

Committees of the Board of Directors

Charters

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Audit Committee charter

Purpose

This Charter governs the operations of the Audit Committee. The Committee will review and reassess the Charter at least annually.

The purpose of the Committee is to assist the Board of Directors of Premier, Inc. in fulfilling the Board's oversight responsibility to the Stockholders, potential Stockholders and others relating to the systems of internal accounting and financial controls; the performance of Premier's internal audit function and independent auditors; the independent auditors qualifications and independence of the independent auditors; management of Premier's financial affairs; and Premier's compliance with ethics policies and legal and regulatory requirements. In so doing, it is the responsibility of the Committee to maintain free and open communication among the Committee, the Board of Directors, the independent auditors, the internal audit provider and the management of Premier.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of Premier and the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties.

The primary responsibilities of the Committee are to oversee Premier's financial reporting process on behalf of the Board of Directors and report the results of their activities to the Board of Directors and to assist the Board of Directors in the financial management of Premier. 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 Premier's financial statements are complete, accurate or in accordance with generally accepted accounting principles. Premier management is responsible for the preparation, presentation and integrity of Premier's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by Premier. The independent auditors are responsible for auditing Premier's financial statements.

In carrying out its responsibilities, the Committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances to assure the Board of Directors and Stockholders that the corporate accounting and reporting practices of Premier are in accordance with all requirements and are of the highest quality for financial reporting, risk management practices and ethical behavior.

Scope of work

The Committee will:

- Have responsibility for the appointment, retention and termination of the independent auditors and internal audit provider, and require the independent auditors and internal audit provider to report directly to the Committee. The Committee will be directly responsible for the oversight of the work of the independent auditors and internal audit provider, including resolution of disagreements between Premier management and the auditors regarding financial reporting. The Committee will pre-approve any audit-related and permitted non-audit services (including the fees and terms thereof) to be provided by the independent auditor. The Committee may delegate such pre-approval authority to a member of the Committee. The decisions of any Committee member to whom pre-approval authority may be delegated must be presented to the full Committee at its next scheduled meeting;
- At least annually, obtain and review reports of the independent auditors detailing:
 - the internal quality control procedures of the independent auditors;
 - any material issues raised by: the most recent internal quality control review or peer review of the independent auditors; any inquiry or investigation by governmental or professional authorities undertaken within the preceding five years and related to independent audits carried out by the independent auditors; and any steps taken to deal with such issues; and,
 - all relationships between the independent auditors and Premier;
- Establish clear hiring policies for employees or former employees of the independent auditors consistent with this Audit Committee Charter;
- Discuss with the internal audit provider and the independent auditors the overall scope and plans for their respective audits, including the adequacy of staffing and compensation. Also, the Committee will discuss with Premier management, the internal audit provider and the independent auditors the adequacy and effectiveness of the accounting and financial controls, including Premier's policies and procedures to assess, monitor and manage business risk and legal and ethical compliance programs (e.g., Premier's Business Conduct Guidelines);
- Periodically meet with each of Premier management, the Premier Vice President, Ethics and Compliance, the internal audit provider and the independent auditors to discuss separately any issues and concerns warranting the Committee's attention. The Committee will provide sufficient opportunity for the internal audit provider and the independent

auditors to meet privately with the members of the Committee. The Committee will review with the independent auditors any audit problems or difficulties and Premier management's response;

- Receive reports from the independent auditors on: all critical accounting policies and practices of Premier; all material alternative treatments of financial information within generally accepted accounting principles that have been discussed with Premier management, including the ramifications of the use of such alternative treatments and the disclosures or treatments preferred by the independent auditors; and other material written communications between the independent auditors and management;
- Review with Premier management and the independent auditors: the financial statements and disclosure materials under the Management's Discussion and Analysis of Financial Condition and Results of Operations included in Premier's Annual Reports; as well as, the judgment of Premier management and the independent auditors regarding the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments and the completeness and clarity of the disclosures in such financial statements and materials. The Committee will discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards;
- Approve procedures for: the receipt, retention and treatment of complaints received by Premier regarding accounting, internal accounting controls or auditing matters; as well as the confidential, anonymous submission by employees of Premier of concerns regarding questionable accounting or auditing matters and establish process for investigation and proper disposition of any issues raised.
- Receive appropriate funding, as determined by the Committee in its capacity as a Committee of the Board of Directors, for payment of compensation to independent auditors, internal audit provider and any advisors employed by the Committee;
- Review and concur in the appointment, replacement, reassignment or dismissal of the Vice President, Ethics and Compliance and the Chief Financial Officer;
- Review the internal audit function of Premier, including the independence and authority of its reporting obligations, the proposed internal audit plans for the coming year and the coordination of such plans with the independent auditors;

- Review a summary of findings from completed internal audits and a progress report on the internal audit plan, including explanations for any deviations from the approved audit plan;
- Inquire as to the adequacy and timeliness of Premier's responses to the internal audit report findings;
- Assist the Board in managing the financial affairs of Premier, including:
 - Review the financial condition of Premier and its related companies;
 - Review, advise and make recommendations to the Board of Directors regarding proposed operating budgets for Premier and its related companies;
 - Review, advise and make recommendations to the Board of Directors regarding current and projected capital requirements and the related impact to the proposed capital retention policy;
 - Review and make recommendations to the Board of Directors concerning distributions; and,
 - Review Premier's credit agreements and its investment policies, strategies and guidelines.

The Committee is not empowered to declare distributions or make investment decisions without the prior approval of the Board of Directors; and

- Investigate any matter brought to the Committee's attention within the scope of its duties, and retain independent outside counsel for this purpose if the Committee deems such a step appropriate.

