250	\$ 192,750
Peter S. Fine(5)	\$ 77,000	\$ 125,000	\$ 0	\$ 250	\$ 202,250
Philip A. Incarnati(5)	\$ 69,500	\$ 125,000	\$ 0	\$ 250	\$ 194,750
David H. Langstaff(6)	\$ 86,167	\$ 165,018	\$ 0	\$ 250	\$ 251,435(7)
William E. Mayer	\$ 129,000	\$ 125,000	\$ 0	\$ 250	\$ 254,250(7)
Marc D. Miller(5)	\$ 70,500	\$ 125,000	\$ 0	\$ 250	\$ 195,750
Marvin R. O Quinn(5)	\$ 65,000	\$ 125,000	\$ 0	\$ 250	\$ 190,250
Scott Reiner(5)	\$ 66,500	\$ 125,000	\$ 0	\$ 250	\$ 191,750
Terry D. Shaw(5)	\$ 90,000	\$ 0	\$ 100,000	\$ 250	\$ 190,250
Richard J. Statuto(5)	\$ 143,500	\$ 125,000	\$ 0	\$ 250	\$ 268,750(7)
Ellen C. Wolf	\$ 128,000	\$ 125,000	\$ 0	\$ 250	\$ 253,250(7)

- (1) The amounts reflected in this column are the retainers or meeting fees earned for service as a director for fiscal 2017, regardless of when such fees are paid.
- (2) Each non-employee director, except Messrs. Berdan, Langstaff and Shaw, received an annual award of restricted stock units (RSUs) with a grant date fair value, computed in accordance with Accounting Standards Codification 718, *Compensation Stock Compensation*, of \$125,000. Grant date fair value assumptions are consistent with those disclosed in *Note 16 Stock-Based Compensation* to our Consolidated Financial Statements in our 2017 Form 10-K. RSU grants fully vest on the first anniversary of the grant date. A total of 52,841 unvested RSUs granted to non-employee directors were outstanding as of June 30, 2017.
- (3) Cash awards are made pursuant to the Director Compensation Policy and are not made under 2013 Equity Incentive Plan. Each of Messrs. Berdan and Shaw provided a written certification stating that he was prohibited by his employer from receiving equity-based compensation from Premier and accordingly, each received an annual cash award of \$100,000 in lieu of the annual equity award. See note 2 above.
- (4) The fiscal 2016 Director Compensation Policy allowed for a \$250 contribution made to the charity of choice for each member of the Board of Directors. With the revisions to the Director Compensation Policy effective January 1, 2017, the allowable contribution will increase to \$1,000 per member. Contributions are generally made annually in December.
- (5) Through December 31, 2016, compensation earned on behalf of member-directors was paid directly to his or her employer. Compensation earned may or may not be paid to the individual as agreed to by the member-director and his or her employer, and such decision is entirely outside of our control.

- (6) Mr. Langstaff was appointed to the Board of Directors on September 1, 2016. Mr. Langstaff received an award of RSUs with a grant date fair value of \$31.51 per share based on the closing price of our Class A common stock on the award date, January 26, 2017, representing a prorated portion for his service in 2016 plus an annual award for 2017.
 - (7) Total compensation earned by Messrs. Langstaff, Mayer and Statuto and Ms. Wolf did not exceed \$250,000 for the calendar year ended December 31, 2016.
- Ms. DeVore, the only director who is also an employee, receives no additional compensation for serving on the Board.

Table of Contents

Indemnification and Exculpation

We indemnify our directors and officers to the fullest extent permitted by Delaware law. Our Certificate of Incorporation also includes provisions that eliminate the personal liability of our directors for monetary damages for breach of fiduciary duty as a director, except for liability:

for any breach of the director's duty of loyalty to us or our stockholders;

for acts or omissions not in good faith or that involved intentional misconduct or a knowing violation of law;

under Section 174 of the Delaware General Corporation Law (regarding unlawful payment of dividends); or

for any transaction from which the director derives an improper personal benefit.

We have entered and expect to continue to enter into agreements to indemnify our officers and directors. With certain exceptions, these agreements provide for indemnification of expenses and liabilities incurred by the indemnified individual in connection with a proceeding related to his or her service to us as an officer or director (including, among other things, attorneys' fees, judgments, fines, ERISA excise taxes and penalties and settlement amounts).

We believe these provisions and agreements are necessary to attract and retain qualified people who will be free from undue concern about personal liability in connection with their service to us.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following tables set forth information, as of the Record Date, regarding the beneficial ownership of shares of our Class A common stock and our Class B common stock by (i) each person known to us to beneficially own more than 5% of any class of the outstanding voting securities of Premier, (ii) each of our directors, director nominees and Named Executive Officers listed in the Summary Compensation Table for Fiscal 2017 and (iii) all of our directors, director nominees and executive officers as a group. In preparing the following table, we relied upon statements filed with the SEC by the beneficial owners of more than 5% of our outstanding shares of common stock pursuant to Sections 13 or 16 of the Exchange Act. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of Class A common stock and Class B common stock reflected as beneficially owned.

