

Premier, Inc.
Form DEF 14A
October 19, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

PREMIER, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

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October 19, 2016

Dear Premier Stockholders:

I am pleased to invite you to attend the Premier, Inc. 2016 Annual Meeting of Stockholders (the Annual Meeting). The meeting will be held on Friday, December 2, 2016, at our corporate headquarters located at 13034 Ballantyne Corporate Place, Charlotte, North Carolina, beginning at 10:00 a.m., Eastern Standard Time.

We will consider the items of business described in the Notice of 2016 Annual Meeting of Stockholders and in the proxy statement accompanying this letter. The proxy statement contains important information about the matters to be voted on and the process for voting, along with information about Premier, its management and its directors.

Every stockholder's vote is important to us. Even if you plan to attend the Annual Meeting in person, *please promptly vote* by submitting your proxy by phone, by Internet or by mail if you hold Class A common stock or by providing your voting instructions to Wells Fargo Delaware Trust Company, N.A., the trustee of the Class B common stock under the Voting Trust Agreement, if you hold Class B common stock. The Frequently Asked Questions section of the proxy statement and the enclosed proxy card (or in the case of Class B common stock, the voting instruction card) each contain detailed instructions for submitting your proxy or instructions and voting your shares. If you plan to attend the Annual Meeting in person, you must provide proof of share ownership, such as an account statement or trust certificate, and a form of personal identification in order to be admitted to the meeting.

On behalf of the directors, management and employees of Premier, thank you for your continued support of and ownership in our company.

Sincerely,

Richard J. Statuto

Chairman of the Board of Directors

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PREMIER, INC.

NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON DECEMBER 2, 2016

The Premier, Inc. 2016 Annual Meeting of Stockholders (the Annual Meeting) will be held on Friday, December 2, 2016, at our corporate headquarters located at 13034 Ballantyne Corporate Place, Charlotte, North Carolina, beginning at 10:00 a.m., Eastern Standard Time.

At the Annual Meeting, we will consider:

1. The election of five Class III Directors to the Board of Directors to serve until our 2019 annual meeting of stockholders.
2. The ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for our fiscal year 2017.
3. The approval, on an advisory basis, of the compensation of our named executive officers as disclosed in the proxy statement for the Annual Meeting.
4. The transaction of such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

Holders of Class A common stock and Class B common stock at the close of business on our record date of October 3, 2016 are entitled to notice of and to vote at the Annual Meeting and any postponement or adjournment of the meeting. With respect to the matters to be voted upon at the Annual Meeting, all shares of Class A common stock and Class B common stock will be voted together as a single class. For Class A common stock, the shares will be voted if present in person or represented by proxy. For Class B common stock, the shares will be voted by Wells Fargo Delaware Trust Company, N.A. (the Trustee), as trustee under the Voting Trust Agreement, by and among Premier, Inc., Premier Healthcare Alliance, L.P. (f/k/a Premier Purchasing Partners, L.P.), the holders of our Class B common stock and the Trustee (the VTA). As of the record date, our outstanding Class B common stock represented a significant percentage of our total outstanding shares of Class A and Class B common stock combined and, accordingly, can control the outcome of the matters to be voted upon at the Annual Meeting. References herein to holders of our Class B common stock, or similar phrases, are to the beneficial owners of the Class B common stock held by the Trustee pursuant to the VTA. The Trustee is the sole record holder of our Class B common stock.

Your vote is important. Holders of Class A common and Class B common stock should vote or provide voting instructions, as applicable, in one of these ways:

- (1) INTERNET: Go to www.proxyvote.com and follow the instructions. You will need to enter the control number printed on your proxy or voting instruction card;
- (2) TELEPHONE: Call toll-free 1-800-690-6903 and follow the instructions. You will need to enter the control number printed on your proxy or voting instruction card; or
- (3) MAIL: Complete, sign, date and promptly return your proxy or voting instruction card in the enclosed envelope.

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In addition, holders of Class A common stock may submit a completed ballot in person at the Annual Meeting. While holders of Class B common stock are welcome to attend the Annual Meeting in person, they will not be able to vote or provide voting instructions at the Annual Meeting. Holders of Class B common stock may only vote their Class B common shares by providing the Trustee voting instructions.

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For a period of at least 10 days prior to the Annual Meeting, a complete list of stockholders entitled to vote at the Annual Meeting will be open for examination by any stockholder for any purpose germane to the meeting during regular business hours at our corporate headquarters located at 13034 Ballantyne Corporate Place, Charlotte, North Carolina.

If you plan to attend the Annual Meeting, you will need to obtain an admission ticket by showing proof of stock ownership and presenting photo identification. Instructions on how to obtain an admission ticket are set forth in the accompanying proxy statement under [How do I gain admission to the Annual Meeting?](#)

Important Notice Regarding the Availability of Proxy Materials

For the Annual Meeting of Stockholders to be Held on December 2, 2016

Premier, Inc.'s proxy statement on Schedule 14A, form of proxy or voting instruction card and 2016 Annual Report (including the 2016 Annual Report on Form 10-K) are available at www.proxyvote.com after entering the control number printed on your proxy or voting instruction card.

By order of the Board of Directors,

Anna-Marie Forrest

Corporate Secretary

October 19, 2016

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PREMIER, INC.

PROXY STATEMENT

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PREMIER, INC.

2016 PROXY STATEMENT

INTRODUCTION

The 2016 Annual Meeting of Stockholders (the Annual Meeting) of Premier, Inc., a Delaware corporation (Premier, we, us, our or the Company), will be held on Friday, December 2, 2016, beginning at 10:00 a.m., Eastern Standard Time, at our principal executive offices located at 13034 Ballantyne Corporate Place, Charlotte, North Carolina 28277. We encourage all of our stockholders to vote at or before the Annual Meeting, and we hope the information contained in this document will help you decide how you wish to vote.

FREQUENTLY ASKED QUESTIONS

What is the purpose of this proxy statement?

Our Board of Directors (the Board of Directors or Board) is (i) soliciting a proxy from each holder of our Class A common stock to vote on and (ii) requesting that voting instructions be provided to Wells Fargo Delaware Trust Company, N.A. with respect to, the items to be considered at the Annual Meeting, which will be held on December 2, 2016. Wells Fargo Delaware Trust Company, N.A. is the trustee (the Trustee) of the voting trust (the Class B Voting Trust) under the Voting Trust Agreement (the VTA) by and among Premier, Premier Healthcare Alliance, L.P. f/k/a Premier Purchasing Partners, L.P. (Premier LP), the holders of our Class B common stock and the Trustee. References herein to holders of our Class B common stock or similar phrases, are to the beneficial owners of the Class B common stock held by the Trustee pursuant to the VTA. The Trustee is the sole record holder of our Class B common stock.

This proxy statement and related materials are first being sent to our stockholders on or about October 19, 2016.

Why did I receive a notice regarding the availability of proxy materials on the Internet?

Pursuant to the rules adopted by the U.S. Securities and Exchange Commission (the SEC), we are furnishing proxy materials to our stockholders primarily via the Internet, rather than mailing paper copies of these materials to each stockholder. We believe that this process expedites stockholders receipt of the proxy materials, lowers the costs of the Annual Meeting and helps conserve natural resources. On or about October 19, 2016, we will mail to each stockholder (other than those stockholders who had previously requested electronic or paper delivery of the proxy materials) a Notice of Internet Availability of Proxy Materials containing instructions on how to access and review the proxy materials, including our proxy statement and annual report, on the Internet and how to access a proxy card (or voting instruction card in the case of holders of our Class B common stock) to vote on the Internet or by telephone. The Notice of Internet Availability of Proxy Materials also contains instructions on how to request a paper copy of the proxy materials. If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a paper copy of the proxy materials unless you request one. If you would like to receive a paper copy of the proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials. We may at our discretion voluntarily choose to mail or deliver a paper copy of the proxy materials, including our proxy statement and annual report, to one or more stockholders.

What items of business will be voted on at the Annual Meeting?

At the Annual Meeting, we will consider and act upon the following proposals:

1. The election of five Class III Directors to the Board of Directors to serve until our 2019 annual meeting of stockholders;

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2. The ratification of the appointment of Ernst & Young LLP (EY) to serve as our independent registered public accounting firm for our fiscal year 2017;
3. The approval, on an advisory basis, of the compensation of our named executive officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC;
4. The transaction of such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

Who is entitled to vote at the Annual Meeting?

Holders of Class A common stock . Holders of our Class A common stock as of the record date of October 3, 2016 (the Record Date) are entitled to notice of and to vote at the Annual Meeting and any postponement or adjournment of the meeting.

Holders of Class B common stock . The Trustee, as the record holder of the Class B common stock on the Record Date, is entitled to vote the Class B common stock at the Annual Meeting and any postponement or adjournment of the meeting. However, as provided in the VTA, beneficial owners of Class B common stock as of the Record Date are eligible to provide voting instructions to the Trustee with respect to their shares of Class B common stock. Beneficial owners of Class B common stock must provide voting instructions not later than 11:59 p.m. Eastern Standard Time, November 29, 2016 in order to be counted.

How will the Trustee vote the Class B common stock held in the Class B Voting Trust?

Based on the instructions of the beneficial owners of the Class B common stock and pursuant to the VTA, the Trustee will vote all of the Class B common stock as a block in the manner determined by the plurality of the votes timely received by the Trustee from the beneficial owners of Class B common stock for the election of directors to serve on our Board of Directors, and by a majority of the votes timely received by the Trustee from the beneficial owners of the Class B common stock for all other matters. In the event that the voting instructions provided by the beneficial owners of the Class B common stock result in a tie, the Trustee shall vote all Class B common shares held in the Class B Voting Trust based upon our written direction. In such case, we intend to instruct the Trustee to vote the Class B common shares in accordance with the recommendations of the Board of Directors on each matter as set forth in this proxy statement.

How does the Board of Directors recommend stockholders vote on the business of the Annual Meeting?

The Board of Directors recommends that stockholders vote their shares:

1. **FOR** the election of each of the five Class III Director nominees identified in this proxy statement.
2. **FOR** the ratification of the appointment of EY to serve as our independent registered public accounting firm for our fiscal year 2017.

3. **FOR** the approval of the compensation of our named executive officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC.

With respect to any other matter that properly comes before the Annual Meeting, the proxy holders will vote in accordance with their judgment on such matter.

How many shares can be voted at the Annual Meeting?

At the close of business on October 3, 2016, we had 48,066,990 shares of Class A common stock outstanding and 94,809,069 shares of Class B common stock outstanding. Each share of Class A common stock and each share of Class B common stock is entitled to one vote. However, the Trustee of the Class B Voting Trust will vote all

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shares of Class B common stock as a block based on voting instructions from the beneficial holders of the Class B common stock (or pursuant to our written directions, in the event such instructions result in a tie), as described above.

How many shares must be present or represented at the Annual Meeting to constitute a quorum to conduct business?

Under our Amended and Restated Bylaws (the Bylaws), the holders of a majority of the voting power of our stock (Class A common stock and Class B common stock combined) issued and outstanding and entitled to vote at the Annual Meeting, present in person or represented by proxy at the Annual Meeting, constitute a quorum to conduct business at the Annual Meeting. Abstentions will be treated as present for purposes of determining a quorum. Regardless of how the beneficial holders of Class B common stock instruct the Trustee to vote their shares, under the VTA, all of the shares of Class B common stock held in the Class B Voting Trust will be counted as present for the purposes of establishing a quorum. Accordingly, regardless of the number of shares of Class A common stock voted, we expect to have a quorum established for the Annual Meeting.

What vote is required to approve each of the items of business?

Item 1 Election of directors. Directors will be elected by the holders of a plurality of the votes cast by the holders of Class A common stock and Class B common stock, voting together as one class, whether present in person or represented by proxy at the Annual Meeting, outstanding at the close of business on our Record Date and entitled to vote on the election of directors.

Item 2 Ratification of independent registered public accounting firm. The affirmative vote of the holders of a majority of the votes cast by the holders of Class A common stock and Class B common stock, voting together as one class, whether present in person or represented by proxy at the Annual Meeting, outstanding at the close of business on our Record Date and entitled to vote, is required to ratify EY as our independent registered public accounting firm.

Item 3 Say-on-pay. Please note that the say-on-pay vote is only advisory in nature and has no binding effect on us or our Board of Directors. Our Board of Directors will consider Item 3 approved if the votes cast in favor of such proposal exceed the votes cast against such proposal.

Can Class B holders determine the outcome of the proposals?

As of the Record Date, our outstanding Class B common stock represented approximately 66% of our total outstanding shares of Class A common stock and Class B common stock combined. Accordingly, sufficient shares of Class B common stock are held in the Class B Voting Trust to determine the outcome of each item under consideration. Although the beneficial holders of our Class B common stock have not indicated how they will instruct the Trustee to vote their shares of Class B common stock, under the VTA, so long as we are a controlled company under the NASDAQ stock market (NASDAQ) rules, Class B common stockholders are required to use reasonable efforts to cause (i) the appointment or nomination of directors necessary to constitute the full Board of Directors; (ii) the election of at least three independent directors, including one of whom is an audit committee financial expert under the federal securities laws and (iii) Premier to be in compliance with NASDAQ listing requirements. In the event that the voting instructions provided by the beneficial holders of the Class B common stock result in a tie, the Trustee shall vote all shares of Class B common stock held in the Class B Voting Trust based upon our written direction. In such case, we intend to instruct the Trustee to vote the shares of Class B common stock in accordance with the recommendations of the Board of Directors on each matter as set forth in this proxy statement.

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In addition, according to the records of our transfer agent, as of the Record Date, certain holders of our Class B common stock also beneficially owned 2,400,712 shares of our Class A common stock, representing approximately 5.0% of our outstanding Class A common stock and representing approximately 1.7% of our total outstanding shares of Class A common stock and Class B common stock combined.

See What effect do abstentions and broker non-votes have on the items of business? for the effect of abstentions and broker non-votes on the required votes above.

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What is the Class B common unit exchange process? Will it impact the Annual Meeting?

In connection with our reorganization and initial public offering (IPO), our member owners were issued Class B common units in Premier LP and an equivalent number of shares of our Class B common stock. Subject to the terms of the Exchange Agreement entered into as of September 25, 2013, and effective as of October 1, 2013, by and among us, Premier LP and its limited partners (the Exchange Agreement), each member owner has the cumulative right, subject to certain restrictions, commencing on October 31, 2014, and during each year thereafter, to exchange up to one-seventh of its initial allocation of Premier LP Class B common units, as well as any additional Premier LP Class B common units purchased by such member owner pursuant to certain rights of first refusal set forth in the Exchange Agreement, on a quarterly basis, for shares of our Class A common stock (on a one-for-one basis), cash or a combination of both, the form of consideration to be at the discretion of the Audit and Compliance Committee of our Board of Directors. For each Premier LP Class B common unit that is exchanged pursuant to the Exchange Agreement, the member owner will also surrender one corresponding share of Premier Class B common stock, which will automatically be retired.

As of the Record Date there were 94,809,069 Class B common units of Premier LP outstanding. On October 31, 2016, the next quarterly exchange date under the Exchange Agreement, 33,042,602 Class B common units of Premier LP will be eligible for exchange under the Exchange Agreement. As of the Record Date and based on participation in the Class B common unit exchange process and our expected settlement of exchanged Class B common units for a combination of cash (assuming use of the full \$100.0 million approved by our Audit and Compliance Committee) and shares of our Class A common stock, on or about October 31, 2016, we expect to exchange (i) 3,033,041 Class B common units of Premier LP for cash and (ii) 2,014,487 Class B common units of Premier LP for a like number of shares of Class A common stock, and correspondingly, we expect 5,047,528 shares of Class B common stock to be removed from the Class B Voting Trust and retired. On or about October 31, 2016, we expect to file with the SEC a Current Report on Form 8-K regarding the final results of the October 31, 2016 exchange process.

Since the exchange date does not occur until October 31, 2016, which is after the Record Date, any shares of our Class A common stock issued in exchange for Class B common units will not be entitled to be voted at the Annual Meeting and, accordingly, will not have any impact on the outcome of the matters presented for approval. Upon retirement of shares of Class B common stock in connection with any Class B common unit exchange, the number of Class B common shares held in the Class B Voting Trust will also be reduced, and, since such Class B common shares will no longer be eligible to be voted by the Trustee, the Trustee will not include those ineligible shares in its determination of the vote to be made on behalf of the holders of Class B common stock at the Annual Meeting.

As previously noted, as of the Record Date, our outstanding Class B common stock represented approximately 66% of our total outstanding shares of Class A common stock and Class B common stock combined and, thus, can determine the outcome of each item under consideration. However, following the completion of the exchange process, based on the discussion above, we expect the percentage of voting power represented by the then-outstanding Class B common stock to decrease to approximately 64%. While we do not currently expect the Class B common unit exchange process to materially impact the Annual Meeting or the matters to be voted upon thereat, in the event that is not the case, we will provide updated soliciting material to our stockholders prior to the Annual Meeting.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Most of our Class A common stockholders hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

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Stockholder of record. If your shares are registered directly in your name with our transfer agent, Wells Fargo Bank, N.A., you are considered, with respect to those shares, the stockholder of record, and we have made these

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proxy materials available to you over the Internet or have delivered paper copies of these materials to you by mail, in connection with the solicitation of proxies for the Annual Meeting. As the stockholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the meeting. We have enclosed a proxy card for you to use.

Beneficial owner. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your broker, bank or nominee which is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank or nominee on how to vote and are also invited to attend the meeting. However, because you are not the stockholder of record, you may not vote these shares in person at the meeting unless you obtain a signed proxy from the record holder giving you the right to vote the shares. Your broker, bank or nominee has enclosed or provided a voting instruction card for you to use in directing the broker, bank or nominee how to vote your shares. If you do not provide the stockholder of record with voting instructions, your shares will constitute broker non-votes. The effect of broker non-votes is more specifically described in **What effect do abstentions and broker non-votes have on the items of business?** below.

All of the Class B common stockholders are beneficial owners of the Class B common stock held in the Class B Voting Trust. The Trustee is the record holder of all of the shares of Class B common stock. Beneficial owners of Class B common stock will receive a voting instruction card that should be used to provide voting instructions to the Trustee.

How can I have my shares represented at the Annual Meeting?

Voting by Proxy or Returning Voting Instruction Card

Holders of Class A common stock may submit a proxy by:

following the instructions on your proxy card to vote by telephone or the Internet. These instructions can also be found at www.proxyvote.com. Your telephone or Internet proxy must be received no later than **11:59 p.m., Eastern Standard Time, on December 1, 2016**; or

completing, signing, dating and returning the proxy card so that it is received prior to the Annual Meeting. David L. Klatsky and Michael J. Alkire (the proxy holders) have been designated by our Board of Directors to vote the shares represented by proxy at the Annual Meeting. Mr. Klatsky is the General Counsel of Premier, and Mr. Alkire is the Chief Operating Officer of Premier.

The proxy holders will vote the shares represented by your valid and timely received proxy in accordance with your instructions.

If you do not specify instructions on your proxy when you submit it, the proxy holders will vote the shares represented by the proxy in accordance with the recommendations of the Board of Directors on each item of business listed above.

If any other matter properly comes before the Annual Meeting, the proxy holders will vote the shares represented by proxy on that matter in their discretion.

Holders of Class B common stock may submit voting instructions by:

following the instructions on your voting instruction card to vote by telephone or the Internet. These instructions can also be found at www.proxyvote.com. Your telephone or Internet voting instructions must be received no later than 11:59 p.m., Eastern Standard Time, on November 29, 2016; or

completing, signing, dating and returning your voting instruction card so that it is received no later than 11:59 p.m., Eastern Standard Time, on November 29, 2016.

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Holdings of Class B common stock must vote their shares in accordance with the VTA. Holders of Class B common stock must return their voting instructions as indicated above in order to have their voting instructions considered by the Trustee. Pursuant to the VTA, the Trustee, as the record holder, will vote all of the Class B common stock as a block in the manner determined by the plurality of the votes timely received by the Trustee for the election of directors to serve on our Board of Directors, and by a majority of the votes timely received by the Trustee for all other matters. The Trustee may vote the Class B common stock in person or by proxy in a manner similar to the holders of our Class A common stock.

Attending the Meeting

While we encourage voting in advance by proxy, holders of Class A common stock also have the option of voting their shares in person at the Annual Meeting. Beneficial owners of Class B common stock may only vote their shares in accordance with the terms of the VTA and cannot vote their shares in person at the Annual Meeting (although they are invited and welcome to attend the Annual Meeting in person).