Inputs

The Committee will receive input from:

- The Board of Directors;
- Stockholders;
- Premier Executive Management;
- Premier Financial Management;
- Premier Vice President, Ethics and Compliance;
- Premier General Counsel;
- Outside Legal and Regulatory Counsel;
- Internal Audit Provider; and
- Outside Independent Auditors.

Communication

Advance materials and Committee meeting minutes will be prepared and distributed to the Committee members prior to the next meeting. The

Committee chair will provide reports to the Board of Directors summarizing significant topics and events as presented at the Committee meeting.

Membership

All members of the Committee shall be members of, and appointed by, the Board of Directors. The Committee shall be comprised of at least three members. Each member shall be Independent, Financially Literate and at least one member shall be an Audit Committee Financial Expert, as determined by the Board of Directors in accordance with the requirements set forth in the By-Laws.

Criteria for evaluation

The Committee will participate in the Board of Directors self-assessment process.

*Approved by the Premier, Inc. Board of Directors, September 21, 2004.
Revised October 21, 2005.*

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Committee on Directors charter

Purpose

This Charter governs the operations of the Committee on Directors. The Committee will review and reassess the Charter at least annually.

The purpose of the Committee is to assist the Board of Directors to promote the effective governance of Premier, Inc. and its related companies ("Premier").

Scope of Work

The Committee will:

- Recommend to the Board of Directors persons to be nominated for election or appointment as directors.
- Recommend to the Board of Directors persons to serve on committees of the Board of Directors;
- Monitor and recommend modifications or enhancements to Premier's governance documents;
- Oversee the process for a regular assessment of the performance of the Board of Directors;
- Administer Premier's Board of Directors Compensation Plan ("Plan") and oversee the Plan's design and recommend to the Board of Directors modifications and enhancements; and,
- Oversee the process to address any conflict of interest issues pertaining to the Board of Directors.

Inputs

The Committee will receive input from:

- The Board of Directors;
- Stockholders;
- Premier Executive Management;
- Premier General Counsel; and,
- Outside Advisors.

When nominating new Stockholder representatives for election or appointment to the Board of Directors, the Committee will solicit Stockholder input and will seek to include non-director Stockholder Chief Executive Officers in Committee deliberations.

Communication

Advance materials and Committee meeting minutes will be prepared and distributed to the Committee members prior to the next meeting. The Committee chair will provide reports to the Board of Directors summarizing significant topics and events as presented at the Committee meeting.

Membership

All members of the Committee shall be members of, and appointed by, the Board of Directors. Each Committee member shall be Independent as determined by the Board of Directors in accordance with the requirements set forth in the By-Laws.

Criteria for Evaluation

The Committee will participate in the Board of Directors self-assessment process.

*Approved by the Premier, Inc. Board of Directors, January 19, 2004.
Reviewed by the Committee on Directors January 29, 2006.*

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Compensation Committee charter

Purpose

This Charter governs the operations of the Compensation Committee. The Committee will review and reassess the Charter at least annually.

The purpose of the Committee is to assist the Board of Directors to support the organizational performance of Premier, Inc. and its related companies ("Premier") through the alignment of executive compensation strategies, programs and plans.

Scope of Work

The Committee will:

- Recommend to the Board of Directors the compensation of the President and CEO;
- Review the compensation of the President and CEO which includes on an annual basis the review and approval of corporate goals relating to the CEO, evaluation of the CEO performance against his goals, and the sole authority to determine the CEO's compensation based on the evaluation;
- Review and recommend to the Board the compensation of such other officers of Premier as recommended by the President and CEO;
- Review and recommend to the Board the compensation of the outside Directors;
- Adopt, revise or terminate executive employee benefit, bonus, incentive compensation, deferred compensation, employment agreements or similar plans of Premier and administer such plans, as defined in the relevant plan documents and, as may be appropriate in the best interests of Premier;
- Adopt compensation related performance goals and determine achievement in meeting such goals, including determination of Annual Incentive Plan and Long Term Incentive Plan achievement;
- Annually review charter, philosophy, and compensation policies;
- Periodically review the Compensation Committee governance and its members' role and assignments;
- Be solely and directly responsible for appointing, evaluating, and when necessary, terminating any external consultant assisting in the compensation evaluation of a Director, President and CEO or other senior executive;

- Seek advice from an external compensation consultant to provide advice to the Committee on executive compensation matters;
- Be responsible for approving fees of external consultants providing advice to the Committee on compensation matters.
- Hold executive sessions at every in-person meeting and at any other meeting as deemed appropriate;
- Be available to work with Premier and to advise on any compensation issues; and
- Stay current with current trends in compensation.

Inputs

The Committee will receive input from:

- The Board of Directors;
- Stockholders;
- Premier Executive Management;
- Premier Human Resources Management;
- Premier General Counsel;
- External Legal Counsel; and
- External Compensation Consultant(s)

Communication

Advance materials and Committee meeting minutes will be prepared and distributed to the Committee members prior to meetings. The Committee Chair will provide reports to the Board of Directors on a regular basis.

Membership

All members of the Committee shall be members of, and appointed by, the Board of Directors.

Each Committee member shall be Independent as determined by the Board of Directors in accordance with the requirements set forth in the By-Laws.

Criteria for Evaluation

The Committee will participate in the Board of Directors self-assessment process.

*Approved by the Premier, Inc. Board of Directors, January 19, 2004.
Revised January 23, 2005.*

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Special Committee authorization

The Special Committee is established pursuant to the [Conflict of Interest and Confidentiality policy](#), which states that “consideration and approval of any transaction between Premier and any stockholder, limited partner or group affiliate of Premier shall be delegated to a committee of the Premier Board of Directors composed solely of the chief executive officer of Premier and all Premier directors who are not directors, officers, employees or affiliates of any stockholder, limited partner or group affiliate of Premier.”

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