Beneficial ownership is determined in accordance with the rules of the SEC. Accordingly, the following table accounts for shares of Class A common stock issuable (i) upon the exercise of currently exercisable stock options and stock options that vest within 60 days of the Record Date and (ii) upon the vesting of Performance Shares or restricted stock units that vest within 60 days of the Record Date. Additionally, the table reflects shares of Class A common stock underlying certain unvested restricted stock awards (RSAs) made to our executive officers on August 31, 2015, which awards entitle the recipient to vote, but not dispose of, the underlying shares of Class A common stock. Unless otherwise indicated in a footnote, the business address of each person listed below is the address of our principal executive office, Premier, Inc., 13034 Ballantyne Corporate Place, Charlotte, NC 28277.

Name	Class A Common Stock		Class B Common Stock		Combined Voting Power(1)(2)(3)
	Beneficially Owned(1) Shares	% of Class(2)	Beneficially Owned(1) Shares	% of Class(2)	
Certain Beneficial Owners					
FMR LLC(4)	7,763,382	14.5%			5.6%
Vanguard Group Inc.(5)	4,345,748	8.1%			3.1%
Premier Trust(3)			86,067,478	100%	61.6%
GNVHA Purchasing Alliance, LLC(3)(6)			8,160,987	9.5%	5.8%
Directors, Director Nominees and Named Executive Officers:					
Barclay E. Berdan(7)			1,908,703	2.2%	1.4%
Eric J. Bieber, MD(6)(7)			549,824	*	*
Stephen R. D Arcy	14,042	*			*
Jody R. Davids	6,183	*			*
Susan D. DeVore	1,492,709(8)	2.8%			1.1%
William B. Downey(7)	400	*	330,000	*	*
Peter S. Fine(7)			2,631,748	3.1%	1.9%
Philip A. Incarnati(7)			986,905	1.1%	*
David H. Langstaff					
William E. Mayer	9,887	*			*
Marc D. Miller(7)			2,232,680	2.6%	1.6%
Marvin R. O Quinn(7)			3,702,592	4.3%	2.7%
Scott Reiner(7)			3,160,984	3.7%	2.3%
Terry D. Shaw(7)			4,116,582	4.8%	2.9%

Edgar Filing: Premier, Inc. - Form DEF 14A

Richard J. Statuto(7)			2,008,455	2.3%	1.4%
Ellen C. Wolf	9,488	*			*
Michael J. Alkire	745,753(9)	1.4%			*
Craig S. McKasson	327,480(10)	*			*
Durrall Gilbert	116,349(11)	*			*
David L. Klatsky	4,028(12)	*			*
Directors, Director Nominees and Executive Officers as a group (24 persons)(13)	2,827,685(13)	5.3%	21,628,473	25.1%	17.2%

Table of Contents

* Represents less than 1%.

