



For administrative use only

Issue Date: 02 October 2023

Version number: 4.0

# Related Party transactions – WBA Directors and Officers

## Policy Owner: WBA Corporate Secretary

The purpose of this Policy is to provide the rules within WBA for the management and administration of Related Party transactions.

### Why It Matters

WBA’s Code of Conduct and 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 U.S. Securities and Exchange Commission (“SEC”), certain transactions between WBA 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 of Directors (the “Board”) or a duly authorized committee thereof. SEC and Nasdaq rules also require the Board to assess whether relationships or transactions exist that may impair the independence of the Company’s outside directors. In particular, Nasdaq Rule 5630 requires companies to have their audit committee or another independent body of the board of directors review and oversee all related party transactions for potential conflict of interest situations on an ongoing basis. Finally, the Charter of the Company’s Nominating and Governance Committee of the Board (“N&G Committee”) requires the review of all transactions proposed transactions with related parties.

### Scope

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.

This policy is applicable to “Related Parties,” which includes, among others, all directors and executive officers, as designated from time to time by the Board in accordance with federal securities laws (“executive officers”), of WBA and any of their immediate family members (as such term is defined herein).

This Policy has been prepared by Walgreens Boots Alliance, Inc. and its affiliates (“WBA”) for internal purposes only. All WBA internal Policies are kept under ongoing review and are subject to change at any time, and must not be redistributed to third parties without our express permission.

## Core Principles

- Due to their nature and heightened risk of conflicts of interest, any proposed Interested Transaction will be subject to approval or ratification in accordance with the procedures set forth below.

## IMPLEMENTATION

<b>1. Initial Procedures</b>	<b>2. Standing Pre-approval for Certain Interested Transactions</b>
<b>3. Review, Approval or Ratification of Interested Transactions</b>	<b>4. Miscellaneous</b>

### 1. Initial Procedures

Each executive officer, director and nominee for election as a director of WBA are responsible for promptly notifying the Global Chief Legal Officer (the “Chief Legal Officer”) 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 Chief Legal Officer 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 the Company’s Chief Legal Officer and/or Corporate Secretary will report the Interested Transaction, with a summary of the material facts disclosed to the Company’s Chief Legal Officer and/or Corporate Secretary related thereto, to the N&G Committee.

“**Immediate family member**” means a person’s spouse, parent, stepparent, child, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law, as well as anyone sharing the household of such person (other than a tenant or team member).

“**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) WBA 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; 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.

**“Related Party”** means any person who is or was at any time since the beginning of the last completed fiscal year: (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 WBA; (b) a person or entity known to WBA to be a greater than five percent (5%) beneficial owner of any class of WBA’s voting securities; or (c) an immediate family member of any of the foregoing.

## **2. Standing Pre-approval for Certain Interested Transactions**

The following Interested Transactions are deemed to be pre-approved by the N&G Committee and will not be subject to any additional requirements under this Policy:

- Any transaction that involves the provision of compensation to an executive officer or director of WBA in connection with his or her duties to WBA 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 WBA’s Certificate of Incorporation or By-laws, or pursuant to any agreement;
- Contributions by WBA 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 5% of the charitable organization’s annual consolidated gross revenues, or \$200,000, whichever is more; and
- Any transaction where the Related Party’s interest arises solely from the ownership of WBA’s common stock and all holders of WBA’s common stock received the same benefit on a *pro rata* basis (e.g., dividends).

## **3. Review, Approval or Ratification of Interested Transactions**

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 the following, among any other factors it deems appropriate:

- the purpose of, and the potential benefits to WBA, the Interested Transaction;
- the extent of the Related Party’s interest in the Interested Transaction;
- whether the Interested Transaction is commercially reasonable and on terms no less favorable to WBA than terms that could have been reached with an unaffiliated third party under the same or similar circumstances;

- whether the Interested Transaction would impair the independence of a non-executive director;
- whether the Interested Transaction would present an improper conflict of interest for any director, nominee for director or executive officer of WBA, 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; and
- whether the transaction is in the best interests of WBA and its shareholders.

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 WBA to follow in its ongoing dealings with the Related Party. Thereafter, the N&G Committee, no less than annually, is required to review and assess ongoing relationships with the Related Party to see that they comply with the N&G Committee's guidelines and that the Interested Transaction is in accordance with this Policy.

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 ratified by 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.

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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.

#### **4. Miscellaneous**

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