Shares of Class A common stock held directly in your name as the stockholder of record may be voted in person at the Annual Meeting. Submitting your proxy by telephone, by Internet or by mail will in no way limit your right to vote at the Annual Meeting if you later decide to attend in person.

Shares of Class A common stock held beneficially in street name may be voted in person by you only if you obtain a signed proxy from the record holder giving you the right to vote the shares. **Owners of shares of Class A common stock held in street name that expect to attend and vote at the meeting should contact their broker, bank or nominee as soon as possible to obtain the necessary proxy.**

Even if you currently plan to attend the Annual Meeting, we recommend that you also submit your proxy as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

Can I change my vote or voting instructions, or revoke my proxy, after I return my proxy or voting instruction card?

Holders of Class A common stock. You may change your vote or revoke your proxy before your proxy is voted at the Annual Meeting by:

sending written notice to Anna-Marie Forrest, Corporate Secretary, Premier, Inc., 13034 Ballantyne Corporate Place, Charlotte, North Carolina, 28277, so long as your revocation is received by 11:59 p.m., Eastern Standard Time, on December 1, 2016;

submitting a proxy bearing a later date than the proxy being revoked to Vote Processing c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, NY 11717, so long as your later dated proxy is received by 11:59 p.m., Eastern Standard Time, on December 1, 2016;

voting again by telephone or the Internet by 11:59 p.m., Eastern Standard Time, on December 1, 2016; or

attending the Annual Meeting and voting in person.

Holders of Class B common stock . You may change your voting instructions before the Trustee votes on your behalf at the Annual Meeting by:

submitting voting instructions bearing a later date than the voting instructions being revoked to Vote Processing c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, NY 11717, so long as your later dated voting instructions are received by 11:59 p.m., Eastern Standard Time, on November 29, 2016; or

submitting your voting instructions again by telephone or the Internet by 11:59 p.m., Eastern Standard Time, on November 29, 2016.

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What effect do abstentions and broker non-votes have on the items of business?

A broker non-vote occurs when a bank, broker or other nominee holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. If you are a beneficial owner of Class A common stock, your bank, broker or other nominee holder of record is permitted to vote your shares on the ratification of the independent registered public accounting firm even if the record holder does not receive voting instructions from you. Absent instructions from you, the record holder may not vote on any nondiscretionary matter, including a director election, a matter relating to executive compensation or any stockholder proposal. In that case, without your voting instructions, a broker non-vote will occur. For all other matters, including the ratification of our independent registered public accounting firm, the record holder may vote at its discretion. You should consult your bank, broker or other nominee holder if you have questions about this. As indicated above, our Board of Directors will consider Item 3 approved if the votes cast in favor of such proposal exceed the votes cast against such proposal. Accordingly, broker non-votes will not be counted as votes cast for or against Item 3 (say-on-pay).

An abstention will occur at the Annual Meeting if your shares of Class A common stock are deemed to be present at the Annual Meeting, either because you attend the Annual Meeting or because you have properly completed and returned a proxy, but you do not vote on any proposal or other matter which is required to be voted on by our stockholders at the Annual Meeting. An abstention on any of the items listed above will have the effect of a vote against that item, except for (i) the election of directors and (ii) Item 3 (say-on-pay), for which abstentions will not be counted.

The affirmative vote of at least a majority of our issued and outstanding shares present, in person or by proxy, and entitled to vote at the Annual Meeting will be required to approve any stockholder proposal validly presented at a meeting of stockholders. Under applicable Delaware law, in determining whether any stockholder proposal has received the requisite number of affirmative votes, abstentions will be counted and will have the same effect as a vote against any stockholder proposal, except for the election of any director nominee. Abstentions will have no effect on a vote to elect a director nominee, and broker non-votes will be ignored for all votes. There are no dissenters' rights of appraisal in connection with any stockholder vote to be taken at the Annual Meeting.

Shares of Class B common stock will be voted in accordance with the VTA. We do not expect any broker non-votes or abstentions at the Annual Meeting with respect to our Class B common stock.

What does it mean if I receive more than one proxy or voting instruction card?

Most likely, it means (i) your shares of Class A common stock are registered differently or are in more than one account or (ii) you own shares of both Class A and Class B common stock. Please provide voting instructions for all proxy and voting instruction cards you receive.

How do I gain admission to the Annual Meeting?

Attendance at the Annual Meeting is limited to Class A and Class B common stockholders as of the Record Date. Registration will begin at 9:15 a.m. Eastern Standard Time. **You will need to get an admission ticket and bring a valid picture identification.** Cameras, recording devices and other electronic devices will not be permitted at the meeting. Additional rules of conduct regarding the meeting may be provided at the meeting.

To obtain an admission ticket in advance of the meeting, you must send a written request along with proof of ownership (such as your brokerage firm account statement, statement of holdings from our transfer agent or Voting

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Trust Certificate) to Investor Relations, Premier, Inc., 13034 Ballantyne Corporate Place, Charlotte, North Carolina, 28277. Please bring photo identification with you for admittance to the meeting.

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Who pays the cost of soliciting votes for the Annual Meeting?

We are making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials. If you choose to access the proxy materials or vote over the Internet, however, you are responsible for Internet access charges you may incur. In addition to the mailing of these proxy materials, when requested, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities. We will request banks, brokers, nominees, custodians and other fiduciaries who hold shares of our stock in street name to forward these proxy solicitation materials to the beneficial owners of those shares, and we will reimburse the reasonable out-of-pocket expenses they incur in doing so. At our discretion, we may engage a proxy solicitation firm to assist us with the solicitation process, for which we will bear the costs of any such engagement. We will also reimburse the Trustee for any reasonable expenses incurred in connection with the administration of its duties under the VTA in connection with the Annual Meeting.

Who will count the votes?

We have retained Broadridge Financial Solutions to tabulate the votes and serve as the independent inspector of election for the Annual Meeting.

Where can I find the voting results of the Annual Meeting?

We will publish the final results of the voting in a Current Report on Form 8-K within four business days of the Annual Meeting.

Can I access the proxy statement and annual report on the Internet?

Yes. As noted above, we are furnishing our proxy materials to our stockholders via the Internet, except for those stockholders who have elected to receive paper copies. We highly recommend that you receive electronic delivery of Premier, Inc. proxy statements, annual reports and other stockholder communications. This helps reduce the use of paper and lowers our printing, postage and other costs. If you have previously requested paper copies of such materials, you can elect to receive electronic copies when you vote on the Internet.

This proxy statement, the form of proxy and voting instruction card and our Annual Report on Form 10-K for the fiscal year ended June 30, 2016 (the 2016 Form 10-K) are available at www.proxyvote.com. If you are a stockholder of record who has requested to receive paper copies of the proxy materials and would like to access future Company proxy statements and annual reports electronically instead of receiving paper copies in the mail, there are several ways to do this. You can mark the appropriate box on your proxy card or follow the instructions if you vote by telephone or the Internet. If you choose to access future proxy statements and annual reports on the Internet, you will receive a proxy card in the mail next year with instructions containing the Internet address for those materials. Your choice will remain in effect until you advise us otherwise. If you have Internet access, we hope you make this choice.

What is householding and how does it affect me?

Pursuant to SEC rules, we are permitted to deliver one copy of our Notice of Internet Availability of Proxy Materials, and our proxy materials for those who have elected paper copies, in a single envelope addressed to all stockholders who share a single address unless they have notified us they wish to opt out of the program known as householding. Under this procedure, stockholders of record who have the same address and last name receive only one copy of the Notice of Internet Availability of Proxy Materials or proxy materials. Householding is intended to reduce

our printing and postage costs and material waste. WE WILL DELIVER A SEPARATE COPY OF THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS, AND PROXY MATERIALS IF APPLICABLE, PROMPTLY UPON WRITTEN OR ORAL

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REQUEST. You may request a separate copy by contacting our Corporate Secretary at 13034 Ballantyne Corporate Place, Charlotte, North Carolina, 28277, or by calling 1-704-816-4662.

If you are a beneficial stockholder and you choose not to have the aforementioned disclosure documents sent to a single household address as described above, you must opt-out by writing to: Broadridge Financial Solutions, Inc., Householding Department, 51 Mercedes Way, Edgewood, New York 11717, or by calling 1-866-540-7095, and we will cease householding all such disclosure documents within 30 days. If we do not receive instructions to remove your account(s) from this service, your account(s) will continue to be householded until we notify you otherwise. If you are a beneficial stockholder and other stockholders with whom you share an address currently receive multiple copies of the aforementioned disclosure documents, or if you hold stock in more than one account and, in either case, you wish to receive only a single copy of the disclosure documents, please contact Broadridge Financial Solutions at the address or phone number above. If you own shares in nominee name (such as through a broker), information regarding householding of disclosure documents should have been forwarded to you by your broker.

Who should I contact if I have questions?

If you are a holder of our Class A or Class B common stock through a brokerage account or the Class B Voting Trust, as applicable, and you have any questions or need assistance in voting your shares, you should contact the broker or bank where you hold the account or the Trustee of the Class B Voting Trust, accordingly.

If you are a registered holder of our Class A common stock and you have any questions or need assistance in voting your shares, please call our Investor Relations department at 1-704-816-5958.

As an additional resource, the SEC website has a variety of information about the proxy voting process at www.sec.gov/spotlight/proxymatters.shtml.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROXY STATEMENT, AND, IF GIVEN OR MADE, SUCH INFORMATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. UNDER NO CIRCUMSTANCES DOES THE DELIVERY OF THIS PROXY STATEMENT CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE OUR AFFAIRS SINCE THE DATE OF THIS PROXY STATEMENT.

COMPANY INFORMATION AND MAILING ADDRESS

We were organized as a Delaware corporation in 2013 in connection with our reorganization and IPO. Our mailing address is Premier, Inc., 13034 Ballantyne Corporate Place, Charlotte, North Carolina, 28277, and our telephone number is 704-357-0022. Our website address is www.premierinc.com. References in this proxy statement to Premier, company, we, us and our refer to Premier, Inc. and our consolidated subsidiaries, unless the context requires otherwise. References to PHSI refer to Premier Healthcare Solutions, Inc., and references to Premier Plans refer to Premier Plans, LLC, an affiliate of Premier that was merged into PHSI in 2013 in connection with our reorganization and IPO. Information on our website is not intended to be and shall not be deemed to be incorporated into this proxy statement.

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ITEMS OF BUSINESS REQUIRING YOUR VOTE

ITEM 1 ELECTION OF DIRECTORS

The Board is divided into three classes, each containing as nearly as possible an equal number of directors. The current term of office for our Class III Directors expires at the Annual Meeting, while the term for our Class I Directors expires at the 2017 annual meeting and the term for our Class II Directors expires at the 2018 annual meeting. Upon unanimous recommendation by the Nominating and Governance Committee of the Board of Directors, the Board proposes that the following nominees: Susan D. DeVore, Jody R. Davids, Peter S. Fine, David H. Langstaff and Marvin R. O Quinn, be elected for new terms of three years and until their successors are duly elected and qualified as Class III Directors. Each nominee has consented to serve if elected, and each nominee is currently a member of our Board of Directors. If any of them becomes unavailable to serve as a director, the Board may designate a substitute nominee. In that case, the persons named as proxy holders will vote for the substitute nominee designated by the Board.

Director Qualifications and Biographies

The Nominating and Governance Committee, consistent with the desires of the full Board, seeks to achieve a Board that represents a diverse mix of skills, perspectives, talents, backgrounds and education that will enhance our decision-making process, oversee management's execution of strategic objectives and represent the interests of all of our stockholders. Key factors considered in connection with the selection of director nominees are independence, critical thinking skills, practical wisdom and mature judgment in the decision-making process. Our Board composition reflects our commitment to include individuals from diverse backgrounds and with diverse experience, and the members of our Nominating and Governance Committee are mindful of that objective when they nominate directors for election. Our Board composition also reflects the Nominating and Governance Committee's determination as to the appropriate size of the Board to facilitate effective communication and cooperation.

Important information about our corporate governance practices, the responsibilities and functioning of the Board and its committees, director compensation and related person transactions is found elsewhere in this proxy statement. We encourage you to review this information in connection with your decisions on the election of the director nominees.

The information set forth below includes, with respect to each nominee and each continuing director, his or her age as of the Record Date, principal occupation and employment during the past five years, the year in which he or she first became one of our directors, and other public company directorships held by such person during the last five years. Further, the independence status of each nominee and each continuing director, as determined by the Board of Directors in accordance with the standards set forth in our Corporate Governance Guidelines and the listing standards of the NASDAQ, is provided below. A director or director nominee designated below as a member-director is a director employed by a Premier stockholder hospital or health system or by a group affiliate or other non-provider organization affiliated with one or more Premier member facilities participating in our group purchasing program, which we refer to as our member owners, and, because of such relationship, is not deemed to be independent. Each of our directors also serves on the board of managers of Premier Services, LLC, a wholly-owned subsidiary of Premier and the general partner of Premier LP.

In addition to the experience, qualifications, attributes and skills of each nominee and continuing director outlined below, which have led the Board to conclude that such person should serve as a member of the Board, our Board believes that each nominee and each continuing director has demonstrated broad-based business knowledge, outstanding achievement in his or her professional career, commitment to ethical and moral values, personal and professional integrity, sound business judgment and a commitment to corporate citizenship.

Table of Contents**Directors Standing for Election****Nominees to Serve as Class III Directors until the 2019 Annual Meeting****Susan D. DeVore****57****Employee-Director**

Ms. DeVore has served as the President and Chief Executive Officer and as a member of the Board of Directors of Premier since May 2013. She has served in the same positions at PHSI and the general partner of Premier LP and also as a member of the board of directors of PHSI since 2009. She also served as a member of the board of managers of Premier Plans from 2009 to 2013. Ms. DeVore served as the Chief Operating Officer of PHSI from 2006 to 2009 and as the Chief Operating Officer for a number of other Premier entities from 2007 to 2009. Ms. DeVore's previous executive experience includes over 20 years at Ernst & Young LLP, where she served as a Senior Healthcare Industry Management Practice Leader. Ms. DeVore also serves as a member of the board of directors or as a member of the following non-profit and state-based organizations: Healthcare Leadership Council, Coalition to Protect America's Healthcare, Medicare Rights Center, Charlotte Chamber of Commerce, the Institute of Medicine Roundtable on Value and Science Driven Healthcare and UNC Charlotte. Ms. DeVore also serves as a board member and member of the audit and finance committees of Adventist Health System. Ms. DeVore obtained a bachelor's degree from the University of North Carolina at Charlotte and a Master of Management from McGill University. We believe Ms. DeVore's qualifications to serve on our Board of Directors include her approximately 31 years of experience in senior positions involving hospital strategy, large-scale operations transformation, quality improvement and financial management.

Committee Membership: Member Agreement Review Committee

Jody R. Davids**60****Independent Director**

Ms. Davids has been a director of Premier since January 2015. Since April 2016, Ms. Davids has been the Senior Vice President and Global Chief Information Officer of PepsiCo, a New York Stock Exchange (NYSE)-listed company that has a global portfolio of food and beverage brands. From April 2014 to April 2016, Ms. Davids served as the Chief Information Officer of Agrium, Inc., a NYSE-listed company and Toronto Stock Exchange-listed company that is a global producer and marketer of nutrients for agricultural and industrial markets. From December 2013 to April 2014, Ms. Davids served as a management consultant to Agrium, providing information technology consulting services specializing in technology and organizational strategy. From 2010 to 2013, Ms. Davids was the Senior Vice President, Global Business Services and Chief Information Officer for Best Buy, Inc., a NYSE-listed company. From 2000 to 2009, Ms. Davids was with Cardinal Health, Inc., a NYSE-listed company, in various capacities including as the Executive Vice President, Global Shared Services and Chief Information Officer from 2007 to 2009 and the Executive Vice President and Chief Information Officer from 2003 to 2007. Ms. Davids obtained a bachelor's degree and a Master of Business Administration from San Jose State University. We believe that Ms. Davids' qualifications to serve on our Board of Directors include her strong background in information technology, supply chain, logistics and distribution experience and her leadership experience through her corporate senior executive positions of other publicly-traded companies.

Committee Memberships: Audit and Compliance Committee and Conflict Advisory Committee

Peter S. Fine

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Member-Director

Mr. Fine has been a director of Premier since October 2013. He served previously on the board of directors of PHSI from 2003 through 2009. Since 2000, Mr. Fine has served as the President and Chief Executive Officer of Banner Health, which is one of our member owners. Mr. Fine also currently serves as a member of the board of directors of Banner Health. In addition, he previously served on the boards of directors of Accuray Incorporated and the Translational Genomics Research Institute and as member of the Heard Museum board of trustees. Mr. Fine received his bachelor's degree from Ohio University and Master of Arts in Healthcare Administration from George Washington University. We believe Mr. Fine's qualifications to serve on our Board of Directors include his approximately 40 years of experience in the healthcare industry.

Table of Contents**Committee Membership:** Finance Committee (Chair)**David H. Langstaff****62****Independent Director**

Mr. Langstaff has been a director of Premier since September 2016. Mr. Langstaff has served as the President of Argotyche, Inc., a consulting and advisory services company, since 2013. He has also served as Chairman of the Board of Directors of Monitor 360, a narrative analytics and strategy company, since 2015; as Chairman of the Proxy Board of MorphoTrust, a biometric identification company, since 2016; and as a member of the Board of Directors of The Hitachi Foundation, Inc., a philanthropic organization, since 2012. Mr. Langstaff served as a member of the Board of Directors of TASC, Inc., a defense contractor, from 2009 to 2013, as Chairman from 2009 to 2011, and as President and Chief Executive Officer from 2011 to 2013. Prior to TASC, Mr. Langstaff was founder, President and Chief Executive Officer and a director of Veridian Corporation, a NYSE-listed company specializing in mission-critical national security programs, from 1995 until 2003, and Chief Executive Officer and Co-Chairman of The Olive Group, a global integrated security company, from 2006 until 2007. He served on the Board of Directors of SRA International (now known as CSRA Inc.), a NYSE-listed company, from 2004 to 2010 and on the Board of Directors of QinetiQ Group PLC, a company listed on the London Stock Exchange, from 2009 to 2011. Mr. Langstaff also serves on the Defense Business Board, which provides independent advice to the Secretary and Deputy Secretary of Defense, and has been associated with The Aspen Institute since 1998, serving as Chair of the Advisory Board of the Business and Society Program since 2006 and as a Senior Moderator of the Aspen Global Leadership Network since 2010. Mr. Langstaff obtained a bachelor's degree, cum laude, and a Master of Business Administration from Harvard University. We believe that Mr. Langstaff's qualifications to serve on the Company's Board include his strong background serving as senior executive of a variety of technology companies and his prior board and committee service with other publicly-traded companies.

Committee Memberships: Audit and Compliance Committee, Conflict Advisory Committee and Member Agreement Review Committee

Marvin R. O Quinn**64****Member-Director**

Mr. O Quinn has been a director of Premier since August 2015. Mr. O Quinn has been the Senior Executive Vice President and Chief Operating Officer of Dignity Health in San Francisco, California since 2009. Prior to joining Dignity Health, Mr. O Quinn served as President and Chief Executive Officer of Jackson Health System in Miami, Florida. Before assuming his role at Jackson Health System, Mr. O Quinn served as Executive Vice President and Chief Operating Officer of Atlantic Health System in Florham Park, New Jersey and held executive positions with New York Presbyterian Health System, Providence Medical Center and Providence Milwaukee Hospital in Portland, Oregon. Additionally, he has held key positions with other hospitals and medical centers in Portland, Fresno and Seattle. He holds board appointments with Charles Drew University of Medicine and Science (Chairman), PriMed/Hill Physicians, Francisco Partners and Ministry Leadership Center. Mr. O Quinn received a bachelor's degree and a Master of Health Administration from the University of Washington. We believe that Mr. O Quinn's qualifications to serve on our Board of Directors include his strong background in healthcare and healthcare management, his approximately 37 years of experience in the healthcare industry and his leadership experience through his executive positions of large healthcare systems.

Committee Membership: Nominating and Governance Committee

Board Recommendation

The Board of Directors unanimously recommends a vote FOR the election of each of the director nominees named above.

