

Walgreens Boots Alliance, Inc.
Audit Committee Charter

Purpose

The Board of Directors (the “Board”) of Walgreens Boots Alliance, Inc. (the “Company”) has established the Audit Committee (the “Committee”) to assist the Board in its oversight of (1) the integrity of the Company’s financial statements and its accounting and financial reporting process; (2) the soundness of the Company’s systems of internal accounting and financial controls; (3) the annual independent audit of the Company’s financial statements; (4) the independent auditor’s qualifications, performance and independence; (5) the Company’s compliance with legal and regulatory requirements; and (6) the performance of the Company’s independent auditor and internal audit function.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

Composition

The Committee shall be comprised of a minimum of three directors. Each member of the Committee must meet the independence and experience requirements of the Listing Rulebook of The NASDAQ Stock Market (“NASDAQ”), the Securities Exchange Act of 1934, as amended (the “Exchange Act”), any other applicable laws and regulations with respect to audit committee members and the Company's categorical independence standards.

In addition, if a Committee member ceases to be independent for reasons outside the member’s reasonable control, his or her membership on the Committee may continue until a replacement can be appointed (which will occur as soon as reasonably practicable), but in any event no later than the earlier of the Company’s next annual stockholders’ meeting or one year from the occurrence of the event that caused the failure to qualify as independent. If the Company is not already relying on this provision, and falls out of compliance with the requirements regarding Committee composition due to a single vacancy on the Committee, then the Company will have until the earlier of its next annual stockholders’ meeting or one year from the occurrence of the event that caused the failure to comply with this requirement. The Company will provide notice to NASDAQ immediately upon learning of the event or circumstance that caused the non-compliance if it expects to rely on either of these provisions for a cure period.

Each member of the Committee must be able to read and understand fundamental financial statements. No member of the Committee may have participated in the preparation of the financial statements of the Company (or its predecessor) in the past three years. At least one member of the Committee must be an “audit committee financial expert” as defined by the Securities and Exchange Commission (the “SEC”). The designation or determination by the Board of a person as an “audit committee financial expert” will not impose on such person individually, on the Committee, or on the

Board as a whole, any greater duties, obligations or liability than would exist in the absence of such designation or determination.

Determinations of whether a particular director satisfies the requirements for membership on the Committee will be made by the Board.

The members of the Committee are appointed by the Board upon recommendation of the Nominating and Governance Committee, and serve at the discretion of the Board. One member of the Committee will be appointed by the Board as Chair, upon recommendation of the Nominating and Governance Committee. The Board may remove Committee members, with or without cause, upon the recommendation of the Nominating and Governance Committee. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

Authority and Delegation

The Committee has the authority to investigate any activity of the Company in order to adequately discharge its responsibilities and to expand its knowledge of the Company's financial operations. The Committee shall have direct access to the Company's independent auditor, the General Auditor (who is responsible for the internal audit function), any other executive or manager of the Company, and the records of the Company.

The Committee has the authority to retain accountants, outside counsel and other advisors as the Committee deems appropriate in its sole discretion to assist the Committee in the performance of its duties. The Committee is authorized to approve related fees and retention terms and shall be provided with appropriate funding, as determined by the Committee, for payment of compensation to such accountants, outside counsel and other advisors.

The Committee may also delegate to one or more subcommittees such of its duties as the Committee deems necessary and appropriate.

Meetings

The Committee will meet as often as it deems necessary, but not less frequently than quarterly. The Committee will meet periodically in separate executive sessions with management, the internal auditors and the independent auditor, and have such other direct and independent interaction with such persons from time to time as the members of the Committee deem appropriate. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Notice of all Committee meetings will be given, and waiver thereof determined, in accordance with the notice and waiver of notice requirements applicable to the Board.

A majority of the members, present in person, by phone, or via other electronic media, will constitute a quorum. A majority of the members present at a duly constituted meeting may decide any

question brought before the Committee. The Committee may act by written consent to the extent permitted by and in accordance with the by-laws of the Company.

Minutes

The Secretary of the Company or the Chair's designate will prepare the minutes of the Committee's meetings. Minutes will be distributed to Committee members and to the Company's directors who are not Committee members. The Secretary of the Company will maintain copies of all minutes as permanent records.

Specific Duties

Acting in a manner that is consistent with the purpose and authority described above, the Committee will perform such specific duties as it deems appropriate, including the following:

1. Review of Quarterly and Annual Financial Statements. Review and discuss with management and the independent auditor the Company's annual audited financial statements and quarterly financial statements, including disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" prior to filing with the SEC or distribution to stockholders and the public.
2. Report from the Independent Auditors. Request that the independent auditor report on matters required to be communicated to the Committee in accordance with applicable auditing standards established from time to time by the PCAOB or SEC rules and regulations, including the matters required to be discussed by Auditing Standard No. 1301, "Communications with Audit Committees" (as such standard may be further modified or supplemented from time to time) and under Section 10A(k) of the Exchange Act and Rule 2-07 of Regulation S-X under the Exchange Act.
3. Certifications. Review any disclosures made by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls, or material weaknesses therein, and any fraud involving management or other employees who have a significant role in the Company's internal controls.
4. Inclusion of Financial Statements in Form 10-K. Upon completing the required review, make a recommendation to the Board that the Company's annual financial statements be included in the Form 10-K and filed with the SEC.
5. Review of Earnings Releases. Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be general (consisting of discussing the types of information to be disclosed and the types of presentations to be made).

