



# Walgreens Boots Alliance

**Policy number:** WBA RPT 1

**Policy title:** Related party transactions – WBA Directors and Officers

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**Owner:** WBA Corporate Secretary

**Description:** This Policy provides the rules within WBA for the management and administration of related party transactions.

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## 1. Purpose

The purpose of this policy is to provide the Company's rules for the management and administration of Related Party transactions.

## 2. Introduction

The Company's Code of Conduct and Business Ethics, which applies to all employees and directors, provides for vigilant monitoring of all potential conflicts of interest. Pursuant to Regulation S-K promulgated by the SEC, certain transactions between the Company and certain related parties need to be disclosed in the Company's filings with the SEC. In addition, under Section 144 of the Delaware General Corporation Law, certain transactions between the Company and its directors and officers may need to be approved by the Board or a duly authorized committee thereof. Finally, SEC and NASDAQ rules require the Board to assess whether relationships or transactions exist that may impair the independence of the Company's outside directors.

This Policy is intended to provide direction on all Interested Transactions. It is the policy of the Board that all Interested Transactions with Related Parties, as those terms are defined herein, be subject to this Policy and approved or ratified as provided herein.

## 3. Definitions

**"Board"** means the Board of Directors of the Company.

**"Company"** means Walgreens Boots Alliance, Inc., a Delaware corporation.

**"Immediate family member"** means a person's spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law, as well as anyone residing in such person's home (other than a tenant or employee).

**"Interested Transaction"** means (a) any transaction, arrangement or relationship, or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which (i) the Company or any of its subsidiaries was, is or will be a participant; (ii) the aggregate amount involved will or may be reasonably expected to exceed \$120,000 in any fiscal year; and (iii) any Related Party has or will have a direct or indirect material interest; and (b) any material amendment or modification to an existing Interested Transaction regardless of whether it has previously been approved in accordance with this Policy; provided, however, that the following will not be deemed to be Interested Transactions:



- Any transaction that involves the provision of compensation to an executive officer or director of the Company in connection with his or her duties to the Company or any of its subsidiaries or affiliates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business;
- Indemnification and advancement of expenses made pursuant to the Company's Certificate of Incorporation or By-laws, or pursuant to any agreement;
- Contributions by the Company or any of its subsidiaries or affiliates to a charitable organization, foundation or university at which a Related Party is a trustee, director, or employee other than an officer (or comparable position); provided, that the contribution does not exceed the lesser of \$1 million or two percent (2%) of the organization's annual total revenues, including contributions; and
- Any transaction where the Related Party's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock received the same benefit on a *pro rata* basis (e.g., dividends).

“**N&G Committee**” means the Nominating and Governance Committee of the Board or any successor committee thereto.

“**Policy**” means this Related Party Transactions Policy, as amended or supplemented.

“**Related Party**” means any person who is or was (since the beginning of the last fiscal year for which the Company has filed an Annual Report on Form 10-K and proxy statement, even if he or she does not presently serve in that role): (a) an executive officer subject to the provisions of Section 16 of the Securities Exchange Act of 1934, as amended, a director, or a nominee for election as a director of the Company; (b) a person or entity known to the Company to be a greater than five percent (5%) beneficial owner of any class of the Company's voting securities; or (c) an immediate family member of any of the foregoing.

“**SEC**” means the U.S. Securities and Exchange Commission.

#### 4. Procedures

Each executive officer, director, and nominee for election as a director of the Company is responsible for promptly notifying the Company's General Counsel and Corporate Secretary of any material interest that such person or an immediate family member of such person has or may have in an Interested Transaction. The notice will include a description of the transaction and its material terms, including the aggregate dollar amount.



The Company's General Counsel and/or Corporate Secretary, in consultation with outside counsel as appropriate, will undertake an evaluation of the Interested Transaction. If that evaluation indicates that the Interested Transaction would require the N&G Committee's approval, then they will report the Interested Transaction, with a summary of the material facts disclosed to the General Counsel and/or Corporate Secretary related thereto, to the N&G Committee.

The N&G Committee will review the material facts of all Interested Transactions that require the N&G Committee's approval and either approve or disapprove of the entry into the Interested Transaction. If advance N&G Committee approval of an Interested Transaction is not feasible or is otherwise not obtained, then the Interested Transaction will be considered and, if the N&G Committee determines it to be appropriate, ratified at the N&G Committee's next regularly scheduled meeting.

In determining whether to approve or ratify an Interested Transaction, the N&G Committee will consider, among any other factors it deems appropriate:

- the purpose of, and the potential benefits to the Company of, the Interested Transaction;
- the extent of the Related Party's interest in the Interested Transaction;
- whether the Interested Transaction is fair to the Company and on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances;
- whether the Interested Transaction would impair the independence of a non-executive director; and
- whether the Interested Transaction would present an improper conflict of interest for any director, nominee for director or executive officer of the Company, taking into account the size of the transaction, the overall financial position of the applicable Related Party, the direct or indirect nature of the applicable Related Party's interest in the transaction, and the ongoing nature of any proposed relationship.

Any member of the N&G Committee who has an interest in the transaction under discussion will abstain from voting on approving or ratifying the Interested Transaction but may, if so requested by the Chair of the N&G Committee, participate in some or all of the N&G Committee's discussions of the Interested Transaction.

If an Interested Transaction will be ongoing, the N&G Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the N&G Committee, no less than annually, will review and assess ongoing



relationships with the Related Party to see they comply with the N&G Committee's guidelines and that the Interested Transaction remains appropriate.

## 5. Miscellaneous

The requirements in this Policy are in addition to any requirements imposed by any other written policies promulgated by the Company or its subsidiaries, including, but not limited to, the Company's Code of Ethics and Business Conduct and those policies related to transaction approvals more generally.

An Interested Transaction entered into without pre-approval of the N&G Committee will not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the N&G Committee as promptly as reasonably practicable after it is entered into or after it becomes reasonably apparent that the Interested Transaction is covered by this Policy. In any case where the N&G Committee determines not to ratify an Interested Transaction that has been commenced without pre-approval, the N&G Committee may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification, in each case as determined by the N&G Committee so as to avoid or otherwise address any resulting conflict of interest.

In connection with any review of an Interested Transaction, the N&G Committee has the authority to modify or waive any procedural requirements of this policy. The review, approval, or ratification of a transaction, arrangement, or relationship pursuant to this Policy does not necessarily imply that such transaction, arrangements, or relationship is required to be disclosed under Item 404(a) of Regulation S-K promulgated by the SEC.