McKesson Announces Preliminary Voting Results From 2017 Annual Meeting of Stockholders

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McKesson Corporation (NYSE: MCK) today announced preliminary voting results from its Annual Meeting of Stockholders, held earlier today in Irving, Texas. As announced at the meeting, all Board members were re-elected and all Board vote recommendations were upheld, except for the advisory vote on executive compensation.

“We engage with our shareholders year-round to gather input on McKesson's business and today’s proxy vote provided us with another opportunity to hear from our shareholders,” said John H. Hammergren, chairman and chief executive officer, McKesson Corporation. “We take the feedback seriously and will carefully consider the input received—making changes where necessary—so that we can continue to best serve our customers and deliver long-term value for our shareholders.”

Executive Compensation

Aligning pay with performance is the cornerstone of McKesson’s executive compensation program. Following today’s vote, the Compensation Committee will conduct a thorough review of the current executive compensation plan and consider implementing changes that further drive alignment between incentives and shareholder value.

Independent Board Chairman Proposal

Ensuring that the most qualified and appropriate individual is selected as chairman and that the Board has strong, independent oversight is a top priority for McKesson’s Board of Directors. Shareholders voted today to reject a shareholder proposal to split the role of Chairman and CEO, indicating support of the company’s current governance structure. The Board believes that Mr. Hammergren currently remains the right person to serve as chairman based on the needs of the company and its shareholders and that the Board’s Lead Independent Director provides strong management oversight and independent leadership.

The Board is committed to continually reviewing and refreshing the company’s governance with an eye toward the future. Today, the Board announced its decision to split the role of chairman and CEO in the future, commencing with the company’s next CEO. The Board would continue its practice of evaluating at least annually whether its leadership structure continues to be in the best interest of the company and its shareholders. This decision reflects how the McKesson Board of Directors takes shareholders’ views into account—both in terms of our governance today, but also long into the future.

Opioid Epidemic

The opioid epidemic is a national public health crisis, and McKesson takes its responsibility to help manage the safety and integrity of the pharmaceutical supply chain extremely seriously. While McKesson doesn’t manufacture, prescribe, or dispense opioids, the company is doing everything it can to help address this crisis in close partnership with the U.S. Drug Enforcement Administration (DEA) and other organizations across the supply chain.

McKesson has invested millions of dollars to build a first class Controlled Substance Monitoring Program (CSMP), allowing the company to monitor suspicious ordering patterns, block the shipment of controlled substances to pharmacies when certain thresholds are reached, report suspicious orders to the DEA, and educate customers on identifying opioid abuse.

In addition, although not a part of the company’s regulatory obligations, McKesson proactively developed a policy paper on the opioid crisis ("Combatting the Opioid Abuse Epidemic"), which includes recommendations that are actively being shared with federal and state elected officials and other stakeholders across the healthcare supply chain. The recommendations include program and policy changes that encourage industry participants to work together to use data analytics and technology to control the risks of overprescribing, provide real-time accessible information to pharmacists prior to dispensing opioids, identify patients most at risk and improve information sharing among different monitoring programs.

The voting outcomes are considered preliminary until the final results are tabulated and certified by the independent inspector of election. The final results will be reported on a Form 8-K that will be filed with the Securities and Exchange Commission.

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