6. Report for Inclusion in Proxy Statement. Prepare a report of the Committee to be included in the Company's Annual Report on Form 10-K and proxy statement, as required by the SEC.
7. Audit Services. Review with the independent auditor and the General Auditor their annual audit plans to determine the combined audit coverage for the Company, and approve their respective audit plans.
8. Risk Assessment and Risk Management. Review policies and procedures with respect to enterprise risk assessment and risk management, including major litigation and financial risks as well as information security and technology risks (including cybersecurity), it being understood that it is the job of management to assess and manage the Company's exposure to risk and that the Committee's responsibility is to review policies and procedures by which risk assessment and management are undertaken. In addition, review key enterprise risks on a quarterly basis, and discuss with management the steps taken to monitor and control such risks.
9. Additional Communications with Independent Auditor and General Auditor. Review and discuss with the independent auditor and the General Auditor: (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of significant deficiencies or material weaknesses, if any; (b) analyses prepared by management, the internal audit department, or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; and (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, if any, on the financial statements of the Company.
10. Compliance. Periodically review the overall adequacy and effectiveness of the Company's legal, regulatory and compliance programs. The Committee shall meet periodically with the Company's Chief Compliance Officer.
11. Reviews with the Independent Auditor and General Auditor. Review with the independent auditor and the General Auditor difficulties encountered in the course of the audit work and management's response, including any restrictions on the scope of the independent auditor's activities or access to requested information, and any significant disagreements with management. The Committee shall review with the independent auditor any accounting adjustments noted or proposed by the independent auditor but passed (as immaterial or otherwise); any communication between the audit team and the independent auditor's national office respecting auditing or accounting issues presented by the engagement; and any management or internal control letter issued, or proposed to be issued, by the independent auditor. The review shall also include discussion of the responsibilities, budget and staffing of the Company's internal audit function.

12. Engagement and Oversight of Independent Auditor. Directly appoint, retain, compensate (including approval of the terms of engagement) and terminate (when circumstances warrant) the Company's independent auditor, which will report directly to the Committee. The Committee shall exercise oversight of the independent auditor, including resolution of disagreements between management and the independent auditor.
13. Independence and Performance of Independent Auditor. The Committee shall, at least annually, evaluate the independent auditor's qualifications, performance and independence (consistent with SEC requirements), including a review and evaluation of the lead partner and ensuring the regular rotation of the lead audit partner as required by the SEC. This process will include, at least annually, the Committee's receipt and review of a written report by the independent auditor describing: (a) the independent auditor's internal quality control procedures; (b) any material issues raised by the independent auditor's most recent internal quality control review, or peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (c) all relationships between the independent auditor and the Company. The Committee will review with the independent auditor any issues or relationships disclosed in such report that, in the judgment of the Committee, may have an impact on the competence or independence of the independent auditor.
14. Pre-approval of Audit and Non-Audit Services. Pre-approve audit and permissible non-audit services (consistent with SEC requirements) to be provided by the independent auditor, including fees. Additional pre-approval of audit services will not be required if the engagement is for services covered under pre-approval policies and procedures previously established by the Committee. The Committee shall consider whether the independent auditor's provision of permissible non-audit services is compatible with the auditor's independence. The Committee may delegate authority for this assessment to one or more members of the Committee. The Committee shall require the independent auditor to annually summarize audit and non-audit service fees.
15. Disclosure Controls and Procedures and Internal Control Over Financial Reporting. Periodically review the adequacy and effectiveness of the Company's disclosure controls and procedures and the Company's controls over financial reporting, including any significant deficiencies or material weaknesses and significant changes in internal controls.
16. Hiring of Auditor Personnel. Set clear hiring policies for employees or former employees of the independent auditor and oversee the hiring of any personnel from the independent auditor into positions within the Company in accordance with the hiring restrictions of the Sarbanes-Oxley Act of 2002.
17. Complaint Procedures. Establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, as well as for

confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters. Review periodically with management and Internal Audit these procedures and any significant complaints received.

18. Performance of General Auditor. Review the performance of the Internal Audit function, its activities and organizational structure, as well as the qualifications of its personnel. The Committee shall, at least annually, review the internal audit charter and recommend any proposed changes.
19. Committee Reports. The Chair of the Committee shall report to the Board regarding the activities of the Committee at appropriate times and as otherwise requested by the Chairman of the Board. The Committee shall review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor, or the performance of the internal audit function.
20. Stockholder Ratification of Independent Auditor. The Committee's selection of the independent auditor shall be voted upon by the Company's stockholders at the annual meeting. If the Board's selection fails to achieve the support of a majority of the votes cast, the Committee shall (a) take the stockholders' views into consideration and (b) solicit the views of major stockholders to determine why broad levels of stockholder support were not achieved.
21. Annual Performance Evaluation. At least annually, evaluate the Committee's performance and report to the Board regarding the Committee's self-evaluation.
22. Charter Review. At least annually, review this Charter and recommend any proposed changes to the Board for approval.
23. Other Duties. Perform such other duties and responsibilities as may be assigned to the Committee by applicable law or regulation (whether in a domestic or foreign jurisdiction), by the Company's by-laws, or by the Board.

Limitation on Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

Last updated: 26 January 2017