In accordance with the Board's recommendation, the proxy holders will vote the shares of Class A common stock covered by valid and timely received proxies **FOR** the election of each of the Class III director nominees set forth above, unless instructed otherwise. The Trustee will vote all of the Class B common stock as a block in the manner determined by the plurality of the votes timely received by the Trustee.

Table of Contents**Other Directors Not Standing for Election at this Meeting**

Directors who will continue to serve after the 2016 Annual Meeting are:

Class I Directors with Terms Expiring at the 2017 Annual Meeting**Eric J. Bieber, MD****55****Member-Director**

Dr. Bieber has been a director of Premier since June 2015. Dr. Bieber has been the President and Chief Executive Officer of Rochester Regional Health System since November 2014. From 2010 until November 2014, he served in several roles at University Hospitals in Cleveland, Ohio, and most recently was the President of Community Hospitals West Region and President of University Hospitals Accountable Care Organizations. Prior to his time with University Hospitals, Dr. Bieber served in various positions with Geisinger Health Systems in Danville, Pennsylvania from 2001 to 2009, including Chief Medical Officer, Geisinger Wyoming Valley, and Chairman and Medical Director, Women's Health. Since May 2016, Dr. Bieber has served as a member of the board of governors of the Greater New York Hospital Association, Inc. (GNYHA). He is a Board Certified Obstetrician/Gynecologist and Reproductive Endocrinologist. Dr. Bieber received a bachelor's degree from Illinois Wesleyan University and his Doctor of Medicine Degree from Loyola University's Stritch School of Medicine. He also holds a master's degree in Microbiology from Illinois State University and a master's degree in Healthcare Management from Harvard University. We believe that Dr. Bieber's qualifications to serve on our Board include his approximately 30 years of experience in the healthcare industry, his strong background in healthcare management and his leadership experience through his executive positions at large healthcare systems.

Committee Membership: Nominating and Governance Committee

Stephen R. D Arcy**61****Independent Director**

Mr. D Arcy has been a director of Premier since October 2013. Mr. D Arcy has served as a Partner of Quantum Group LLC, an investment and consulting firm, since 2010. Previously, he worked for PricewaterhouseCoopers LLP, a multinational professional services firm, for 34 years, serving most recently as Global Automotive Leader from 2002 to 2010. He served on the board of directors of Vanguard Health Systems Inc., a company previously listed on the NYSE, from 2011 to 2013. In addition, he currently serves on the boards of Penske Corporation and the Hudson-Webber Foundation and served as Non-Executive Chairman of the board of trustees of The Detroit Medical Center from 2006 to 2010. Mr. D Arcy obtained a bachelor's degree in Business Administration from the University of Michigan. We believe Mr. D Arcy's qualifications to serve on our Board of Directors include his strong financial, corporate accounting, business development and leadership experience through his various corporate positions, his previous service as Chairman of the audit committee of another publicly-traded healthcare company and his service on the boards at several privately-held companies and enterprises.

Committee Memberships: Audit and Compliance Committee, Conflict Advisory Committee and Compensation Committee

Marc D. Miller**46****Member-Director**

Mr. Miller has been a director of Premier since August 2015. Mr. Miller has been the President of Universal Health Services, Inc., a NYSE-listed company, in King of Prussia, Pennsylvania since 2009. Prior to his current position, Mr. Miller served in various executive roles with Universal Health Services, as well as key positions with Central Montgomery Medical Center, Wellington Regional Medical Center, The George Washington University Hospital and Mayo Clinic. He has served on the board of directors of Universal Health Services since 2006 and on the board of trustees of Universal Health Realty Income Trust, a NYSE-listed company, since 2008. Mr. Miller received a bachelor's degree from the University of Vermont and a Master of Business Administration with a concentration in healthcare management and finance from The Wharton School at the

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University of Pennsylvania. We believe that Mr. Miller's qualifications to serve on our Board of Directors include his approximately 21 years of experience in the healthcare industry, his strong background in healthcare management, his leadership experience through his executive positions at large healthcare systems and his public company experience.

Committee Membership: Compensation Committee

William B. Downey	57	Member-Director
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Mr. Downey has been a director of Premier since June 2015. Mr. Downey has been the President and CEO of Riverside Health System in Newport News, Virginia since January 2012. He served in various roles with Riverside Health System from 2001 to 2011, including Executive Vice President and Chief Operating Officer. Mr. Downey is a Fellow of the American College of Healthcare Executives. He currently serves on the boards of directors of An Achievable Dream, where he serves as chair, Virginia Health Network, Jamestown/Yorktown Foundation, Inc. and TowneBank Peninsula. He just completed serving on the board of visitors of Christopher Newport University. Mr. Downey received a bachelor's degree from James Madison University and a master's degree in Health Administration from Virginia Commonwealth University/Medical College of Virginia. We believe that Mr. Downey's qualifications to serve on our Board of Directors include his approximately 31 years of experience in the healthcare industry, his strong background in healthcare management, and his leadership experience through his executive positions of large healthcare systems.

Committee Membership: Nominating and Governance Committee

Philip A. Incarnati	62	Member-Director
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Mr. Incarnati has been a director of Premier since October 2013. Since 1989, Mr. Incarnati has served as the President and Chief Executive Officer of McLaren Health Care Corporation, which is one of our member owners. Mr. Incarnati currently serves as a member of the boards of directors of Anthelio Healthcare Solutions, Inc., Reliant Renal Care, Inc. and McLaren Health Care. Mr. Incarnati previously served as a member of the boards of directors of King Pharmaceuticals, McKesson Corporation, Theragenics Corporation and the Medical Staffing Network, and as Chair of the Eastern Michigan University board of regents. Mr. Incarnati received his bachelor's degree and Master of Management and Finance from Eastern Michigan University. We believe Mr. Incarnati's qualifications to serve on our Board of Directors include his approximately 36 years of experience in the healthcare industry and his experience holding top-level executive positions with several healthcare institutions.

Committee Membership: Finance Committee

Class II Directors with Terms Expiring at the 2018 Annual Meeting

Barclay E. Berdan	63	Member-Director
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Mr. Berdan has been a director of Premier since December 2015. Mr. Berdan has been the Chief Executive Officer of Texas Health Resources, one of our member owners, since 2014. Prior to his current position, Mr. Berdan served in various executive roles with Texas Health Resources since 1986, including Chief Operating Officer, Senior Executive Vice President, President of Texas Health Harris Methodist Fort Worth and Vice President of Harris Methodist Southwest Hospital Fort Worth. He previously held leadership and administrative positions with American Medical

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International, Inc., Northwestern Memorial Hospital and Jackson Park Hospital. Mr. Berdan is a Fellow of the American College of Healthcare Executives and received the Texas Hospital Association's 2013 Earl M. Collier Award for Distinguished Healthcare Administrator. He serves as Chair of the 2016-17 United Way Campaign of Tarrant County, Texas, and the American Excess Insurance

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Exchange Risk Retention Group. He is a past Chair of the Texas Association of Volunteer Hospitals, the American Heart Association of Tarrant County, the Texas Health Hospital Alliance and the Texas Hospital Association. Mr. Berdan received a bachelor's degree from Texas Christian University and a Master of Business Administration with a specialization in hospital administration from the University of Chicago. We believe that Mr. Berdan's qualifications to serve on our Board of Directors include his strong background in healthcare and healthcare management, his approximately 40 years of experience in the healthcare industry and his leadership experience through his executive positions of large healthcare systems.

Committee Membership: Finance Committee

William E. Mayer

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Independent Director

Mr. Mayer has served as a member of the Board of Directors of Premier since May 2013 and was a member of the board of directors of PHSI and the board of managers of Premier Plans from 1997 to 2013. Since 1999, Mr. Mayer has served as a partner and founder of Park Avenue Equity Partners in New York. Mr. Mayer currently serves as a member of the boards of directors of BlackRock Capital Investment Corporation, a NASDAQ-listed company, and Lee Enterprises, Incorporated, a NYSE-listed company, and is a member of the Boards of Trustees of Columbia Group of Mutual Funds. Over the past 45 years, Mr. Mayer has been a member of the boards of directors of numerous other publicly-traded and privately held companies. Mr. Mayer currently serves on the executive committee (and was the Chairman from 2000 to 2008) of the board of trustees of the Aspen Institute. He also serves as a member of the board of advisors of Miller Buckfire & Co. and is a board member of Acumen, the Rubin Museum, Global Health Corps and the Atlantic Council. Mr. Mayer also serves as a member of the board of governors at the Pardee RAND Graduate School, as a member of the Council on Foreign Relations and as the Vice Chairman of the Middle East Investment Initiative. Mr. Mayer was named to the 2013 National Association of Corporate Directors, which honors leaders in corporate governance and in the boardroom. He obtained his bachelor's degree and Master of Business Administration from the University of Maryland. We believe Mr. Mayer's qualifications to serve on our Board of Directors include his approximately 31 years of experience in financial and senior executive positions and his experience serving on the boards of several other publicly-traded companies.

Committee Memberships: Compensation Committee (Chair), Finance Committee and Member Agreement Review Committee (Chair)

Scott Reiner

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Member-Director

Mr. Reiner has been a director of Premier since December 2015. Mr. Reiner has been the President and Chief Executive Officer of Adventist Health, the tenth largest nonprofit hospital system in the U.S., since 2014. Adventist Health is one of our member owners and serves communities in California, Hawaii, Oregon and Washington. Mr. Reiner previously served in various executive roles with Adventist Health, including Executive Vice President and Chief Operating Officer from 2011 to 2013 and Senior Vice President from 2007 to 2011. Prior to Adventist Health, he served as President and Chief Executive Officer of Glendale Adventist Medical Center and served in executive positions with General Health System, Tennessee Christian Medical Center and Affiliated Physicians Medical Group. Mr. Reiner serves on the boards of directors of Adventist Health, California Hospital Association, Loma Linda University Health and Loma Linda University Medical Center and previously served on the board of directors of American Hospital Association Region Nine. He is a registered nurse and received a bachelor's degree from Pacific Union College, a Master of Science in Health Administration from California State University, Northridge and a Certificate in Managed Care Administration from the University of Missouri. We believe that Mr. Reiner's

qualifications to serve on our Board of Directors include his strong background in healthcare and healthcare management, his approximately 28 years of experience in the healthcare industry and his leadership experience through his executive positions of large healthcare systems.

Committee Membership: Nominating and Governance Committee

Table of Contents**Terry D. Shaw** **54** **Member-Director**

Mr. Shaw has served as a member of the Board of Directors of Premier since May 2013 and has served as the Vice Chairman of the Board of Directors of Premier since July 2015. Mr. Shaw was a member of the board of directors of PHSI and the board of managers of Premier Plans from 2012 to 2013. Since 2010, Mr. Shaw has served as the Executive Vice President, Chief Financial Officer and Chief Operations Officer of Adventist Health System, which is one of our member owners. Prior to that position, he served Adventist Health from 2000 to 2010 as the Senior Vice President and Chief Financial Officer. Mr. Shaw is currently a member of the Hospital Financial Management Association, the Texas State Board of Public Accountancy, the American College of Healthcare Executives and several other professional and service organizations. Mr. Shaw currently serves as a member of the boards of directors of Centura Health, Florida Hospital and Adventist Health System. Mr. Shaw obtained a bachelor's degree from Southern Adventist University and his Master of Business Administration from the University of Central Florida. We believe Mr. Shaw's qualifications to serve on our Board of Directors include his approximately 21 years of experience as a healthcare industry executive.

Committee Memberships: Nominating and Governance Committee (Chair) and Finance Committee

Richard J. Statuto **59** **Member-Director**

Mr. Statuto has served as a member and Chairman of the Board of Directors of Premier since May 2013. He was a member of the board of directors of PHSI and the board of managers of Premier Plans from 2011 to 2013. Since 2005, Mr. Statuto has served as the President and Chief Executive Officer of Bon Secours Health System, which has more than 30 facilities in seven states in the eastern United States and is one of our member owners. He served as President and Chief Executive Officer of St. Joseph Health System from 1995 to 2004. Mr. Statuto currently serves as a member of the boards of directors of Catholic Medical Mission Board and Mercy Loan Fund. Mr. Statuto previously served as a member of the board of directors of Kmart Corporation, as Chairman of the board of directors of Catholic Health Association and as Vice Chairman of the board of directors of Christus Health System. Mr. Statuto received his bachelor's degree in chemical engineering from Vanderbilt University and his Master of Business Administration from Xavier University. We believe Mr. Statuto's qualifications to serve on our Board of Directors include his approximately 31 years of experience in the healthcare industry and his experience as a senior executive of a large healthcare system.

Committee Memberships: Compensation Committee and Finance Committee

Ellen C. Wolf **62** **Independent Director**

Ms. Wolf has been a director of Premier since October 2013. Ms. Wolf served as Senior Vice President and Chief Financial Officer of American Water Works Company, Inc., the largest investor-owned U.S. water and wastewater company, from 2006 until 2013. She served as Senior Vice President and Chief Financial Officer of USEC, Inc. beginning in 2003 and as Vice President and Chief Financial Officer of American Water Works from 1999 to 2003. Prior to that, since beginning her career in 1979, Ms. Wolf held various positions with increasing responsibility in corporate accounting, finance and business development. She has served as a director of Connecticut Water, a NASDAQ-listed company, since 2015, as a director and Chair of the audit committee of InfraREIT, L.L.C., a NYSE-listed company, since 2014, and she previously served as a director of Airgas, Inc., a NYSE-listed company, from 2008 to May 2016. Ms. Wolf also serves on the boards of the Philadelphia Zoo and a privately-held company. Ms. Wolf obtained a bachelor's degree from Duke University and a Master of Business Administration from the University of Pennsylvania. We believe that Ms. Wolf's qualifications to serve on our Board of Directors include

her strong financial, corporate accounting, business development and leadership experience through her corporate senior executive positions, her service on the audit committee of another publicly-traded company and her current service on the audit and compensation committees of a privately-held company.

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Committee Memberships: Audit and Compliance Committee (Chair), Conflict Advisory Committee, Nominating and Governance Committee and Member Agreement Review Committee

There are no family relationships between any of our executive officers, directors and director nominees. The business address of each of our directors and director nominees is 13034 Ballantyne Corporate Place, Charlotte, NC 28277.

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**ITEM 2 RATIFICATION OF APPOINTMENT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Appointment of Ernst & Young LLP

In accordance with its charter, the Audit and Compliance Committee selected the firm of Ernst & Young LLP (EY) to be our independent registered public accounting firm for the fiscal year 2017 audit period and, with the endorsement of the Board of Directors, recommends to our stockholders that they ratify that appointment. The Audit and Compliance Committee will reconsider the appointment of EY for the next audit period if such appointment is not ratified. Representatives of EY are expected to attend the Annual Meeting, will have the opportunity to make a statement if they desire and are expected to be available to respond to appropriate questions.

The Audit and Compliance Committee recognizes the importance of maintaining the independence of our independent registered public accounting firm, both in fact and appearance. Consistent with its charter, the Audit and Compliance Committee has evaluated EY's qualifications, performance and independence, including that of the lead audit partner. The Audit and Compliance Committee reviews and approves, in advance, the audit scope, the types of non-audit services, if any, and the estimated fees for each category for the coming year. For each category of proposed service, EY is required to confirm that the provision of such services does not impair its independence. Before selecting EY, the Audit and Compliance Committee carefully considered that firm's qualifications as an independent registered public accounting firm. This included a review of its performance in prior years, as well as its reputation for integrity and competence in the fields of accounting and auditing. The Audit and Compliance Committee has expressed its satisfaction with EY in all of these respects. The Audit and Compliance Committee's review included inquiry concerning any litigation involving EY and any proceedings by the SEC against the firm, if any. In this respect, the Audit and Compliance Committee has concluded that the ability of EY to perform services for Premier is in no way adversely affected by any such investigation or litigation.

Audit and Compliance Committee Pre-Approval of Accounting Services

The Audit and Compliance Committee of our Board of Directors is responsible for the appointment, oversight and evaluation of our independent registered public accounting firm. In accordance with our Audit and Compliance Committee's charter, our Audit and Compliance Committee must approve, in advance of the service, all audit and permissible non-audit services provided by our independent registered public accounting firm. Our independent registered public accounting firm may not be retained to perform the non-audit services specified in Section 10A(g) of the Securities Exchange Act of 1934, as amended (the Exchange Act). The Audit and Compliance Committee has concluded that provision of the non-audit services described in that section is not compatible with maintaining the independence of EY.

The Audit and Compliance Committee has established a policy regarding pre-approval of audit and permissible non-audit services provided by our independent registered public accounting firm, as well as all engagement fees and terms for our independent registered public accounting firm. Under the policy, the Audit and Compliance Committee must approve the services to be rendered and fees to be charged by our independent registered public accounting firm. Typically, the Audit and Compliance Committee approves services up to a specific amount of fees. The Audit and Compliance Committee must then approve, in advance, any services or fees exceeding those pre-approved levels, subject to the *de minimis* exception set forth in Section 10A(i)(1)(B) of the Exchange Act. The Audit and Compliance Committee may delegate general pre-approval authority to a subcommittee of which the chairman of the Audit and Compliance Committee is a member. All requests or applications for services to be provided by our independent registered public accounting firm must be submitted to specified officers who may determine whether such services

are included within the list of pre-approved services. All requests for services that have not been pre-approved must be accompanied by a statement that the request is consistent with the independent registered public accounting firm's independence from Premier.

Table of Contents**Principal Accounting Fees and Services**

The following table presents the fees billed to Premier and its subsidiaries for services rendered by EY for the fiscal years ended June 30, 2016 and 2015.

	FY 2016	FY 2015
	(in 000s)	
Audit Fees(1)	\$ 2,934	\$ 2,460
Audit-Related Fees(2)	612	97
Tax Fees(3)	195	171
Total(4)	\$ 3,741	\$ 2,728

- (1) Represents audit fees billed in each of fiscal years 2016 and 2015. Audit fees in fiscal years 2016 and 2015 include the audit of our consolidated financial statements, the audit of our internal control over financial reporting, issuances of comfort letters and consents for securities offerings, and services provided in connection with the review of our quarterly consolidated financial statements included in our SEC filings. Included in fiscal year 2015 audit fees are \$463 thousand in additional fees paid subsequent to the filing of the prior year's proxy statement and \$185 thousand in additional fees related to the fiscal year 2015 audit that were not included in the prior year's proxy statement. We have reclassified fees of \$312 thousand related to issuances of comfort letters and consents for securities offerings from audit-related fees to audit fees to be consistent with fiscal year 2016 presentation. In addition, we have reclassified \$87 thousand and \$5 thousand of other billings from audit-related fees and tax fees, respectively, to audit fees to be consistent with fiscal year 2016 presentation.
- (2) Represents audit-related fees billed in each of fiscal years 2016 and 2015. Audit-related fees in fiscal years 2016 and 2015 principally related to professional services in connection with financial due diligence, internal controls and other services that are traditionally performed by our independent registered public accounting firm.
- (3) Represents tax fees billed in each of fiscal years 2016 and 2015. Tax fees in fiscal years 2016 and 2015 principally related to domestic tax compliance and other tax-related consulting services.
- (4) Fiscal year 2016 total fees increased \$1.0 million over fiscal year 2015 total fees due to acquisitions and growth. In fiscal years 2016 and 2015, EY did not provide any products and services that would be required to be disclosed under all other fees in the table above. In fiscal years 2016 and 2015, the Audit and Compliance Committee did not approve any services or fees pursuant to the *de minimis* exception set forth in Section 10A(i)(1)(B) of the Exchange Act.

Board Recommendation

The Board of Directors unanimously recommends a vote FOR the ratification of the appointment of EY to serve as our independent registered public accounting firm for our fiscal year ending June 30, 2017.

In accordance with the Board's recommendation, the proxy holders will vote the shares of Class A common stock covered by valid and timely received proxies **FOR** the ratification of the appointment of EY to serve as our independent registered public accounting firm for our fiscal year ending June 30, 2017, unless instructed otherwise. The Trustee will vote all of the Class B common stock as a block in the matter determined by the majority of the votes timely received by the Trustee.

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ITEM 3 ADVISORY VOTE ON EXECUTIVE COMPENSATION

In accordance with the Dodd-Frank Act and related SEC rules, we request stockholders to approve, on an advisory basis, our executive compensation program. We ask that you support the compensation of our named executive officers, or NEOs, as disclosed under the heading Executive Compensation, including the Executive Summary section, beginning on page 52 and the accompanying tables and related narrative disclosure. This proposal, commonly referred to as a say-on-pay proposal, gives stockholders the opportunity to express their views on the NEOs compensation as required under Section 14A of the Securities Exchange Act. This vote is not intended to address any specific item of compensation, but rather the overall compensation of the NEOs and the philosophy, policies and practices described in this proxy statement.