- (1) In connection with our reorganization and IPO, the member owners were issued Class B common units in Premier LP and an equivalent number of shares of Premier, Inc. Class B common stock. Subject to the terms of the Exchange Agreement, each member owner has the cumulative right, subject to certain restrictions, commencing on October 31, 2014, and during each year thereafter, to exchange up to one-seventh of its initial allocation of Premier LP Class B common units, as well as any additional Premier LP Class B common units purchased by such member owner pursuant to certain rights of first refusal set forth in the Exchange Agreement, on a quarterly basis, for shares of Premier, Inc. Class A common stock (on a one-for-one basis), cash or a combination of both, the form of consideration to be at the discretion of the Audit and Compliance Committee of our Board of Directors. For each Premier LP Class B common unit that is exchanged pursuant to the Exchange Agreement, the member owner will also surrender one corresponding share of Premier Class B common stock, which will automatically be retired. As of the Record Date, there were 86,067,478 Class B common units outstanding. On October 31, 2017, the next quarterly exchange date under the Exchange Agreement, 39,872,212 Class B common units of Premier LP will be eligible for exchange under the Exchange Agreement. Based on indicated participation in the October 31, 2017 Class B common unit exchange process, as of the Record Date, a maximum of 3,651,294 Class B common units will be exchanged for shares of Class A common stock, cash or a combination thereof, as determined by our Audit and Compliance Committee. Correspondingly, we expect 3,651,294 shares of Class B common stock to be removed from the Class B Voting Trust and retired. Following the completion of the exchange process discussed above, we expect the percentage of voting power represented by the then-outstanding Class B common stock to decrease to approximately 59% (assuming we settled the exchange solely with shares of Class A common stock) or approximately 61% (assuming we settled the exchange solely with cash). See Frequently Asked Questions What is the Class B Common Unit Exchange Process? Will it impact the Annual Meeting? above for additional information regarding the timing and impact of exchange process, the Record Date and the cancellation of Class B common shares. On or about October 31, 2017, we expect to file with the SEC a Current Report on Form 8-K regarding the final results of the October 31, 2017 exchange process.
- (2) Combined Voting Power represents the percentage of voting power of the Class A common stock and Class B common stock of Premier voting together as though a single class. These percentages account for the (i) exercise of currently exercisable stock options and stock options that vest within 60 days of the Record Date; (ii) number of RSUs and Performance Shares that are expected to vest within 60 days of the Record Date; and (iii) number of shares of Class A common stock underlying unvested RSAs. The percentages are based on 53,561,358 shares of Class A common stock outstanding and 86,067,478 shares of Class B common stock outstanding as of the Record Date.
- (3) Our member owners, including GNYHA Purchasing Alliance, LLC are the beneficial owners of our Class B common stock. In connection with our reorganization and IPO, our member owners entered into the VTA pursuant to which the member owners contributed their Class B common stock to Class B Voting Trust, under which a trustee will act on behalf of the member owners for purposes of voting their Class B common stock. As a result of the VTA, the Trustee has voting power over the member owners' Class B common stock; however, the member owners retain investment power over the Class B common stock. The business address of Wells Fargo Delaware Trust Company, N.A., the Trustee, is 919 N. Market Street, Suite 1600, Wilmington, Delaware 19801. Following the expected Class B common unit exchanges discussed in footnote 1 above, the Class B common shares surrendered in connection with such exchanges will no longer be included in the Class B Voting Trust.
- (4) The information presented is based solely on the Schedule 13F-HR/A filed with the SEC by FMR LLC (FMR) on August 29, 2017, with respect to holdings at June 30, 2017. The Schedule 13F-HR indicates defined investment discretion with respect to 7,763,382 shares, sole voting authority with respect to 171,106 shares and no voting authority with respect to 7,592,276 shares. The address of FMR is 245 Summer Street, Boston, MA 02210.
- (5)

The information presented is based solely on the Schedule 13F-HR/A filed with the SEC by Vanguard Group, Inc. (Vanguard) on August 24, 2017, with respect to holdings at June 30, 2017. The Schedule 13F-HR indicates sole investment discretion with respect to 4,316,689 shares, defined investment discretion with respect to 29,059 shares, sole voting authority with respect to 28,498 shares, shared voting authority with respect to 5,801 shares, and no voting authority with respect to 4,311,449 shares. The address of Vanguard is P.O. Box 2600, V26, Valley Forge, PA 19482.

- (6) All of the shares are held directly by GNYHA Purchasing Alliance, LLC, whose manager is GPA Holdings, LLC. GNYHA Purchasing Alliance, LLC has shared voting and dispositive power of the shares. GNYHA Purchasing Alliance, LLC shares this voting power with GPA Holdings, LLC, GNYHA Services, Inc. and Greater New York Hospital Association, Inc. The principal business address of each entity named herein is c/o GNYHA Ventures Inc., 555 West 57th Street, Suite 1500, New York, NY 10019. Pursuant to the Exchange Agreement, on or about October 31, 2017, GNYHA Purchasing Alliance, LLC has informed us that it expects to exchange 1,340,526 Class B common units of Premier, LP for shares of Class A common stock, cash, or a combination thereof, as determined by our Audit and Compliance Committee, and correspondingly, we expect 1,340,526 shares of Class B common stock to be removed from the Class B Voting Trust and retired. Following the completion of the exchange process, we expect the percentage of combined voting power beneficially owned by GNYHA Purchasing Alliance, LLC to be approximately (i) 4.9%, if we settled the October 31, 2017 exchange process solely with shares of Class A common stock, or (ii) 5.0% if we settled the October 31, 2017 exchange process solely with cash. Shares of Class A common stock received by GNYHA under the Exchange Agreement, if any, will not have a right to vote at the Annual Meeting because they will be issued after the Record Date. Eric J. Bieber, MD, a member of our Board of Directors, serves on the board of governors of Greater New York Hospital Association, Inc., but does not participate in investment or voting decisions regarding Class A common stock of Premier or Class B common units of Premier LP beneficially owned by GNYHA or its affiliated entities and disclaims beneficial ownership of such shares and units. Shares beneficially owned by GNYHA Purchasing Alliance, LLC are not included in Dr. Bieber's beneficial ownership amounts.
- (7) As an executive officer of a member owner, such person may be deemed to share beneficial ownership of the shares and/or units held by the member owner with which he or she is affiliated, and such person disclaims beneficial ownership of any such shares or units or any other shares or units held by affiliates of the applicable member owner.

Table of Contents