

**Cardinal Health, Inc.**  
**2016 Political Activities and Contributions Report**

**Corporate Political Activity Policy**

Cardinal Health, Inc. believes that as a responsible corporate citizen, it is important to participate in the political process by using our unique knowledge and experience in healthcare to help inform and advise policy makers on matters that impact the quality, effectiveness, and affordability of healthcare and impact our company, customers, shareholders, and employees. Consistent with our *Standards of Business Conduct*, our policy reflects our commitment to comply with all applicable federal, state, and local laws and regulations governing political contributions and lobbying.

**Approval Process and Oversight**

The Nominating and Governance Committee of our Board of Directors is responsible for the oversight of our policies and practices regarding political expenditures, including an annual review of our political contributions policy and corporate political contributions and trade association dues and payments. We have adopted a Corporate Political Contributions Policy setting forth the process and standards governing our corporate political contributions.

Under this policy:

- We may not contribute corporate funds to political parties, judicial campaigns, presidential campaigns, SuperPACs, or federal candidates.
- We may not fund independent communications (those not made through a particular campaign or candidate) in connection with any federal or state candidate's election, and thus may not make expenditures of the type permitted in the *Citizens United* case.
- In limited circumstances, we may contribute corporate funds to state political candidates if permitted under state law and if contributions by the Cardinal Health Companies Political Action Committee ("PAC") are impractical. We also may use corporate funds to support ballot or bond initiatives at the state or local level. These expenditures are limited in practice, must be approved in advance by our Chief Legal and Compliance Officer and our Senior Vice President, Government Relations, and are subject to oversight and annual review by the Nominating and Governance Committee of the Board of Directors.

The vast majority of our political contributions to state candidates, and all contributions to federal candidates, are made by the PAC and not with corporate funds, and are publicly disclosed. While the PAC is administratively supported by Cardinal Health, it is funded entirely by voluntary contributions from our employees.

Since calendar year 2016, we have applied our political contribution policy to fees that we pay to trade associations in the U.S. We direct major trade associations (i.e., those whose membership dues exceed \$50,000 annually) not to use our funds for political campaign expenditures, unless

approved by our Chief Legal and Compliance Officer and our Senior Vice President, Government Relations. To date, no exceptions have been approved.

Under our policy, political contributions and expenditures must reflect Cardinal Health's interests or those of our industry, and not those of individual officers or directors. Our decision to contribute to a candidate or organization does not mean that we agree with every position taken by them. The factors considered in authorizing political contributions to candidates include constituent presence, the candidate's leadership position or committee membership, and the candidate's understanding of the issues that are important to our business and industry.

### **Political Action Committee**

Formed in 1999, the PAC supports the campaigns of those candidates who understand the issues critical to Cardinal Health and each of its healthcare-related industries and, as stated above, is funded entirely by voluntary contributions from our employees.

In calendar year 2016, PAC contributions to federal and state candidates totaled \$489,250 in the aggregate. We are required by federal law to file regular reports disclosing all political contributions made by the PAC. You can access our reports and all information on the PAC's contributions on the Federal Election Commission website at [www.fec.gov](http://www.fec.gov).

### **Corporate Political Contributions**

In 2016, we did not make any contributions from corporate funds to state candidates. We made \$130,000 in contributions from corporate funds relating to state and local ballot initiatives.

### **Lobbying Activity**

Lobbying is highly regulated in the United States, and we comply with all applicable U.S. federal and state laws, including the Lobbying Disclosure Act and Honest Leadership and Open Government Act that require reporting on lobbying activities and certification of compliance with Congressional gift rules. Our federal lobbying reports can be found at <http://lobbyingdisclosure.house.gov/>.

### **Trade Associations**

As part of our business activities, we belong to various industry and trade associations that share regulatory best practices and trends, keep members abreast of current events, provide educational conferences and networking opportunities, and form working groups to address industry-wide issues. We work with these trade associations to address issues affecting our industry and to educate policy makers and other stakeholders about the effects of proposed legislation or regulation on the healthcare system, our industry, and our business. Below is a list of these trade associations to which we paid more than \$50,000 in annual corporate member payments in calendar year 2016:

- Advanced Medical Technology Association
- American College of Healthcare Executives

- Business Roundtable
- Community Oncology Alliance
- Council on Radionuclides and Radiopharmaceuticals
- Health Industry Distributors Association
- Healthcare Distribution Alliance
- Healthcare Leadership Council
- International Federation of Pharmaceutical Wholesalers
- National Association of Chain Drug Stores
- National Association of Nuclear Pharmacies
- National Association of Wholesalers-Distributors
- National Community Pharmacists Association
- National Electrical Manufacturers Association
- Senior Care Pharmacy Coalition

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