Our executives including our NEOs are critical to our success. That is why we design our executive compensation program to attract, retain and motivate exceptional executive talent. We structure our executive compensation program to focus on stockholders interests by incentivizing superior sustainable long-term performance. We believe our executive compensation program strikes the appropriate balance between utilizing responsible, measured pay practices and effectively incentivizing the NEOs to dedicate themselves fully to value creation for our stockholders.

Under our executive compensation program, we align pay and performance by making a significant portion of our NEOs compensation contingent on:

achieving specific and challenging annual and long-term performance goals; and

increasing stockholder value.

We also incorporate rigorous compensation-related design and governance practices to protect our stockholders interests, including the following:

we enforce strong stock ownership guidelines for our executive officers, which promotes alignment of their interests with those of our stockholders;

our long-term incentive plan is 100% equity-based;

85% of our CEO s target total compensation is at-risk, incentive-based pay (67% of which is based on our long-term performance);

73% of our other NEOs target total compensation is at-risk, incentive-based pay (54% of which is based on long-term performance);

we do not pay tax gross ups associated with benefits payable in connection with a change in control;

we do not generally offer our executives material perquisites;

we mitigate risk by incorporating limits on incentive awards, the use of multiple performance measures in our incentive plans, stock ownership requirements and a strong incentive compensation recoupment (clawback) policy; and

we prohibit hedging, pledging and short sales of our common stock.

We encourage you to read the "Compensation Discussion and Analysis" section beginning on page 52 of this proxy statement and the "Executive Compensation Tables" beginning on page 72 of this proxy statement to better understand the details of our NEOs' compensation for 2016 and their opportunities to realize compensation in the future.

Our Compensation Committee and our Board believe that our executive compensation program for our NEOs serves our stockholders' interests. The Board recommends that stockholders indicate their support for our compensation of our NEOs. The vote on this resolution, commonly known as a "say-on-pay" resolution, is not

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intended to address any specific element of compensation but rather the overall NEO compensation program as described in this proxy statement. Although this vote is advisory and not binding on us, the Board, and the Compensation Committee, which is responsible for developing and administering our executive compensation philosophy and program, will consider the results as part of its ongoing review of our executive compensation program.

Accordingly, we ask you to vote **FOR** the following resolution at our Annual Meeting:

RESOLVED, that Premier's stockholders approve, on an advisory basis, the compensation paid to Premier's named executive officers, as disclosed in this Proxy Statement for the 2016 Annual Meeting of Stockholders pursuant to the SEC's compensation disclosure rules, including the Compensation Discussion and Analysis, Summary Compensation Table for Fiscal 2016 and the other related tables and discussion.

Board Recommendation

The Board of Directors unanimously recommends a vote **FOR the approval of the compensation of our named executive officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC.**

In accordance with the Board of Directors' recommendation, the proxy holders will vote the shares of Class A common stock covered by valid and timely received proxies **FOR** the approval of the compensation of our named executive officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC, unless instructed otherwise. The Trustee will vote all of the Class B common stock as a block in the matter determined by the majority of the votes timely received by the Trustee.

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CORPORATE GOVERNANCE AND BOARD STRUCTURE

Corporate Governance

Our corporate governance practices are established, monitored and regularly assessed by our Board of Directors with assistance from the Nominating and Governance Committee. The Board of Directors considers current and proposed legal requirements and governance best practices in connection with its decisions on the governance practices for us and our business.

Corporate Governance Guidelines

To assist the Board of Directors in the exercise of its duties and responsibilities and to serve the best interests of us and our stockholders, the Board of Directors has adopted Corporate Governance Guidelines that set forth, among other things:

the Board's role in overseeing the management and conduct of our business, including:

the job description and specific functions of the Board and its committees;

Board membership criteria and core competencies required by members;

annual review and evaluation of the Chief Executive Officer led by the Chairman of the Board in collaboration with the Compensation Committee;

annual senior management evaluation;

annual review and update, if appropriate, of the management succession plan;

risk management and oversight by the Audit and Compliance Committee; and

annual Board self-assessment to evaluate whether the Board is functioning effectively and meeting objectives and goals.

director qualifications and responsibilities, including:

individual director qualification standards and personal traits;

director nomination, selection and assessment;

director responsibilities to exercise common sense business judgment, exercise their fiduciary duties to all stockholders and exercise personal accountability through regular attendance and participation and investment of time and energy in our business;

commitment to support the needs of the Board and fully serve out the established board term;

limits on other board service;

director orientation and continuing education;

notice of changes in principal employment or changes in independence; and

director compensation and independent/outside director stock ownership.

Board independence, including:

director independence standards while we are a controlled company under NASDAQ rules and thereafter and required reviews of each director's independence;

Board leadership and the annual election of a Board chair that is not an officer of ours; and

independence and other qualifications for Board committee members while we are a controlled company under NASDAQ rules and thereafter.

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Board accountability, ethics and integrity, including:

adherence to the Board's Conflict of Interest Policy;

adherence to our Code of Conduct and the Board Code of Ethics;

regularly held executive sessions outside the presence of management; and

Board access to and retention of independent advisors.

Board structure, including:

Board size and review of the same;

Board class structure and term of each class;

term limits; and

resignation and failure to be re-elected.

Board committees, including:

standing committees and committee structure;

assignment and rotation of committee members; and

committee meeting frequency, length and agenda.

Board meetings, agenda and information, including:

regular meeting schedules and attendance expectations;

Board agenda process;

Board information flow, materials and presentations;

director access to senior management;

right to call a special meeting of the Board and related procedures; and

annual stockholder meeting and attendance.

Board interaction/communications with stockholders, analysts, institutional investors, member owners and the media where appropriate.

Board responsiveness to stockholder proposals that receive substantial support.

Under its charter, the Nominating and Governance Committee, in consultation with the Chairman of the Board and the Chief Executive Officer, periodically reviews, revises, interprets and confirms compliance with the Corporate Governance Guidelines.

Code of Ethics

We have adopted a Corporate Code of Conduct, as well as a Board Code of Ethics and a Board Conflict of Interest Policy and Disclosure Statement, together our code of ethics, that apply, as applicable, to all employees, directors and officers, including our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions. The purpose of the code of ethics is to deter wrongdoing and promote:

honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

full, fair, accurate, timely and understandable disclosure in reports required to be filed with or submitted by us to the SEC and in other public communications;

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compliance with all applicable rules and regulations that apply to us and our officers and directors;

the prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and

accountability for adherence to the code.

We will disclose any future amendments to, or waivers from, certain provisions of these ethical policies and standards for officers and directors on the Investors section of our website at <http://investors.premierinc.com> promptly following the date of such amendment or waiver. Upon written request to our Corporate Secretary, we will also provide a copy of the code of ethics free of charge.

Corporate Website

We maintain a Corporate Governance area within the Investors section of our website where you can find copies of our principal governance documents and ethics policies. Our Corporate Governance area is located at <http://investors.premierinc.com/corporate-governance> and includes the following documents, among others:

Certificate of Incorporation;

Bylaws;

Corporate Governance Guidelines;

Whistleblower Policy;

Insider Trading Policy;

Corporate Code of Conduct (in the Ethics and Compliance subsection);

Group Purchasing Code of Conduct (in the Ethics and Compliance subsection);

Board Code of Ethics;

Board Conflict of Interest Policy and Disclosure Statement;

Audit and Compliance Committee Charter;

Nominating and Governance Committee Charter;

Finance Committee Charter;

Compensation Committee Charter;

Conflict Advisory Committee Charter; and

Member Agreement Review Committee Charter.

We encourage our stockholders to read our governance documents, as we believe they illustrate our commitment to good governance practices and ethical business conduct.

Role of the Board in the Oversight of Risk

Our Board of Directors plays an active role in overseeing management of our risks. We have identified five primary areas of enterprise risk across our operations that are monitored and managed by our Board of Directors, management and internal auditors. These areas include risks associated with strategic, operational, financial, legal, and information technology and systems. Our Board of Directors is primarily responsible for oversight of the strategic, operational and information technology and systems risks that we may encounter. The committees of our Board of Directors assist our full Board in risk oversight by addressing specific matters within the purview of each committee. Our Audit and Compliance Committee focuses on oversight of financial, legal and regulatory

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compliance, as well as ethical risks. Our Finance Committee oversees financial risks related to capital allocation and financial forecasting. Our Compensation Committee, as discussed more detail below, focuses on risks relating to executive compensation plans and arrangements, and our Nominating and Governance Committee focuses on reputational and corporate governance risks relating to our company including the independence of our Board of Directors. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, our full Board of Directors remains regularly informed regarding such risks through committee reports and otherwise. In addition, our Board and its committees receive regular reports from our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel, Chief Ethics and Compliance Officer, and other members of senior management regarding areas of significant risk to us, including operational, strategic, legal and regulatory, financial and reputational risks. We believe the leadership structure of our Board of Directors supports and promotes effective risk management and oversight.

The Compensation Committee reviews and considers our compensation policies and programs in light of the Board of Directors' risk assessment and management responsibilities on an annual basis. Our human resources department in consultation with Mercer (US) Inc. prepared and presented to the Compensation Committee a risk assessment report that addressed the incentive compensation structure, plans and processes at all levels of our Company. The assessment included, among other things, a review of pay mix (fixed versus variable, cash versus equity and short versus long-term), performance metrics, target setting, performance measurement practices, pay determination, mitigation practices such as the Compensation Recoupment Policy and overall governance and administration of pay programs. After reviewing this report and making inquiries of management, the Compensation Committee determined we have no compensation policies and programs that give rise to risks reasonably likely to have a material adverse effect on us.

Communications to Directors

Stockholders and other parties interested in communicating directly to the Board of Directors, any committee or any non-employee director may do so by writing to the address listed below:

PREMIER, INC.

BOARD OF DIRECTORS

13034 BALLANTYNE CORPORATE PLACE

CHARLOTTE, NORTH CAROLINA 28277

ATTENTION: [Addressee*]

C/O ANNA-MARIE FORREST, CORPORATE SECRETARY

*** Including the name of the specific addressee(s) will allow
us to direct the communication to the intended recipient.**

All communications received as set forth in this paragraph will be opened by the office of our General Counsel for the sole purpose of determining whether the contents represent a message to our directors. Any contents that are not in the nature of advertising, promotions of a product or service or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the Board of Directors or any group or committee of directors, the General Counsel's office will make sufficient copies of the contents to send to each director who is a member of the

group or committee to which the envelope is addressed.

Board Structure and Director Nominations

Board Structure and Meetings

The Board's overarching responsibility is to advise and oversee the management and conduct of our business by our Chief Executive Officer and other members of management charged with the long-term health and overall

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success of Premier's business. To that end, our business, property and affairs are managed under the direction of our Board of Directors. Our Board size may not exceed 18 directors, and is currently comprised of 16 members, five of whom are independent under the standards discussed below, 10 of whom are member-directors as discussed below and one of whom is our Chief Executive Officer, Ms. DeVore. The Board is divided into three classes (Class I, Class II and Class III) with staggered terms of three years each. The term of one class expires at each annual meeting of stockholders; thus, directors typically stand for election after three years, unless they are filling an unexpired term. Under our Corporate Governance Guidelines, no director may serve for more than two full three-year consecutive terms except for (i) the Chief Executive Officer; (ii) each director who is not a director, officer, employee or agent of, or otherwise affiliated with, any stockholder of ours and (iii) a Director serving as Chairman of the Board, whose term may be extended at the discretion of the Board.

Our Bylaws and Corporate Governance Guidelines provide that the Chairman of the Board shall not be one of our officers. We believe that having a non-executive Chairman of our Board creates an environment that is more conducive to objective evaluation and oversight of management's performance, increasing management accountability and improving the ability of the Board of Directors to monitor whether management's actions are in the best interests of us and our stockholders. Our Chief Executive Officer, Board Chairman and Board Vice-Chairman work together to set the Board agenda. Board members are invited to make agenda suggestions, and the Board approves the annual schedule of Board and committee items. The Board Chairman presides over Board meetings and coordinates the work of the committees of our Board of Directors and performs other duties delegated to the Chairman by our Board of Directors. Committee assignments and designation of the committee chair are made by the Board based upon recommendations of the Board Chairman and Nominating and Governance Committee. Executive sessions of independent directors, held outside the presence of employee Board members and member-directors, are scheduled at each in-person Board meeting and may be called at any other Board or committee meeting. The Chair of the Audit and Compliance Committee presides over executive sessions.

The Board of Directors adopted the foregoing structure to promote decision-making and governance independent of that of our management and to better perform the Board's monitoring and evaluation functions. Members of our Board of Directors are kept informed of our business through discussions with our Chief Executive Officer and other officers, by reviewing materials provided to them, by visiting our offices and by participating in meetings of the Board of Directors and its committees.

Under our Corporate Governance Guidelines, Board members are expected to prepare for and attend at least 75% of all Board and applicable committee meetings. The Board of Directors met eight times during fiscal year 2016. In addition, the independent directors met in executive session four times during fiscal year 2016. Each incumbent member of the Board of Directors attended 75% or more of the meetings of the Board of Directors and of the committees on which he or she served that were held during the period for which he or she was a director or committee member, respectively. In addition, directors are encouraged to attend each annual meeting of stockholders. All of our directors who were serving as directors at the time of the meeting attended our 2015 Annual Meeting of Stockholders held December 4, 2015. We expect all of our Directors to attend the Annual Meeting.

Criteria for Board Members

Our Corporate Governance Guidelines provide criteria applicable to both the composition of the Board as a whole and for individual directors. The Board as a whole has been designed to possess all of the following core competencies, with each director contributing knowledge, experience and skills in at least one of the following domains:

senior executive level leadership experience;

group purchasing, value-based purchasing, pharmacy management and supply chain operations;

healthcare transformation, healthcare continuum of care and population management;

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performance improvement, clinical quality improvement, patient safety, outcomes management, risk management and healthcare measurement;

information technology and knowledge management;

outsourcing services;

finance, audit and major transactions/M&A/private equity/public equity;

national perspective on healthcare policy and advocacy;

healthcare insurance and payment systems; or

academic medical experience.

The Board has adopted a Board Competency and Succession Plan Policy as the guideline for the Nominating and Governance Committee in evaluating and nominating Board candidates. The Board recognizes that criteria change as the membership of the Board changes and takes into account the current make-up and requirements of the Board in its nomination process. To be considered for Board membership, individual directors should possess the following personal traits:

a strong strategic planning orientation, including the ability to view our goals and plans strategically;

ability to effectively oversee risk and innovation thus safeguarding our mission and stockholder interests;

knowledge of effective governance policies and practices;

proven leadership skills as an executive in a successful organization;

ability to listen, engage, reflect and generally work effectively with other directors and management;

willingness to ask management and each other tough questions and challenge traditional thinking;

adeptness at managing change, ambiguity and complexity;

integrity backed by a record of ethical conduct;

understanding of the importance and implications of compliance with regulatory requirements;

interest and ability to serve in a Board leadership position (i.e., Board Chairman, Vice-Chairman, committee Chair, etc.) in the future; and

ability to make a priority commitment to support the needs of the Board and to fully serve out the established Board term.

With respect to member-directors, the Board Competency and Succession Plan Policy requires consideration of the following characteristics:

type of stockholder (i.e., member owner, group affiliate, etc.);

type of organization (i.e., health system, hospital, other);

organization's size and scope of services;

organization's primary markets (i.e., urban, suburban, rural, safety net);

geography;

level of engagement with us; and

candidate's gender, ethnic background and age.

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Board Diversity

Although there is no formal policy on diversity of nominees, both the Board of Directors and the Nominating and Governance Committee believe that diversity of skills, perspectives and experiences as represented on the Board as a whole, in addition to the primary factors, attributes or qualities discussed above, promotes improved monitoring and evaluation of management on behalf of the stockholders and produces more creative thinking and solutions. The Nominating and Governance Committee considers, but does not choose solely based on, the distinctive skills, perspectives and experiences that candidates diverse in gender, ethnic background, geographic origin and professional experience offer. In addition, under our Board Competency and Succession Plan Policy, the Board seeks to have a composition diverse in gender, ethnicity and age. Our Corporate Governance Guidelines do not explicitly provide limitations on Board service due to age.

Resignation Policy; Vacancies

Under our Corporate Governance Guidelines, our non-management directors must submit a letter of resignation upon resignation or retirement from, or termination of, the director's principal current employment, or other similarly material changes in professional occupation or association. The Board is free to accept or reject the letter of resignation based on the best interests of the Board and stockholders and shall promptly notify such director of its decision.

A director appointed by the Board to fill a vacancy, including a vacancy created by a resignation, will serve until the next election of the class for which such director has been appointed and until his or her successor is elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal.

Director Nomination Process

The Nominating and Governance Committee, in consultation with the Chairman of the Board and the Chief Executive Officer, is responsible for identifying, considering, recommending, recruiting and selecting, or recommending that the Board select, candidates to fill open positions on the Board consistent with Board-approved criteria and qualifications for membership. It is the Board's expectation that all Board members participate in Board recruitment efforts.

Internal Process for Identifying Candidates

The Board Competency and Succession Plan Policy is the guideline for the Nominating and Governance Committee in evaluating and nominating Board candidates. The Nominating and Governance Committee has two primary methods for identifying director nominees (other than those proposed by stockholders, as discussed below). First, on a periodic basis, the Committee solicits ideas for possible candidates from members of the Board of Directors, senior level executives and other individuals personally known to the members of the Board. Second, the Committee may from time to time use its authority under its charter to retain, at our expense, one or more search firms to identify candidates (and to approve such firms' fees and other retention terms).

Proposals for Director Nominees by Stockholders

The Nominating and Governance Committee will consider written proposals from stockholders for director nominees that are timely and properly noticed. In considering candidates submitted by stockholders, the Nominating and Governance Committee will take into consideration the needs of the Board of Directors and the qualifications of the candidate. In accordance with Article I, Section 12 of our Bylaws, to be timely, stockholder notice must be delivered to or mailed and received at our principal executive offices not less than 90 days nor more than 120 days prior to the

first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 20 days, or delayed by more than 70

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days, from such anniversary, proposed nominee(s) and related notice, in order to be timely, must be received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. The Nominating and Governance Committee received no nominee recommendations from stockholders for the Annual Meeting. Stockholder nominations for our 2017 annual meeting of stockholders must be received at our principal executive offices on or after August 4, 2017 and not later than September 3, 2017. A stockholder's notice must be in the form set forth in Article I, Section 12 of our Bylaws and must be addressed to Premier, Inc., 13034 Ballantyne Corporate Place, Charlotte, North Carolina 28277, Attention: Corporate Secretary.

Article I, Section 12 of our Bylaws requires, among other things, that the notice must set forth:

- (1) as to each person whom the stockholder proposes to nominate for election or re-election as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder, including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected;
- (2) the name and record address of the stockholder giving notice and the beneficial owner, if any, on whose behalf the nomination is being made;
- (3) the class and number of shares of our stock which are owned beneficially and of record by such stockholder and such beneficial owner;
- (4) a representation that the stockholder intends to appear in person or by proxy at the meeting to propose such nomination;
- (5) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (i) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of our outstanding capital stock required to elect the nominee and/or (ii) otherwise to solicit proxies from stockholders in support of such nominee;
- (6) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder;
- (7) a description of any agreement, arrangement or understanding with respect to the nomination and/or the voting of shares of any class or series of our stock between or among the stockholder giving the notice, the beneficial owner, if any, on whose behalf the nomination is made, any of their respective affiliates or associates and/or any others acting in concert with any of the foregoing (collectively, "proponent persons"); and
- (8) a description of any agreement, arrangement or understanding (including without limitation any contract to purchase or sell, acquisition or grant of any option, right or warrant to purchase or sell, swap or other instrument) the intent or effect of which may be (i) to transfer to or from any proponent person, in whole or in part, any of the economic consequences of ownership of any security of ours; (ii) to increase or decrease the voting power of any proponent person with respect to shares of any class or series of our stock and/or (iii) to provide any proponent person, directly or indirectly, with the opportunity to profit or share in any profit derived from, or to otherwise benefit economically from, any increase or decrease in the value of any security of ours.

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A stockholder proposing a nominee for the annual meeting must update and supplement the notice required by Article I, Section 12 of our Bylaws so that the information in the notice is true and correct as of the record date

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for the annual meeting and as of the date that is 15 days prior to the annual meeting or any adjournment or postponement thereof; such update and supplement shall be delivered in writing to the Corporate Secretary at our principal executive offices not later than five days after the record date for the meeting (in the case of any update and supplement required to be made as of the record date), and not later than 10 days prior to the date for the meeting or any adjournment or postponement thereof (in the case of any update and supplement required to be made as of 15 days prior to the meeting or any adjournment or postponement thereof). We may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director. Any stockholder that intends to submit a nominee should read the entirety of the requirements in our Bylaws, particularly Article I, Section 12, which can be found under the Corporate Governance area within the Investors section of our website at <http://investors.premierinc.com/corporate-governance>.

Evaluation of Candidates

The Nominating and Governance Committee will consider all candidates identified through the processes described above, and will evaluate each of them, including incumbents, based on the same criteria. The selection process involves rigorous vetting of both independent and non-independent director candidates by the Nominating and Governance Committee, the Chairman of the Board and senior management to ensure the best qualified individuals are appointed to the Board. Ultimately, background and reference checks will be conducted and the Committee will meet to finalize its list of recommended candidates for the Board's consideration. The candidates recommended for the Board's consideration will be those individuals who will create a Board of Directors that is, as a whole, strong in its collective knowledge of, and diverse in skills and experience with respect to, accounting and finance, management and leadership, vision and strategy, business operations, business judgment, crisis management, risk assessment, industry knowledge, corporate governance and global markets.

Director Independence

Status as a Controlled Company

We are currently a controlled company under NASDAQ rules because our member owners, acting as a group pursuant to the terms of the VTA, own more than 50% of the total voting power of our outstanding common stock. As a controlled company, we are not required by NASDAQ for continued listing of our Class A common stock to (i) have a majority of independent directors; (ii) maintain an independent compensation committee or (iii) maintain an independent nominating function. We intend to take advantage of all of these exemptions from NASDAQ listing requirements for the foreseeable future. As discussed below, we do maintain an Audit and Compliance Committee comprised entirely of independent directors. Once we cease to qualify as a controlled company, and after any permitted phase-in period, the Board expects to have a majority of independent directors and independent committees as required by NASDAQ.

Review of Director Independence and Standards for Independence

On August 11, 2016, the Board of Directors undertook its review of the independence of its directors and director nominees as independent directors based on our Corporate Governance Guidelines. Independent directors must meet the standards of independence established by NASDAQ. The Board reviews annually the independence of each director, taking into consideration the recommendations of the Nominating and Governance Committee. Directors have an affirmative obligation to inform the Board of any material changes in their circumstances or relationships that may impact their designation by the Board as independent.

The Board of Directors assessed whether any director had a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of such director. In

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addition, the Board assessed whether any of the following relationships existed between us and the director or the director's family members (i.e., spouse, parents, children and siblings or anyone residing in the director's home) that would prohibit a finding of independence under NASDAQ rules:

at any time during the past three years was the director employed by us;

has the director or a family member of the director accepted any compensation from us in excess of \$120,000 during any period of 12 consecutive months within the three years preceding the determination of independence, other than the following: (i) compensation for Board or Board committee service; (ii) compensation paid to a family member who is our employee (other than an executive officer) or (iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation;

does the director have a family member who is, or at any time during the past three years was, employed by us as an executive officer;

is the director or his family member a partner in, or a controlling stockholder or an executive officer of, any organization to which we made, or from which we received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than the following: (i) payments arising solely from investments in our securities or (ii) payments under non-discretionary charitable contribution matching programs;

is the director or his family member employed as an executive officer of another entity where at any time during the past three years any of our executive officers served on the compensation committee of such other entity; or

is the director or his family member a current partner of our outside auditor, or was a partner or employee of our outside auditor who worked on our audit at any time during any of the past three years.

In connection with this determination, on an annual basis, each director and executive officer is required to complete a questionnaire which requires disclosure of any transactions with us in which the director or executive officer, or any member of his or her immediate family, has a direct or indirect material interest. There were no such transactions indicated for fiscal year 2016.

In determining the independence of Ms. Wolf, who, until May 2016, was a member of the board of directors of Airgas, Inc., one of our contracted suppliers, our Board of Directors considered the relationship arising through the ordinary course of business between us and Airgas, Inc., but did not view the relationship as materially impacting its independence determination. Ms. Wolf did not have a direct or indirect material interest in such business relationship.

Determination of Director Independence

Based on its review, the Board of Directors affirmatively determined that each of Stephen R. D'Arcy, Jody R. Davids, David H. Langstaff, William E. Mayer and Ellen C. Wolf is an independent director in accordance with our Corporate

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Governance Guidelines. Each of Barclay E. Berdan, Eric J. Bieber, MD, William B Downey, Peter S. Fine, Philip A. Incarnati, Marc D. Miller, Marvin R. O Quinn, Scott Reiner, Terry D. Shaw and Richard J. Statuto is a member-director. Ms. DeVore, who is our Chief Executive Officer, was not deemed to be independent.

Each of our independent directors satisfies the definition of independent director contained in Rule 5605 of the NASDAQ listing standards. As a result of the review and determination above, the Board determined that:

each member of the Audit and Compliance Committee was an independent director under our Corporate Governance Guidelines and otherwise meets the qualifications for membership on such committee imposed by the NASDAQ and other applicable laws and regulations; and

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each member of the Audit and Compliance Committee had accounting or related financial management expertise and was financially literate, and otherwise meets the audit committee membership requirements imposed by the NASDAQ, our Corporate Governance Guidelines and other applicable laws and regulations; and that Ms. Wolf qualifies as an audit committee financial expert within the meaning of SEC regulations.

In addition, there are no arrangements or understandings known to us between any of the directors nominated for election to the Board of Directors and any other person pursuant to which a director was or is to be elected as a director or nominee, other than any arrangements or understandings with our directors or officers acting solely in their capacities as such. None of our directors, nominees or executive officers is a party to any material proceedings adverse to us or any of our subsidiaries or has a material interest adverse to us or any of our subsidiaries.

Committees of the Board of Directors**Committee Memberships and Meetings**

The Board reviews and determines the membership of our Board committees at least annually, with input from the Nominating and Governance Committee. Our Board of Directors has the following five standing committees, each of which is governed by a charter and reports its actions and recommendations to the Board of Directors: Audit and Compliance Committee, Compensation Committee, Nominating and Governance Committee, Finance Committee and Member Agreement Review Committee. The following table shows the number of meetings held in fiscal year 2016 and the current membership of each Board committee.

	Audit and Compliance Committee(1)	Compensation Committee	Nominating and Governance Committee	Finance Committee	Member Agreement Review Committee	Conflict Advisory Committee(2)
Number of Meetings in 2016	6	5	4	7	4	4
Existing						
Directors:						
Barclay E. Berdan(3)				X		
Eric J. Bieber, MD			X			
Stephen R. D Arcy	X	X				X
Jody R. Davids	X					X
Susan D. DeVore					X	
William B. Downey			X			
Peter S. Fine				Chair		
Philip A. Incarnati				X		
David H. Langstaff(3)	X				X	X

William E. Mayer	Chair		X	Chair	
Marc D. Miller	X				
Marvin R. O Quinn		X			
Scott Reiner(3)		X			
Terry D. Shaw		Chair	X		
Richard J. Statuto	X		X		
Ellen C. Wolf	Chair		X	X	X

- (1) The Audit and Compliance Committee also oversees a Conflict Advisory Committee and a Disclosure Committee. The Disclosure Committee includes, among others, our General Counsel, Corporate Controller and Chief Ethics and Compliance Officer.
- (2) The Conflict Advisory Committee, which is overseen by the Audit and Compliance Committee, is chaired by our Chief Ethics and Compliance Officer and includes the directors identified above, as well as our General Counsel.

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(3) Messrs. Berdan and Reiner joined the Board of Directors on December 4, 2015. Mr. Langstaff joined our Board of Directors on September 1, 2016 and, accordingly, did not attend any committee meetings in fiscal year 2016.

Board Committee Charters

As discussed in more detail in the descriptions of each of our Board committees below, each of our Board committees operates under a written charter adopted by the Board. The charters set forth the purpose, objectives and responsibilities of the respective committee and discuss matters such as committee membership requirements, number of meetings and the setting of meeting agendas. The charters are assessed periodically by the Nominating and Governance Committee and the respective committee and are updated by the Board as needed. The Board committee charters are available under the Corporate Governance area within the Investors section of our website at <http://investors.premierinc.com/corporate-governance>.

Audit and Compliance Committee

Our Audit and Compliance Committee is intended to meet the requirements of a separately designated standing audit committee as defined under Section 3(a)(58)(A) of the Exchange Act. The Audit and Compliance Committee must consist of at least three members of the Board, with each member satisfying the independence requirements for directors and audit committee members under NASDAQ rules and Rule 10A-3 of the Exchange Act. Each member of the Audit and Compliance Committee must be financially literate, and at least one member of the Audit and Compliance Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background demonstrating financial management experience, as each such qualification is interpreted by the Board in its business judgment. Having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities for a public company, for instance, would qualify. In addition, to the extent practicable, at least one member of the Audit and Compliance Committee shall be an audit committee financial expert as such term is defined by the SEC.

The specific responsibilities of the Audit and Compliance Committee set forth under its charter are, among others, to:

review and discuss with management and the independent auditors the annual audited and quarterly financial statements and other related disclosure prior to filing our annual report on Form 10-K and quarterly reports on Form 10-Q, including our disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations;

review any significant issues regarding, or proposed changes to, our auditing and accounting principles and practices identified by the independent auditors, the internal auditor or management;

review financial and business risk exposures and the steps management has undertaken to monitor and control such exposures, including our procedures and any related policies with respect to risk assessment and risk management;

have responsibility for the appointment, compensation, retention, termination (when appropriate) and oversight of the work of the independent auditors and the internal auditors;

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pre-approve all audit and permitted non-audit related services (including the fees and terms thereof) to be performed for us by our independent auditors, subject to the *de minimis* exception set forth in Section 10A(i)(1)(B) of the Exchange Act;

at least annually, review a report by our independent auditors regarding their internal quality control procedures, material issues raised by certain reviews, inquiries or investigations relating to independent audits within the last five years and relationships between the independent auditors and us;

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consider at least annually the independence of the independent auditors, discussing with the independent auditors, if necessary, relationships identified in the auditors' report, review the experience and qualifications of the lead partner each year and determine that all partner rotation requirements are executed;

discuss with management and the independent auditors, as appropriate, our earnings press releases and corporate policies with respect to the type and presentation of information to be included in earnings releases (paying particular attention to any use of pro forma or adjusted non-GAAP (as defined below) financial information) and our financial information and earnings guidance provided to investors, analysts and rating agencies;

receive reports from the independent auditors and management regarding, and review the adequacy and effectiveness of, our internal controls, including any significant deficiencies in internal controls and significant changes in such controls reported to the committee by the independent auditors, the internal auditor or management, and any special audit steps adopted in light of material deficiencies; receive reports from management regarding, and review the adequacy and effectiveness of, our disclosure controls and procedures, including our policies and procedures to assess, monitor and manage business risk and other legal and ethical compliance programs;

receive and review reports from the independent auditors on: (i) our critical accounting policies and practices; (ii) material alternative treatments of financial information within generally accepted accounting principles (GAAP) that have been discussed with our management, including the ramifications of the use of such alternative treatments and the disclosures or treatments preferred by the independent auditors and (iii) other material written communications between the independent auditors and management;

establish procedures for the receipt, retention and treatment of complaints received by our directors, officers and employees regarding illicit or illegal business practices and conduct and establish a process for investigation and proper resolution of any issues so raised;

review and approve, in accordance with our Code of Conduct, all related party transactions requiring disclosure under SEC Regulation S-K, Item 404 (including through the oversight of and collaboration with the Conflict Advisory Committee discussed below);

review with our General Counsel and independent auditors (i) legal matters that may have a material impact on our financial statements; (ii) any fraud involving our management or other employees who have a significant role in our internal controls; (iii) compliance policies and (iv) material reports or inquiries received from regulators or governmental agencies that raise material issues regarding our financial statements and accounting or compliance policies; and

advise the Board with respect to our policies and procedures for compliance with applicable laws and regulations, as well as general oversight of our corporate ethics and compliance policies.

For additional information on the Audit and Compliance Committee's role and its oversight of the independent auditors during fiscal year 2016, see Report of the Audit and Compliance Committee.

In connection with its duties, the Audit and Compliance Committee reviews and evaluates, at least annually, the performance of the committee and its members, may obtain the advice and assistance of outside advisors, including consultants and legal and accounting advisors, and performs all acts reasonably necessary to fulfill its responsibilities and achieve its objectives.

Compensation Committee

We have a separately standing Compensation Committee. The Compensation Committee must consist of no fewer than three members, at least two of whom must be outside directors within the meaning of Section

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162(m) of the Code and nonemployee directors within the meaning of SEC Rule 16b-3 under the Exchange Act. As a controlled company under NASDAQ listing rules, we are not required to maintain a Compensation Committee comprised entirely of independent directors. The Compensation Committee is composed solely of independent directors and member-directors. There are no employee-directors on the Compensation Committee. The Compensation Committee's purpose and objectives are to discharge the Board's responsibilities related to the compensation of our and our subsidiaries' executive officers. The committee has overall responsibility for approving and evaluating all of our and our subsidiaries' compensation plans, policies and programs as applicable to the executive officers.

The specific responsibilities of the Compensation Committee are, among others, to:

at least annually, review and approve the annual base salaries and annual incentive opportunities of the executive officers; and periodically and as and when appropriate, review and approve the following items as they affect the executive officers: (i) all other incentive awards and opportunities, including both cash based and equity based awards and opportunities; (ii) any employment agreements and severance arrangements; (iii) any change in control agreements and change in control provisions affecting any elements of compensation and benefits and (iv) any special or supplemental compensation and benefits for the executive officers and individuals who formerly served as executive officers, including supplemental retirement benefits and perquisites provided to them during and after employment;

make recommendations to the Board with respect to the structure of overall incentive and equity-based plans and adopt, amend or terminate plans consistent with the approved structure;

administer and interpret our equity compensation plans and other long-term compensation plans and programs covering executive officers;

review, approve and oversee all equity award granting practices, and the stock ownership guidelines for senior management and directors and monitor compliance with such guidelines;

review and recommend to the Board the compensation of the non-management directors;

review and discuss with management the Compensation Discussion and Analysis and related disclosures as may be required by the rules and regulations of the SEC;

determine annually whether any conflicts of interest exist on the part of any executive compensation consultants retained by the Committee, and if so, ensure disclosure of such conflicts, including the nature of the conflict and how it was addressed, in our proxy statement;

evaluate the outcome of the advisory vote of the stockholders regarding say-on-pay and make recommendations or take appropriate actions in response to such advisory vote;

in conjunction with the Board, oversee the management development and succession planning process (including succession planning for emergencies) for the Chief Executive Officer and the Chief Executive Officer's direct reports; and

monitor our compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to loans to directors and officers, and with all other applicable laws affecting employee compensation and benefits.

In connection with its duties, the Compensation Committee reviews and evaluates, at least annually, the performance of the Committee and its members, may obtain the advice and assistance of outside advisors, including consultants and legal and accounting advisors, and performs all acts reasonably necessary to fulfill its responsibilities and achieve its objectives. The Compensation Committee has the sole authority to set the compensation for, and to terminate the services of, its advisors. As discussed in further detail below under Executive Compensation Role of the Compensation Consultant, the Compensation Committee engaged Mercer (US) Inc. (Mercer), a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. (Marsh), to

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provide advice and recommendations to the Compensation Committee on executive officer and Board of Director compensation programs. The Compensation Committee has reviewed the services that Mercer provides to the Compensation Committee and otherwise to us and our management, as well as the services that each individual employee of Mercer provides to us. Based on this review, the Compensation Committee has determined Mercer has no conflict of interest in providing advisory services to us.

Nominating and Governance Committee

We have a separately standing Nominating and Governance Committee. The Nominating and Governance Committee must be comprised of three or more directors as determined by the Board, in accordance with all applicable rules, regulations and stock exchange requirements. As a controlled company under NASDAQ listing rules, we are not required to maintain a nominating and governance committee comprised entirely of independent directors. The Nominating and Governance Committee is composed solely of independent directors and member-directors. There are no employee-directors on the Nominating and Governance Committee. The purpose of the Nominating and Governance Committee is to (i) assist the Board by identifying and nominating individuals qualified to become directors, consistent with criteria approved by the Board; (ii) take a leadership role in shaping the corporate governance of the Company; (iii) oversee the evaluation of the Board and management and (iv) recommend to the Board director nominees for each of the Board's committees. The Nominating and Governance Committee has authority to retain and terminate search firms used to identify director candidates and to approve any such search firm's fees and other retention terms.

The specific responsibilities of the Nominating and Governance Committee are, among others, to:

recommend the criteria and qualifications for membership on the Board;

identify, consider, recommend, recruit and select, or recommend that the Board select, candidates to fill open positions on the Board, including nominees recommended by stockholders;

develop and periodically evaluate policies with regard to the consideration of director candidates recommended by stockholders;

establish a process for identifying and evaluating nominees for director;

conduct appropriate inquiries into the backgrounds and qualifications of possible candidates;

recommend director nominees for approval by the stockholders;

recommend director nominees for each of the Board's committees;

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review and recommend proposed changes to our Certificate of Incorporation and Bylaws;

oversee the Board committee charters and policies;

periodically review, revise, interpret and confirm compliance with the Corporate Governance Guidelines;

establish and maintain an ongoing succession planning process for directors, Board leaders and Board committee members;

recommend ways to enhance services to, and improve communications and relations with, stockholders;

oversee periodic self-evaluations by the Board of its performance;

evaluate the size, needs and effectiveness of the Board;

recommend improvements to the corporate governance of Premier;

oversee the Board orientation process for new directors and the development by the Chief Executive Officer of programs for continuing education for all directors;

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monitor the functions of the various committees of the Board and conduct periodic reviews of their contributions;

conduct director self- and peer-assessments on a regular basis/interval and regularly review each independent director's continuation on the Board through this process;

establish criteria for an annual performance evaluation of the Committee by the Board; and

participate in evaluating the performance of the Chief Executive Officer.

In connection with its duties, the Nominating and Governance Committee reviews and evaluates, at least annually, the performance of the Committee and its members, may obtain the advice and assistance of outside advisors, including consultants and legal and accounting advisors, and performs all acts reasonably necessary to fulfill its responsibilities and achieve its objectives.

Finance Committee

We have a separately standing Finance Committee. The Finance Committee must be comprised of at least three directors. The Finance Committee is composed solely of independent directors and member-directors. There are no employee-directors on the Finance Committee. The purpose of the Finance Committee is to assist the Board in its oversight of our financial condition, strategies and capital structure.

The specific responsibilities of the Finance Committee are, among others, to:

provide oversight of our financial affairs, including: (i) reviewing the financial condition of us and our subsidiaries and (ii) reviewing, advising and making recommendations to the Board regarding proposed operating budgets for us and our subsidiaries;

review our financial policies as they relate to the Committee's responsibilities;

review and recommend annual limits for expenditures and borrowings;

review, recommend and monitor significant mergers, acquisitions, divestitures, joint ventures, minority investments and other debt and equity investments;

review and recommend to the Board management's recommendations to the Committee for significant capital expenditures, including for real estate, facilities and information technology;

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review management's plans and objectives for our capitalization, including (i) the structure and amount of equity and debt desired to meet our financing needs; (ii) anticipated sources and uses of cash and (iii) our target credit rating;

review, and make recommendations to the Board regarding management's recommendations to the Committee with respect to, (i) new offerings of equity and debt securities, stock splits, credit agreements including material changes thereto, and our investment policies; (ii) dividends declared by us and distributions by Premier LP; (iii) any authorization for repurchases of our stock and (iv) our Corporate Cash Investment Policy;

review management's decisions regarding certain financial aspects of our employee benefit plans, including cost and benefits of maintaining or changing certain plan features and the financial impact on us and plan participants of the performance of plan investments and plan contribution types and levels, but not including selecting or changing plan investments or any other duty that might be considered fiduciary in nature within the meaning of the Employment Retirement Income Security Act of 1974 (ERISA);

review our tax risks and other tax matters;

review with management our strategies for managing significant financial risks and contingent liabilities including the use of hedges, derivative instruments, insurance coverage and related costs and other similar risk management techniques; and

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carry out such other activities within the scope of its primary purpose or as the Board may from time to time delegate to it.

The Finance Committee also reviews and evaluates, at least annually, the performance of the Committee and its members. In connection with its duties, the Finance Committee may obtain the advice and assistance of outside advisors, including consultants and legal and accounting advisors, and perform all acts reasonably necessary to fulfill its responsibilities and achieve its objectives.

Member Agreement Review Committee

We have a separately standing Member Agreement Review Committee. The Member Agreement Review Committee must be comprised of at least three directors and the Chief Executive Officer. The Member Agreement Review Committee is currently composed of three independent directors and the Chief Executive Officer. The purpose of the Member Agreement Review Committee is to review and approve non-ordinary course transactions between Premier or a subsidiary and its members, particularly entering into member agreements that provide for savings guarantees or fees at risk. Savings guarantee means an arrangement in which we or our subsidiary contractually provides to identify and/or implement a specific amount of savings for a customer and will pay cash for any shortfall. Fees at risk means a consulting arrangement in which the Company contractually provides to identify and/or implement a certain amount of savings and will have its consulting fees reduced on a proportionate basis or will continue to provide consulting resources at no charge to the customer in the event that such savings are not achieved (until such savings are achieved).

The specific responsibilities of the Member Agreement Review Committee are, among others, to:

assess risks in connection with agreements entered into with members;

review the status of risk-based agreements on a periodic basis;

review and address the outcome of significant risk-based proposals; and

together with the full Board, approve any increase to the aggregate permitted level of risk in order for management to enter into an agreement that would cause the then-current permitted level of risk to be exceeded.

The Member Agreement Review Committee also reviews and evaluates, at least annually, the performance of the Committee and its members. In connection with its duties, the Member Agreement Review Committee may obtain the advice and assistance of outside advisors, including consultants and legal and accounting advisors, and perform all acts reasonably necessary to fulfill its responsibilities and achieve its objectives.

Conflict Advisory Committee

The Audit and Compliance Committee of the Board of Directors maintains a Conflict Advisory Committee. The Conflict Advisory Committee must be comprised of our General Counsel, our Chief Ethics and Compliance Officer and at least three independent directors. The Conflict Advisory Committee is currently comprised of four independent directors, our General Counsel and our Chief Ethics and Compliance Officer, who chairs the Committee. The purpose

of the Conflict Advisory Committee is to provide advice and recommendations to the Audit and Compliance Committee such that each of our directors and officers can exercise the powers and duties thereof in the best interests of us and our stockholders and not to further the interests of such director or officer or the interests of another person (including a family member) or entity, including any limited partner of Premier LP or any member organization related thereto or affiliated therewith. The Conflict Advisory Committee is an advisory committee and its members serve in a non-fiduciary capacity and have no independent authority to act on our behalf.

The specific responsibilities of the Conflict Advisory Committee are, among others, to:

investigate, review and evaluate any potential conflict of interest (as defined below);

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determine the facts and circumstances regarding any such conflict of interest or potential conflict of interest referred to it by the Audit and Compliance Committee and recommend to the Audit and Compliance Committee what action, if any, should be taken with respect to the matter;

regularly review and assess the effectiveness of the Board Conflict of Interest Policy and recommend any changes to the Audit and Compliance Committee for approval;

carry out any other duties delegated by the Audit and Compliance Committee that relate to potential conflicts of interest; and

perform any other activities consistent with its Charter and applicable law as the Conflict Advisory Committee deems necessary or appropriate.

As used in the Conflict Advisory Committee Charter, the term *conflicts of interest* refers to (i) any matter that the Board believes may involve a conflict of interest between Premier, Inc. or any of its affiliates, on the one hand, and any of our officers or directors or their affiliates, on the other hand, and (ii) any material Related Party transaction (as such term is defined in the Board Conflict of Interest Policy), including transactions between us or any of our affiliates, on the one hand, and any of our officers or directors or their affiliates, on the other hand.

The Conflict Advisory Committee conducts an annual performance evaluation of itself, including an evaluation of compliance with its Charter, pursuant to the Board self-assessment process. The Conflict Advisory Committee annually reviews and reassesses the adequacy of its Charter and recommends any proposed changes to the Audit and Compliance Committee for approval. The Conflict Advisory Committee may request any of our officers or employees or our outside counsel to attend its meetings or to meet with any members of, or consultants to, the Conflict Advisory Committee.

COMPENSATION OF DIRECTORS

Fiscal 2016 Director Compensation Policy

In September 2013, the Board of Directors approved a Director Compensation Policy to provide an inducement to attract and retain the services of qualified persons to serve as directors. The policy applies to each director who is not an employee of, or compensated consultant to, us or any of our affiliates (*non-employee director*). The policy is designed to achieve the following key objectives:

align the interests of the non-employee directors and stockholders;

support overall organizational objectives and encourage the creation of stockholder value;

attract and retain high quality talent;

reflect the broad spectrum of talent and diverse sources of market data;

target median competitive pay levels; and

be simple to understand and administer.

Under the policy, each non-employee director will be compensated based on status as either a member-director or an outside director. As stated above, a member-director is a non-employee director who is employed by a Premier stockholder hospital or health system or by a group affiliate or other non-provider organization affiliated with one or more Premier member facilities participating in our group purchasing program. Compensation earned on behalf of member-directors is paid directly to his or her employer. Compensation earned may or may not be paid to the individual as agreed to by the member-director and his or her employer, and such decision is entirely outside our control. An outside director is an independent non-employee director who is not a member-director. Our Director Compensation Policy was established after consulting with the compensation consultant for the Compensation Committee. The Compensation Committee and the Board reviews the policy from time to

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time to assess whether any adjustments to the type and amount of director compensation should be made in order to fulfill the objectives of the policy. This policy may only be amended by the Board, and the Board determined to amend the policy effective January 1, 2017. See New Director Compensation Policy (Effective January 1, 2017) below for information regarding our amended director compensation policy.

The following table sets forth the fiscal 2016 compensation elements and levels for outside directors and member-directors and reflects the compensation for the enhanced responsibilities and time commitment associated with the positions.

Fiscal 2016 Director Compensation Elements	Outside Directors	Member-Directors
Annual Board Cash Retainer	\$ 80,000	\$ 0
Annual Equity Award (Restricted Stock Units)	\$ 100,000	\$ 0
Board In-Person Meeting Fee (per meeting)	\$ 0	\$ 10,000
Board Telephonic Meeting Fee (per meeting)	\$ 0	\$ 1,000
Ad Hoc Meeting Fee (per meeting over one hour)	\$ 1,000	\$ 1,000
Committee Meeting Fee (per meeting)	\$ 1,500	\$ 1,500
Additional Audit and Compliance Committee Chair Retainer	\$ 15,000	N/A
Additional Compensation Committee Chair Retainer	\$ 15,000	\$ 15,000
Additional Nominating and Governance Committee Chair Retainer	\$ 7,500	\$ 7,500
Additional Member Agreement Review Committee Chair Retainer	\$ 7,500	\$ 0
Additional Finance Committee Chair Retainer	\$ 7,500	\$ 7,500
Short-term Ad Hoc Committee Chair Retainer	\$ 5,000	\$ 5,000
Additional Board Chair Annual Cash Retainer	\$ 60,000	\$ 60,000

Components of Director Compensation

Cash Fees and Retainer The amounts in the Fees Earned or Paid in Cash column under the Director Compensation Table below are retainers and meeting fees earned for serving on our Board, its committees and as committee chairs and Chairman. All annual retainers are paid quarterly. Each outside director receives his or her cash compensation after first being elected or appointed to the Board on a pro-rated basis for the number of days during which he or she provides service. If an outside director dies, resigns or is removed during any quarter, he or she shall be entitled to a cash payment on a pro-rated basis through his or her last day of service.

Equity Awards On January 25, 2016, each outside director then serving on the Board received an award of restricted stock units with a grant date fair value, computed in accordance with Accounting Standards Codification 718, Compensation Stock Compensation, of \$100,000. Grant date fair value assumptions are consistent with those disclosed in Note 18 Stock-Based Compensation to our Consolidated Financial Statements in our 2016 Form 10-K. RSU grants fully vest on the first anniversary date of the grant date. In fiscal year 2016, those outside directors were each awarded 3,134 RSUs, with a grant date fair market value of \$31.91 per share based on the closing price of our Class A common stock on the award date, January 25, 2016.

Expense Reimbursement Each non-employee director will be reimbursed for his or her reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board and its committees or in connection with other business related to the Board. Each non-employee director will also be reimbursed for his or her reasonable out-of-pocket business expenses authorized by the Board or one of its committees that are incurred in connection with attendance at meetings with our management.

All Other Compensation Each director is entitled annually to direct an amount of \$250 to his or her selected not-for-profit organization during the holiday season in lieu of receipt of a holiday gift. No compensation or benefits other than those described above are payable to any directors for Board service.

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In August 2015, we adopted a formal Director Education Policy. We believe that we and our stockholders are best served by a Board of Directors comprised of individuals who are well versed in modern principles and best practices of corporate governance and other subject matters relevant to board service, including matters related to the healthcare industry, and who thoroughly comprehend the role and responsibilities of board membership. To that end, we provide both internal and external educational opportunities and association memberships for our directors. In order to encourage continuing director education, we reimburse directors up to \$7,500 annually for attending U.S.-based director education programs under this policy. Amounts reimbursed include all reasonable costs associated with attending each program, including travel, lodging and meals. Directors serving on multiple boards are encouraged to obtain pro rata reimbursement of their director education expenses from each company that they serve, but we will nonetheless reimburse 100% of the costs if this is not practicable.

Director Stock Ownership Guidelines

Our stock ownership guidelines require our non-employee directors to hold our Class A common stock equal in value to at least three times the annual cash retainer. The non-employee directors are expected to meet the stock ownership guideline level within five years after receipt of their first equity-based award for service to the Board and to continuously own sufficient shares to satisfy the guideline level once attained for as long they remain a member of the Board. If a director provides us with a written certification stating that he or she is prohibited by his or employer from receiving equity-based compensation from Premier, then such director will not receive equity-based awards from us and, accordingly, will not be subject to the stock ownership guidelines.

Fiscal 2016 Director Compensation Table

Payments and awards are generally made in January of each year. Director compensation in the table below reflects amounts earned in fiscal 2016 by our non-employee directors serving on our Board for all or a portion of fiscal 2016:

Name	Fees Earned or Paid in Cash (\$)(1)	Stock Awards (\$)(2)	All other Compensation (\$)(3)	Total
Outside-Directors:				
Stephen R. D Arcy	\$ 101,000	\$ 100,006	\$ 250	\$ 201,256
Jody R. Davids	\$ 95,000	\$ 100,006	\$ 250	\$ 195,256
William E. Mayer	\$ 136,500	\$ 100,006	\$ 250	\$ 236,756
Susan S. Wang(4)	\$ 87,250	\$ 100,006	\$ 250	\$ 187,506
Ellen C. Wolf	\$ 111,750	\$ 100,006	\$ 250	\$ 212,006
Member-Directors(5):				
Barclay E. Berdan(6)	\$ 24,500	\$ 0	\$ 0	\$ 24,500
Eric J. Bieber, MD	\$ 50,000	\$ 0	\$ 250	\$ 50,250
William B. Downey	\$ 51,500	\$ 0	\$ 250	\$ 51,750
Peter S. Fine	\$ 48,250	\$ 0	\$ 250	\$ 48,500
Philip A. Incarnati	\$ 53,500	\$ 0	\$ 250	\$ 53,750
Marc D. Miller	\$ 50,500	\$ 0	\$ 250	\$ 50,750
Marvin R. O Quinn	\$ 46,500	\$ 0	\$ 250	\$ 46,750
Scott Reiner(6)	\$ 23,000	\$ 0	\$ 0	\$ 23,000
Terry D. Shaw	\$ 69,500	\$ 0	\$ 250	\$ 69,750

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Richard J. Statuto	\$ 126,500	\$ 0	\$ 250	\$ 126,750
Lloyd H. Dean(7)	\$ 0	\$ 0	\$ 0	\$ 0
Tomi S. Ryba(7)	\$ 0	\$ 0	\$ 0	\$ 0
Robert Issai(7)	\$ 28,500	\$ 0	\$ 250	\$ 28,750
Keith B. Pitts(7)	\$ 36,250	\$ 0	\$ 250	\$ 36,500

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- (1) The amounts reflected in this column are the retainers or meeting fees earned for service as a director for fiscal 2016, regardless of when such fees are paid.
 - (2) Each outside director received an annual award of restricted stock units (RSUs) with a grant date fair value, computed in accordance with Accounting Standards Codification 718, *Compensation Stock Compensation*, of \$100,000. Grant date fair value assumptions are consistent with those disclosed in *Note 18 Stock-Based Compensation* to our Consolidated Financial Statements in our 2016 Form 10-K. RSU grants fully vest on the first anniversary of the grant date.
 - (3) The Director Compensation Policy allows for a \$250 contribution made to the charity of choice for each member of the Board of Directors.
 - (4) Ms. Wang passed away on March 9, 2016. Table excludes a \$10,000 contribution to charity made in memory of Ms. Wang following her death.
 - (5) Compensation earned on behalf of member-directors is paid directly to his or her employer. Compensation earned may or may not be paid to the individual as agreed to by the member-director, and his or her employer and such decision is entirely outside of our control.
 - (6) Messrs. Berdan and Reiner were elected to the Board of Directors on December 4, 2015.
 - (7) Messrs. Issai and Pitts' service on the Board of Directors ended on December 4, 2015. Mr. Dean and Ms. Ryba resigned from the Board of Directors on July 15, 2015 and August 1, 2015, respectively.
- Ms. DeVore, who is the only director that is also an employee, receives no additional compensation for serving on the Board.

New Director Compensation Policy (Effective January 1, 2017)

On August 11, 2016, upon the recommendation of the Compensation Committee, the Board amended the Director Compensation Policy, effective January 1, 2017. The Compensation Committee's recommendation was based upon market analysis of director compensation generally, peer group analysis of director compensation, and discussions with the Compensation Committee's independent compensation consultant.

As discussed above under Fiscal 2016 Director Compensation Policy, the previous version of the policy provided that certain of our non-employee directors' member-directors employed by a Company stockholder hospital or health system or by a group affiliate or other non-provider organization affiliated with one or more Premier member facilities participating in the Company's group purchasing program were not eligible to receive an annual cash retainer or annual equity awards as compensation for their service as a member of the Board. The amended policy eliminates this ineligibility for certain non-employee directors and provides for the following compensation for all of our non-employee directors:

Director Compensation Elements Effective January 1, 2017

Compensation Element	Compensation Amount
Annual Board Cash Retainer	\$ 80,000
Annual Equity or Cash Award(1)	\$ 125,000/\$100,000
Ad Hoc Meeting Fee (per meeting)	\$ 1,000
Committee Meeting Fee (per meeting)	\$ 1,500
Additional Audit and Compliance Committee Chair Retainer	\$ 15,000
Additional Compensation Committee Chair Retainer	\$ 15,000

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Additional Nominating and Governance Committee Chair Retainer	\$	7,500
Additional Member Agreement Review Committee Chair Retainer	\$	7,500
Additional Finance Committee Chair Retainer	\$	7,500
Short-term Ad Hoc Committee Chair Retainer	\$	5,000
Additional Board Chair Annual Cash Retainer	\$	60,000

- (1) All non-employee directors will receive an annual equity award of restricted stock units valued at \$125,000, with the exception of any director whose employer prohibits the receipt by such individual of equity-based

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awards from Premier. If a director provides us with a written certification stating that he or she is prohibited by his or her employer from receiving equity-based compensation from Premier, then such director shall receive an annual cash award of \$100,000 in lieu of the annual equity award. The annual equity award, and any annual cash award granted in lieu of the annual equity award, will vest one full year after the grant date.

The amended policy provides that each director is entitled annually to direct an amount of \$1,000 to his or her selected not-for-profit organization during the holiday season in lieu of receipt of a holiday gift. Consistent with the previous version of the policy:

non-employee directors who begin their service mid-year will receive a pro-rated amount of compensation as applicable;

all annual retainers are paid quarterly;

each non-employee director will be reimbursed for his or her reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board and its committees or in connection with other business related to the Board; and

each non-employee director will also be reimbursed for his or her reasonable out-of-pocket business expenses authorized by the Board or one of its committees that are incurred in connection with attendance at meetings with our management.

Indemnification and Exculpation

We indemnify our directors and officers to the fullest extent permitted by Delaware law. Our Certificate of Incorporation also includes provisions that eliminate the personal liability of our directors for monetary damages for breach of fiduciary duty as a director, except for liability:

for any breach of the director's duty of loyalty to us or our stockholders;

for acts or omissions not in good faith or that involved intentional misconduct or a knowing violation of law;

under Section 174 of the Delaware General Corporation Law (regarding unlawful payment of dividends); or

for any transaction from which the director derives an improper personal benefit.

We have entered and expect to continue to enter into agreements to indemnify our officers and directors. With certain exceptions, these agreements provide for indemnification of expenses and liabilities incurred by the indemnified individual in connection with a proceeding related to his or her service to us as an officer or director (including, among other things, attorneys' fees, judgments, fines, ERISA excise taxes and penalties and settlement amounts).

We believe these provisions and agreements are necessary to attract and retain qualified people who will be free from undue concern about personal liability in connection with their service to us.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following tables set forth information, as of the Record Date, regarding the beneficial ownership of shares of our Class A common stock and our Class B common stock by (i) each person known to us to beneficially own more than 5% of any class of the outstanding voting securities of Premier, (ii) each of our directors, director nominees, and Named Executive Officers listed in the Summary Compensation Table for Fiscal 2016 and (iii) all of our directors, director nominees and executive officers as a group. In preparing the following table, we relied upon statements filed with the SEC by the beneficial owners of more than 5% of our outstanding shares of common stock pursuant to Sections 13 or 16 of the Exchange Act. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of Class A common stock and Class B common stock reflected as beneficially owned.

Beneficial ownership is determined in accordance with the rules of the SEC. Accordingly, the following table accounts for shares of Class A common stock issuable (i) upon the exercise of currently exercisable stock options and stock options that vest within 60 days of the Record Date and (ii) upon the vesting of performance shares or restricted stock units that vest within 60 days of the Record Date. Additionally, the table reflects shares of Class A common stock underlying certain unvested restricted stock awards (RSAs) made to our executive officers on August 31, 2015, which awards entitle the recipient to vote, but not dispose of, the underlying shares of Class A common stock. Further, the table accounts for shares of Class A common stock expected to be issued, and Class B common units of Premier LP expected to be retired, on or about October 31, 2016, pursuant to the Exchange Agreement, as discussed previously. Although reflected as beneficially owned in the table below, shares of Class A common stock received under the Exchange Agreement on October 31, 2016 will not have a right to vote at the Annual Meeting because they will be issued after the Record Date. Unless otherwise indicated in a footnote, the business address of each person listed below is the address of our principal executive office, Premier, Inc., 13034 Ballantyne Corporate Place, Charlotte, NC 28277.

Name	Class A Common Stock		Class B Common Stock		Combined Beneficial Power(1)(2)(3)
	Beneficially Owned(1) Shares	% of Class(2)	Beneficially Owned(1) Shares	% of Class(2)	
Certain Beneficial Owners					
AllianceBernstein L.P.(4)	6,078,209	12.1%			4.3%
Vanguard Group Inc.(5)	3,289,991	6.6%			2.4%
TimesSquare Capital Management, LLC(6)	2,556,425	5.1%			1.8%
Alkeon Capital Management LLC(7)	2,426,352	4.8%			1.7%
Neuberger Berman Group LLC(8)	2,304,717	4.6%			1.6%
Premier Trust(3)			89,761,541	100%	64.2%
GNVHA Purchasing Alliance, LLC(3)(9)	785,403	1.6%	8,160,987	9.1%	6.4%
Directors, Director Nominees and Named Executive Officers:					
Barclay E. Berdan(10)			1,908,703	2.1%	1.4%
Eric J. Bieber, MD(9)(10)			549,824	*	*
Stephen R. D Arcy	10,908	*			*
Jody R. Davids	3,049	*			*
Susan D. DeVore	1,391,695(11)	2.7%			1.0%
William B. Downey(10)	400	*	320,000	*	*

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Peter S. Fine(10)			2,631,748	2.9%	1.9%
Philip A. Incarnati(10)			986,905	1.1%	*
David H. Langstaff					
William E. Mayer	6,753	*			*
Marc D. Miller(10)			2,232,680	2.5%	1.6%
Marvin R. O Quinn(10)			3,702,592	4.1%	2.6%
Scott Reiner(10)			3,160,984	3.5%	2.3%
Terry D. Shaw(10)			4,116,582	4.6%	2.9%
Richard J. Statuto(10)			2,008,455	2.2%	1.4%
Ellen C. Wolf	6,354	*			*
Michael J. Alkire	716,887(12)	1.4%			*
Craig S. McKasson	303,091(13)	*			*
Durrall Gilbert	168,548(14)	*			*
R. Wesley Champion	50,389(15)	*			*
Keith Figlioli	142,708(16)	*			*
Directors, Director Nominees and Executive Officers as a group (24 persons)(17)			2,875,698(17)	5.5%	21,618,473 24.1% 17.3%

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* Represents less than 1%.

- (1) In connection with our reorganization and IPO, the member owners were issued Class B common units in Premier LP and an equivalent number of shares of Premier, Inc. Class B common stock. Subject to the terms of the Exchange Agreement, each member owner has the cumulative right, subject to certain restrictions, commencing on October 31, 2014, and during each year thereafter, to exchange up to one-seventh of its initial allocation of Premier LP Class B common units, as well as any additional Premier LP Class B common units purchased by such member owner pursuant to certain rights of first refusal set forth in the Exchange Agreement, on a quarterly basis, for shares of Premier, Inc. Class A common stock (on a one-for-one basis), cash or a combination of both, the form of consideration to be at the discretion of the Audit and Compliance Committee of our Board of Directors. For each Premier LP Class B common unit that is exchanged pursuant to the Exchange Agreement, the member owner will also surrender one corresponding share of Premier Class B common stock, which will automatically be retired. As of the Record Date, there were 94,809,069 Class B common units outstanding. On October 31, 2016, the next quarterly exchange date under the Exchange Agreement, 33,042,602 Class B common units of Premier LP will be eligible for exchange under the Exchange Agreement. Based on participation in the Class B common unit exchange process and our expected settlement of exchanged Class B common units for a combination of cash (assuming use of the full \$100.0 million approved by our Audit and Compliance Committee) and shares of our Class A common stock, on or about October 31, 2016, we expect to exchange (i) 3,033,041 Class B common units of Premier LP for cash and (ii) 2,014,487 Class B common units of Premier LP for a like number of shares of Class A common stock, and correspondingly, we expect 5,047,528 shares of Class B common stock to be removed from the Class B Voting Trust and retired, which amounts are reflected in the table above.
- (2) Combined Voting Power represents the percentage of voting power of the Class A common stock and Class B common stock of Premier voting together as though a single class. These percentages account for the (i) exercise of currently exercisable stock options and stock options that vest within 60 days of the Record Date; (ii) number of RSUs and performance shares that are expected to vest within 60 days of the Record Date (iii) number of shares of Class A common stock underlying unvested RSAs, and (iv) expected (A) exchange of 3,033,041 Class B common units for cash, (B) issuance of 2,014,487 shares of Class A common stock for a like number of Class B common units, and (C) corresponding retirement of 5,047,528 shares of Class B common stock, each to occur on or about October 31, 2016, pursuant to the terms of the Exchange Agreement. The percentages are based on 48,066,990 shares of Class A common stock outstanding and 94,809,069 shares of Class B common stock outstanding as of Record Date, as adjusted upward or downward, as the case may be, by the assumptions set forth in (i), (ii) (iii) and (iv) of the preceding sentence. See Frequently Asked Questions What is the Class B Common Unit Exchange Process? Will it impact the Annual Meeting? above for additional information regarding the timing and impact of exchange process, the Record Date and the cancellation of Class B common shares and the Class A common stock issuances.
- (3) Our member owners, including GNYHA Purchasing Alliance, LLC are the beneficial owners of our Class B common stock. In connection with our reorganization and IPO, our member owners entered into the VTA pursuant to which the member owners contributed their Class B common stock to Class B Voting Trust, under which a trustee will act on behalf of the member owners for purposes of voting their Class B common stock. As a result of the VTA, the Trustee has voting power over the member owners' Class B common stock; however, the member owners retain investment power over the Class B common stock. The business address of Wells Fargo Delaware Trust Company, N.A., the Trustee, is 919 N. Market Street, Suite 1600, Wilmington, Delaware 19801. Following the expected Class B common unit exchanges discussed in footnote 1 above, the Class B common shares surrendered in connection with such exchanges will no longer be included in the Class B Voting Trust, which is reflected in the table above.
- (4)

The information presented is based solely on the Schedule 13F-HR filed with the SEC by AllianceBernstein L.P. (ABLP) on August 11, 2016, with respect to holdings at June 30, 2016. The Schedule 13F-HR indicates shared investment discretion with respect to 6,078,209 shares, sole voting authority with respect to 5,549,979 shares and no voting authority with respect to 528,230 shares. The address of ABLP is 1345 Avenue of the Americas, New York, NY 10105.

- (5) The information presented is based solely on the Schedule 13F-HR filed with the SEC by Vanguard Group, Inc. (Vanguard) on August 10, 2016, with respect to holdings at June 30, 2016. The Schedule 13F-HR indicates sole investment discretion with respect to 3,254,250 shares, shared investment discretion with respect to 35,741 shares, sole voting authority with respect to 34,182 shares, shared voting authority with respect to 4,678 shares, and no voting authority with respect to 3,251,131 shares. The address of Vanguard is P.O. Box 2600, V26, Valley Forge, PA 19482.
- (6) The information presented is based solely on the Schedule 13F-HR filed with the SEC by TimesSquare Capital Management, LLC (TimesSquare) on August 11, 2016, with respect to holdings at June 30, 2016. The Schedule 13F-HR indicates sole investment discretion with respect to 2,556,425 shares, sole voting authority with respect to 2,053,075 shares and no voting authority with respect to 503,350 shares. The address of TimesSquare is 7 Times Square, 42nd Floor, New York, NY 10036.
- (7) The information presented is based solely on the Schedule 13F-HR filed with the SEC by Alkeon Capital Management LLC (Alkeon) on August 15, 2016, with respect to holdings at June 30, 2016. The Schedule 13F-HR indicates sole investment discretion with respect to 1,620,394 shares, shared investment discretion with respect to 805,958 shares, sole voting authority with respect to 1,620,394 shares and shared voting authority with respect to 805,958 shares. The address of Alkeon is 350 Madison Avenue, 9th Floor, New York, NY 10017.
- (8) The information presented is based solely on the Schedule 13F-HR filed with the SEC by Neuberger Berman Group LLC (NBG) on August 5, 2016, with respect to holdings at June 30, 2016. The Schedule 13F-HR indicates shared investment discretion with respect to 2,304,717 shares, sole voting authority with respect to 2,259,242 shares and no voting authority with respect to 45,475 shares. The address of NBG is 605 Third Avenue, New York, NY 10158.
- (9) All of the shares are held directly by GNYHA Purchasing Alliance, LLC, whose manager is GPA Holdings, LLC. GNYHA Purchasing Alliance, LLC has shared voting and dispositive power of the shares. GNYHA Purchasing Alliance, LLC shares this voting power with GPA Holdings, LLC, GNYHA Services, Inc. and Greater New York Hospital Association, Inc. The principal business address of each entity named herein is c/o GNYHA Ventures Inc., 555 West 57th Street, Suite 1500, New York, NY 10019. Pursuant to the Exchange Agreement, on or about October 31, 2016, GNYHA Purchasing Alliance, LLC expects to exchange (i) 1,182,533 Class B common units of Premier, LP for cash and (ii) 785,403 Class B common units of Premier, LP for a like number of shares of Class A common stock, and

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correspondingly, expects 1,967,936 shares of Class B common stock to be removed from the Class B Voting Trust and retired, all of which is reflected in the table above. Although reflected as beneficially owned, shares of Class A common stock received by GNYHA under the Exchange Agreement will not have a right to vote at the Annual Meeting because they will be issued after the Record Date. Eric J. Bieber, a member of our Board of Directors, serves on the board of governors of Greater New York Hospital Association, Inc., but does not participate in investment or voting decisions regarding Class A common stock of Premier or Class B common units of Premier LP beneficially owned by GNYHA or its affiliated entities and disclaims beneficial ownership of such shares and units.

- (10) As an executive officer of a member owner, such person may be deemed to share beneficial ownership of the shares and/or units held by the member owner to which he or she is affiliated with, and such person disclaims beneficial ownership of any such shares or units or any other shares or units held by affiliates of the applicable member owner.
- (11) Ms. DeVore is our President and Chief Executive Officer. Includes 351,232 shares of Class A common stock owned by Ms. DeVore, 941,723 shares of Class A common stock that are issuable upon the exercise of currently exercisable options, and 98,740 shares of Class A common stock underlying unvested RSAs.
- (12) Mr. Alkire is our Chief Operating Officer. Includes 195,014 shares of Class A common stock owned by Mr. Alkire, 468,183 shares of Class A common stock that are issuable upon the exercise of currently exercisable options, and 53,690 shares of Class A common stock underlying unvested RSAs.
- (13) Mr. McKasson is our Senior Vice President and Chief Financial Officer. Includes 70,885 shares of Class A common stock owned by Mr. McKasson, 203,022 shares of Class A common stock that are issuable upon the exercise of currently exercisable options, and 29,184 shares of Class A common stock underlying unvested RSAs.
- (14) Mr. Gilbert is our President of Supply Chain Services. Includes 48,131 shares of Class A common stock owned by Mr. Gilbert, 104,155 shares of Class A common stock that are issuable upon the exercise of currently exercisable options, and 16,262 shares of Class A common stock underlying unvested RSAs.
- (15) Mr. Champion is our Senior Vice President of Premier Performance Partners. Includes 21,039 shares of Class A common stock owned by Mr. Champion, 15,099 shares of Class A common stock that are issuable upon the exercise of currently exercisable options, and 14,251 shares of Class A common stock underlying unvested RSAs.
- (16) Mr. Figlioli served as our Senior Vice President of Healthcare Informatics until June 27, 2016. Includes 32,271 shares of Class A common stock owned by Mr. Figlioli, 104,121 shares of Class A common stock that are issuable upon the exercise of currently exercisable options, and 6,316 shares of Class A common stock underlying unvested RSAs. Ownership information is based on information provided by Mr. Figlioli.
- (17) Includes the individuals identified in the table above and those individuals serving as executive officers as of the Record Date, as indicated under the heading **Executive Officers** below. Includes 764,992 shares of Class A common stock, 1,884,981 shares of Class A common stock that are issuable upon the exercise of currently exercisable options, and 225,725 shares of Class A common stock underlying unvested RSAs.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file reports of ownership and changes in ownership with the SEC and NASDAQ. Executive officers, directors and greater than 10% beneficial owners are required by the Exchange Act to furnish us with copies of all Section 16(a) forms they file. As an administrative matter, we assist our executive officers and directors by monitoring transactions and filing Section 16 reports on their behalf. Based on our records, compliance program and review of written representations, we believe that during fiscal year 2016 our executive officers, directors and greater than 10% beneficial owners complied with all applicable Section 16(a) filing requirements, except that, due to administrative error, Leigh Anderson filed a late report on July 27, 2016 to report June 30, 2016 transactions.

Table of Contents**RELATED PERSON TRANSACTIONS****Policy on Oversight of Related Person Transactions**

We have several written policies and codes in place that govern, among other things, related party transactions and potential conflicts of interest. In addition, several of the committees of our Board of Directors have oversight responsibility for related party transactions and potential conflicts of interest. Transactions between us and our directors, executive officers and significant stockholders must be approved by our Audit and Compliance Committee, which is comprised of independent members of our Board of Directors, following consultation with the Conflict Advisory Committee. Pursuant to its charter, the Audit and Compliance Committee is responsible for the review and approval, in accordance with our Code of Conduct, of all related party transactions requiring disclosure under SEC Regulation S-K, Item 404 (i.e., those in excess of \$120,000). This obligation is executed primarily through oversight of and collaboration with the Conflict Advisory Committee. The Conflict Advisory Committee Charter authorizes that Committee to oversee all business or personal transactions between officers or directors or their respective affiliates, on the one hand, and us or our affiliates, on the other hand. Additionally, the Conflict Advisory Committee was established in light of our controlled company status, the fact that we have member-directors on our Board of Directors and the need to establish governance around our member owners' health system business development plans as well as our objective to collaborate on potential new business with our member owners. The Conflict Advisory Committee may recommend action ranging from disclosure to recusal or resignation to the Audit and Compliance Committee for their consideration and action. In addition, the Member Agreement Review Committee is responsible for reviewing and approving non-ordinary course transactions between us or our subsidiaries and our member owners and also for assessing risks associated with agreements that we enter into with our member owners.

The above committees are permitted to engage outside advisors and other professionals to assist them with their stated duties, including evaluating and approving any transaction between us and any related party, including our member owners.

For more information regarding the evaluation of related party transactions and potential conflicts of interest, see Corporate Governance and Board Structure, Corporate Governance Code of Ethics, Committees of the Board of Directors, Audit and Compliance Committee, Conflict Advisory Committee and Member Agreement Review Committee above.

Related Person Transactions in Fiscal Years 2016 and 2015*GNHYA*

GNHYA Services, Inc. (GNHYA) and its member organizations owned approximately 11% of the outstanding partnership interests in Premier LP as of June 30, 2016. GNHYA is a party to the agreements discussed below under Certain Contractual Arrangements with Our Member Owners. Net administrative fees revenue recorded with GNHYA and its member organizations was \$66.8 million and \$60.9 million for the fiscal years ended June 30, 2016 and 2015, respectively. As a result of the reorganization and IPO, Premier LP has a contractual requirement under the GPO participation agreement to pay each member owner revenue share from Premier LP generally equal to 30% of all gross administrative fees collected by Premier LP based upon purchases by such member owner's owned, leased, managed and affiliated facilities through Premier LP's GPO supplier contracts. As GNHYA also remits to Premier LP all gross administrative fees collected by GNHYA based on purchases by its member organizations through GNHYA's own GPO supplier contracts, GNHYA also receives revenue share from Premier LP generally equal to 30% of such gross administrative fees remitted to Premier LP. Approximately \$7.6 million and \$7.1 million of our revenue share obligations related to revenue share obligations to GNHYA and its member organizations at June 30, 2016 and 2015,

respectively. For additional information regarding revenue share obligations, see GPO Participation Agreements below. Eric Bieber, one of our directors, is a member of the board of governors of GNYHA.

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We also maintain a group purchasing agreement with an affiliate of GNYHA, GNYHA Alternate Care Purchasing Corporation, d/b/a Essensa (Essensa), under which Essensa utilizes our GPO supplier contracts. Net administrative fees revenue recorded with Essensa was \$2.8 million and \$2.4 million for the fiscal years ended June 30, 2016 and 2015. At each of June 30, 2016 and 2015, we had revenue share obligations to Essensa of \$0.2 million.

Limited partners' distribution payable to GNYHA and its member organizations at June 30, 2016 and 2015 was \$2.9 million and \$3.0 million, respectively. In addition, \$32.1 million and \$32.6 million were recorded during the fiscal years ended June 30, 2016 and 2015, respectively, for services and support revenue earned from GNYHA and its member organizations. Receivables from GNYHA and its member organizations were \$2.6 million and \$3.0 million at June 30, 2016 and 2015, respectively.

Innovatix

Our 50% ownership share of Innovatix, LLC's (Innovatix) net income was \$21.8 million and \$21.3 million for the fiscal years ended June 30, 2016 and 2015, respectively. We maintain a group purchasing agreement with Innovatix under which Innovatix members are permitted to utilize Premier LP's GPO supplier contracts. Gross administrative fees revenue and the corresponding revenue share recorded under the arrangement were \$44.3 million and \$38.7 million for the fiscal years ended June 30, 2016 and 2015, respectively. At June 30, 2016 and 2015, we had revenue share obligations to Innovatix of \$4.2 million and \$3.7 million, respectively.

AEIX

We conduct all operational activities for American Excess Insurance Exchange Risk Retention Group (AEIX), a reciprocal risk retention group that provides excess and umbrella healthcare professional and general liability insurance to certain hospital and healthcare system members. We are reimbursed by AEIX for actual costs, plus an annual incentive management fee not to exceed \$500,000 per calendar year. We received cost reimbursement of \$4.3 million and \$4.7 million for the fiscal years ended June 30, 2016 and 2015, respectively, and annual incentive management fees of \$0.2 million and \$0.5 million for the fiscal years ended June 30, 2016 and 2015, respectively. As of June 30, 2016 and June 30, 2015, AEIX had \$0.5 million and \$0.4 million, respectively, in amounts payable to us. Barclay Berdan, one of our directors, is chair of the AEIX board of directors.

Certain Contractual Arrangements with Our Member Owners

In connection with our reorganization and IPO, we entered into several agreements to define and regulate the governance and control relationships among us, Premier LP and the member owners, including GNYHA. While our member owners receive certain rights and benefits under these agreements, we do not believe that these rights and benefits represent a direct or indirect material interest to any of our member-directors or nominee member-directors that are employed by one of our stockholder hospitals or health systems or by a group affiliate or other non-provider organization affiliated with one or more Premier member facilities participating in our group purchasing program. The following is a summary of the agreements referenced below and does not purport to be complete, and is subject to, and qualified in its entirety by reference to, the complete text of the agreements which are filed as exhibits to our 2016 Form 10-K.

Premier LP Amended and Restated Limited Partnership Agreement

The member owners are limited partners of Premier LP under Premier LP's Amended and Restated Limited Partnership Agreement, as amended, effective as of October 1, 2013. Our wholly-owned subsidiary, Premier Services, LLC, is the general partner of Premier LP and generally controls the day-to-day business affairs and decision-making

of Premier LP. As limited partners of Premier LP, our member owners receive certain financial and other benefits. The general partner and limited partners have rights to allocations of net income and net losses and to receive quarterly distributions out of Premier LP's estimated taxable net income to facilitate

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payment by each limited partner of taxes, if required, on its share of taxable income of Premier LP. From time to time, Premier LP may also make discretionary distributions to limited partners. Upon certain specified events, the Class B common units held by the limited partners are subject to redemption by Premier LP or mandatory exchange pursuant to the Exchange Agreement.

Exchange Agreement

As described above, we entered into the Exchange Agreement with Premier LP and the member owners effective October 1, 2013. Pursuant to the terms of the Exchange Agreement, subject to certain restrictions, beginning October 31, 2014 and during each year thereafter, each member owner will have the cumulative right to exchange up to one-seventh of its initial allocation of Class B common units, as well as any additional Class B common units purchased by such member owner pursuant to certain rights of first refusal (discussed below), for shares of our Class A common stock (on a one-to-one basis subject to customary adjustments), cash or a combination of both, the form of consideration to be at the discretion of our Audit and Compliance Committee. This exchange right can be exercised on a quarterly basis (subject to certain restrictions contained in the registration rights agreement described below) and is subject to rights of first refusal in favor of the other member owners that hold Class B common units and Premier LP. For each Class B common unit that is exchanged pursuant to the Exchange Agreement, the member owner will also surrender one corresponding share of our Class B common stock, which will automatically be retired. Information regarding the October 31, 2016 exchange can be found in Security Ownership of Certain Beneficial Owners and Management above.

Registration Rights Agreement

We entered into a registration rights agreement with our member owners that became effective on October 1, 2013. Pursuant to the registration rights agreement, we filed a resale shelf registration statement on Form S-3 with the SEC that was declared effective on November 12, 2014. The resale shelf registration statement allows for resales from time to time of our Class A common stock issued to the member owners in exchange for their Class B common units pursuant to the Exchange Agreement, subject to various restrictions. Subject to certain exceptions, we will use reasonable efforts to keep the resale shelf registration statement effective for seven years. In addition, we will undertake to conduct an annual company-directed underwritten public offering to allow the member owners to resell Class A common stock following the first quarterly exchange date of each of the first three years during which the member owners have the right to exchange their Class B common units for shares of Class A common stock. We are not required to conduct a company-directed underwritten public offering unless the number of shares of Class A common stock requested by the member owners (and any third parties) to be registered in the applicable company-directed underwritten public offering constitutes the equivalent of at least 3.5% of the aggregate number of Class A common units and Class B common units outstanding. If the offering minimum has not been met, we may either proceed with the company-directed underwritten public offering (such decision being in our sole discretion) or notify the member owners that we will abandon the offering. After the third year during which member owners have the right to exchange their Class B common units for shares of our Class A common stock, we may elect to conduct a company-directed underwritten public offering in any subsequent year. The registration rights agreement also grants the member owners certain piggyback registration rights with respect to other registrations of Class A common stock and includes certain lock-up restrictions.

Tax Receivable Agreements

We entered into a tax receivable agreements with the member owners which became effective on October 1, 2013. Pursuant to the terms of the tax receivable agreements, we have agreed to pay to the member owners for as long as the member owner remains a limited partner, generally over a 15-year period (under current law), 85% of the amount of

cash savings, if any, in U.S. federal, foreign, state and local income and franchise tax that we actually realize (or are deemed to realize, in the case of payments required to be made upon certain occurrences under such tax receivable agreements) as a result of the increases in tax basis resulting from the initial sale of

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Class B common units by the member owners in connection with the Reorganization, as well as subsequent exchanges by such member owners pursuant to the Exchange Agreement, and of certain other tax benefits related to our execution of the tax receivable agreements, including tax benefits attributable to payments under the tax receivable agreements. We had tax receivable agreement liabilities of \$279.7 million and \$235.9 million as of June 30, 2016 and 2015, respectively, which represented 85% of the tax savings we expect to receive in connection with the Section 754 election. The increase of \$43.8 million in tax receivable agreement liabilities from June 30, 2015 to June 30, 2016 was comprised of a \$72.3 million increase for quarterly member owner exchanges, offset by (i) a decrease of \$4.8 million in connection with revaluing the deferred tax and tax receivable agreement liabilities in connection with the North Carolina state income tax rate reduction for 2016 and beyond, (ii) a decrease of \$12.9 million in connection with departed member owners and (iii) a decrease of \$10.8 million related to payments made to member owners during the year ended June 30, 2016. During the fiscal years ended June 30, 2016 and 2015, we made payments to GNYHA of \$1.7 million and \$1.5 million, respectively, under the tax receivable agreements.

GPO Participation Agreements

Our member owners entered into GPO participation agreements with Premier LP which became effective on October 1, 2013. Pursuant to the terms of the GPO participation agreements, each member owner will receive cash sharebacks, or revenue share, from Premier LP equal to 30% of all gross administrative fees collected by Premier LP based upon purchasing by such member owner's acute and alternate site providers and other eligible non-healthcare organizations that are owned, leased or managed by, or affiliated with, each such member owner, or member facilities, through our GPO supplier contracts. In addition, our two largest regional GPO member owners will each remit all gross administrative fees collected by such member owner based upon purchasing by such member owner's member facilities through the member owner's own GPO supplier contracts and receive revenue share from Premier LP equal to 30% of such gross administrative fees remitted to Premier LP. Subject to certain termination rights, these GPO participation agreements each have an initial five-year term, although Premier LP's two largest regional GPO member owners have entered into agreements with seven-year terms. The terms of the GPO participation agreements vary as a result of provisions in our existing arrangements with member owners that continue to remain in effect. In certain other instances, Premier LP and member owners have entered into GPO participation agreements with certain terms that vary from the standard form.

Voting Trust Agreement

Premier, Premier LP and the member owners entered into the VTA effective October 1, 2013, pursuant to which the member owners contributed their Class B common stock to the Class B Voting Trust, under which the Trustee acts on behalf of the member owners for purposes of voting their Class B common stock. Additional information about the VTA is available in "Frequently Asked Questions" and elsewhere throughout this proxy statement.

Table of Contents**EXECUTIVE COMPENSATION****Introduction**

This section provides information about the compensation provided to our named executive officers, or NEOs, for fiscal 2016. Our Compensation Discussion and Analysis (CD&A) discusses our executive compensation program and explains the Compensation Committee's decisions affecting NEO compensation for fiscal 2016. Detailed compensation information is provided in tabular format as contemplated by the applicable SEC rules, with related narrative disclosure.

Our NEOs for fiscal 2016 include the following current officers:

Name	Title
Susan D. DeVore	President and Chief Executive Officer
Michael J. Alkire	Chief Operating Officer
Craig S. McKasson	Senior Vice President, Chief Financial Officer
Durrall R. Gilbert	President, Supply Chain Services

Additional information regarding the biographical and business background of Ms. DeVore is set forth above under Item 1 Election of Directors and for the remaining NEOs, below under Executive Officers.

Our NEOs also include the following former or soon departing executive officers:

Name	Title
Keith J. Figlioli	Former Senior Vice President, Healthcare Informatics (through June 27, 2016)
R. Wesley Champion	Senior Vice President, Premier Performance Partners (through October 31, 2016)

COMPENSATION DISCUSSION AND ANALYSIS

In the Executive Summary section of our CD&A, we discuss:

The linkage of our executive compensation program to our Mission, Vision and Values

Our 2015 say-on-pay stockholder advisory vote

Key changes to our fiscal 2016 executive compensation program

Highlights of our fiscal 2016 performance

In the remainder of our CD&A, we describe:

How our executive compensation principles and governance practices align with our stockholders' interests, i.e., what we do and what we don't do

The design and rationale of our executive compensation program

The individual compensation program elements of our NEOs' compensation program

Compensation paid to NEOs in fiscal 2016

Our recoupment (clawback), trading restrictions and anti-hedging, anti-pledging and compensation deductibility policies

EXECUTIVE SUMMARY

Linking Executive Compensation to Our Mission, Vision, and Values

We are confident that our executive compensation program provides a sound linkage between our mission, vision and values and our stockholders' interests, and we encourage a thorough review of our CD&A and other

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information in this Executive Compensation section of this proxy statement to ensure better understanding of our program and this linkage. We believe this information demonstrates that our executive compensation program aligns our executives' compensation with Premier's short- and long-term performance and provides compensation and incentives to attract, motivate, and retain key executives who are crucial to Premier's long-term success.

Our Mission is to improve the health of communities.

Our Vision is to lead the transformation to high-quality, cost-effective healthcare through the collaborative power of our alliance.

Our Values are integrity, a passion for performance, innovation, and a focus on people.

We strive to accomplish this Mission and endeavor to realize this Vision on a foundation of the highest Values. From serving our members, to improving healthcare in our communities, to investing in our people, our Mission, Vision, and Values are at the heart of everything we do at Premier. Within this context, we design all of our compensation programs, including our executive compensation program, to accomplish the following:

Hire exceptionally talented people who are passionate about our Mission and Vision and exemplify our Values;

Drive sustained performance of our people to achieve challenging short- and long-term financial and operational goals that increase stockholder value; and

Retain the people who are critical in achieving our Mission and realizing our Vision.

In summary, our Compensation Committee and Board of Directors believe that our executive compensation program firmly supports our Mission, Vision, and Values, and serves and protects our stockholders' interests.

Our 2015 Stockholder Say-on-Pay Vote

At our 2015 Annual Meeting of Stockholders, we held our first vote seeking stockholder approval, on an advisory basis, of the compensation of our NEOs as disclosed in our 2015 proxy statement (say-on-pay vote). More than 99.6% of the say-on-pay votes cast were votes FOR our executive compensation program. As evidenced by this strong backing, we believe our stockholders generally support our compensation principles, programs, and practices. Our Compensation Committee and Board of Directors considered the 2015 advisory say-on-pay vote results and decided not to change the overall structure of our executive compensation program; however, we did make changes to our executive compensation program to refine the alignment of the program to our business strategies and objectives.

Table of Contents**Changes to our Fiscal 2016 Executive Compensation Program**

Our Compensation Committee considered our executive compensation program within the context of our business strategy, external market practices, and stockholder feedback and made the following changes:

Item	Change	Rationale
Adjusting Fiscal 2016 Annual Incentive Plan Performance Metrics	Added Member Quality and Member Cost Performance Indices to the metrics used to determine awards under our Annual Incentive Plan. For fiscal 2016, financial performance now represents 80% of the annual incentive award and Member Performance Indices now represent 20% of the annual incentive award. Prior to 2016, financial performance represented 100% of the annual incentive award. We discuss these Indices in greater detail below.	Refines alignment of our employees interests with those of our members. Inclusion of the Quality and Cost Performance Indices aligns and rewards employees for our members performance in critical areas of quality, safety, supply chain cost and total cost of care.
Legal Structure of Equity Vehicles	Long-term incentives granted as time-based and performance-based restricted stock instead of using stock units or performance shares.	Allows us to deduct cost of equity compensation under recent changes to IRS regulations issued under Section 162(m) without changing the economic value of the award to the NEO.
Performance Metric for Performance-based Restricted Stock	Historically, performance shares under our Equity Incentive Plan were based on equally weighted three-year Revenue growth and three-year Adjusted EBITDA growth performance metrics. Performance for our 2016 Performance-based restricted stock is based 100% on Adjusted Fully Distributed Earnings Per Share (Adjusted EPS) performance. We discuss these performance metrics in greater detail below.	Refines our alignment with stockholders interests and diversifies the performance metrics utilized in our incentive plans (i.e., Revenue and Adjusted EBITDA are utilized in our annual incentive plan).

Highlights of Our 2016 Performance

Our fiscal 2016 performance was strong, both financially and operationally, and exceeded our fiscal 2015 performance on key financial metrics used in determining fiscal 2016 NEO compensation. Set forth below is a comparison of our Revenue, Non-GAAP Adjusted EBITDA, and Non-GAAP Adjusted EPS for fiscal 2015 and fiscal 2016:

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- (1) Represents Net Revenue calculated in accordance with GAAP as reported in our 2016 Form 10-K.
- (2) Adjusted EBITDA is defined as EBITDA before merger and acquisition related expenses and non-recurring, non-cash or non-operating items and including equity in net income of unconsolidated affiliates. EBITDA is defined as net income before interest and investment income, net income tax expense, depreciation and amortization of purchased intangible assets. Non-recurring items include expenses and other items that have not been incurred within the prior two years and are not expected to recur within the next two years. Such expenses include certain strategic and financial restructuring expenses. Non-operating items include gain or loss on disposal of assets.
- (3) Non-GAAP Adjusted Fully Distributed Earnings Per Share (Adjusted EPS) is earnings per share attributable to Premier (i) excluding income tax expense, (ii) excluding the impact of adjustment of redeemable limited partners capital to redemption amount, (iii) excluding the effect of non-recurring and non-cash items, (iv) assuming the exchange of all the Class B common units into shares of Class A common stock, which results in the elimination of non-controlling interest in Premier LP and (v) reflecting an adjustment for income tax expense on Non-GAAP fully distributed net income before income taxes at our estimated effective income tax rate.

We use Non-GAAP financial metrics in our executive compensation program to more fairly evaluate our performance on a year-over-year by removing certain items outside the control of our management team. We note that Adjusted EBITDA and Adjusted EPS may have limitations as analytical tools, and should not be considered in isolation from, or as an alternative to, any measure of our performance derived in accordance with GAAP. Definitions of Adjusted EBITDA and Adjusted EPS and our rationale for using these performance metrics are further discussed below see Annual Incentive Plan and Equity Plan Metric Definitions. Also see **Appendix A** to this proxy statement or our 2016 Form 10-K for additional information on our use of Non-GAAP financial metrics as well as a reconciliation to comparable GAAP measures.

Table of Contents**OUR EXECUTIVE COMPENSATION PRINCIPLES AND GOVERNANCE PRACTICES**

Our executive compensation principles and governance practices are designed to protect and promote our stockholders interests. The table below outlines the foundational principles utilized in the design of our executive compensation program and the practices that govern the program.

Our Compensation Practices	
What We Do	What We Don't Do
ü Limit base salary increases for our CEO and other NEOs.	× Incentivize short-term results at the expense of long-term performance.
ü Put pay at-risk based on short- and long-term company performance. Approximately three-fourths of our NEO cash compensation is at-risk (assuming target-level performance).	× Allow margining, derivative, or speculative transactions, such as hedges, pledges, and short sales by our NEOs.
ü Incorporate meaningful and challenging short- and long-term performance goals in our incentive programs.	× Provide tax-gross up payments.
ü Analyze compensation levels and types of compensation relative to a representative and relevant group of peer companies (our peer group).	× Re-price under water outstanding stock options.
ü Cap annual incentive compensation at 150% of the target payout.	× Provide separate employer paid supplemental pensions for our executives.
ü Consider how we may provide compensation in a manner that qualifies for tax deduction.	× Provide single-trigger equity award vesting and severance.
ü Require stock ownership under guidelines that are in line with those of our peer group companies.	× Incentivize excessively risky business decisions.
ü Maintain a compensation recoupment (i.e., clawback) policy to recapture unearned incentive payments upon financial restatements.	
ü Use restrictive covenants including non-compete protections.	
ü Limit perquisites.	

Our Executive Compensation Key Objectives

In setting and overseeing our executive compensation program, our Compensation Committee focuses on the following key objectives:

Attract and retain exceptional executive talent

Support business objectives

Encourage the creation of stockholder value by focusing executive pay more on long-term equity compensation than short-term incentives and cash

Recognize our unique business structure and focus

Reflect the broad spectrum of talent and diverse sources of market data

Provide reward opportunities consistent with business performance

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We design our executive compensation program in light of these key objectives by:

Using a mix of fixed and variable compensation

We heavily weight our NEOs' compensation mix toward variable, at-risk compensation so that our executive compensation program encourages behaviors that achieve desired results.

Using a mix of cash and equity incentives

The majority of our NEOs' total pay is variable and tightly linked to our short- and long-term financial and market performance.

Requiring NEOs to be significant stockholders

We require our NEOs to own specified levels of Premier stock to enhance alignment of executive and stockholder interests.

Paying based on individual performance and potential

We consider individual performance and potential for advancement in making compensation decisions.

Regularly reviewing our compensation program versus representative and relevant comparators

We review our executive compensation program regularly versus our peer group to evaluate competitive compensation levels and alignment with the external market to attract and retain exceptional leaders with strong, balanced skills. The Compensation Committee reviews annually the composition of our peer group so that it remains a relevant and representative comparator for our executive compensation program.

Paying competitive compensation

Each year, we compare and evaluate our compensation program with those of our peer group to assess whether our target compensation levels are consistent with market levels and practice. We do not tie any element of our compensation program to a specific percentile of our peer group.

Our Peer Group

We use a peer group of companies to analyze external compensation practices. We consider this information when implementing competitive and performance-driving compensation packages for our NEOs. With input from management and Mercer, our compensation consultant, the Compensation Committee reviews the peer group annually so that its composition remains appropriate. Each year, we compare our compensation programs with those of our peer group and assess whether our executive compensation programs and target compensation levels are consistent with market practice.

In constructing our peer group, the Compensation Committee reviews information for and considers U.S.-based, public companies with the following attributes:

Similar business models and industry classifications (healthcare services, technology, distributors, research, and consulting)

Similar services (group purchasing, supply chain services, integrated/specialty pharmacy, technology/data, population health, and performance management)

Revenue that is approximately one-third to three times that of ours

Market capitalization that is approximately one-fifth to five times that of ours

Executive positions similar in breadth, complexity and/or scope of responsibility

Competitors for customers and executive talent

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Based on these characteristics and input from Mercer and management, our Compensation Committee reviewed and reconfigured our peer group for fiscal 2015, selecting the following companies for our peer group:

Advisory Board Company	IMS Health Holdings, Inc.
Allscripts Healthcare Solutions	Magellan Health, Inc.
Athenahealth, Inc.	MedAssets, Inc.
Cerner Corp.	Navigant Consulting, Inc.
HMS Holdings Corp.	Owens & Minor, Inc.
Huron Consulting Group, Inc.	Patterson Companies, Inc.
IHS, Inc.	Quality Systems, Inc.

The Compensation Committee did not make any changes to our peer group for fiscal 2016. As we grow and evolve, and as the companies in our peer group change (e.g., due to merger, acquisition, delisting, etc.), our Compensation Committee will reconfigure our peer group as appropriate.

The table below summarizes and compares our revenue and market capitalization to that of the peer group. Excluding Premier, the median annual revenue of the peer group is \$1.134 billion, which is slightly higher than our fiscal 2015 revenue; the median market capitalization of the peer group is \$2.036 billion, which is lower than our market capitalization as of June 30, 2015.

	Revenue	Market Capitalization
	(\$) in billions	(\$) in billions
Peer Group Summary¹		
75th Percentile		
Median	3.213	5.374
Peer Group	1.134	2.036
25th Percentile	0.729	1.588
Premier	1.007²	5.540³
Premier Percentile Rank	48%	73%

(1) Source: S&P Research Insight Database as of June 30, 2015.

(2) Premier GAAP net revenue for fiscal 2015.

(3) Premier market capitalization includes all outstanding Class A common stock and Class B common stock, and is based on the June 30, 2015, closing price (\$38.46) of Premier Class A common stock on the NASDAQ Global Select Market.

Our Competitive Positioning

Our Compensation Committee reviews the median peer group data for total direct compensation (at target), including base salary and annual and long-term incentives. Company and individual performance, and other factors, including potential succession, and, where applicable, compensation levels relative to general industry, ultimately determine whether target compensation for our NEOs is above or below the peer group median.

In determining appropriate compensation levels for our NEOs, our Compensation Committee reviews compensation levels for executives in similarly situated roles at companies in our peer group. Mercer compiles the compensation data for the selected peer group. At the request of the Compensation Committee, management reviews and evaluates Mercer's compensation data.

Our Pay Mix

Our pay mix is an important aspect of our executive compensation program; our use of at-risk pay is designed to drive annual and long-term performance, enhance retention, and maintain competitiveness with the external marketplace.

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The charts below compare our CEO s and other NEOs total direct compensation mix to the average total direct compensation mix of the CEO and NEOs of our peer group.

Pay mix for our NEOs was determined using the NEOs annualized base salary and target annual and equity incentive (assuming target or 100% performance for performance-based equity under our equity plan) for fiscal 2016. Pay mix for our peer group was determined using the annualized base salary, target annual incentive, and annualized grant date fair value opportunity of long-term incentive awards as reported in peer group companies 2015 proxy statements filed with the SEC.

Our CEO s total direct compensation is more heavily weighted to at-risk long-term (equity) compensation than the average target total direct compensation of the CEOs in our peer group. Our NEO pay mix is, on average, very similar to the at-risk pay levels of our peer group.

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Overview of Primary Executive Compensation Elements

The table below summarizes the primary elements of our NEOs' fiscal 2016 executive compensation program, including a description and purpose of each element. In addition to the elements summarized in the table below, our NEOs are eligible to participate in a voluntary non-qualified deferred compensation plan and a company-wide defined contribution (i.e., 401(k) savings) program. A more detailed description of all of our compensation elements follows this table.

		Annual Incentive	Equity Program	
	Base Salary	Program	Performance-based Restricted Stock Awards	Non-Qualified Stock Options
	Ongoing fixed cash compensation	Annual cash incentive plan based on target amounts for each NEO	Stock is earned based on our performance during a 3-year performance period based on meeting pre-determined performance goals	Stock options allow the executive to make a future purchase of stock at a fixed exercise price determined on the grant date
		Actual awards may be higher or lower than target based on business performance	Awards can be 0% for below-threshold performance or 50% to 150% of target for above-threshold performance	
	Attract and retain exceptional talent	Motivate achievement of Premier's annual financial goals and member objectives	Motivate sustained achievement of long-term financial goals	
	Reflects business expectations, competencies, and values	Reflect challenges and share in risk with our performance	Align NEOs interests with stockholders' interests	
		Balance business unit and corporate focus	Enhance retention	
		Provide an annual balanced focus relative to long-term incentive plan objectives	Provide a long-term balanced focus relative to annual incentive plan objectives	
		All NEOs		
Granted/Paid	Reviewed annually, paid semi-monthly	Paid within 2.5 months after the fiscal year end		Generally granted annually in August

		Cash Short-term/Annual		Equity Long-term
Performance	N/A	1 Year Performance Period	3 Year Performance Period	Vests ratably (1/3 per year) after 3
Performance	Competencies, values, individual performance	Revenue growth, Adjusted EBITDA growth, member performance indices	3-Year Adjusted Fully Distributed Earnings Per Share (Adjusted EPS ²)	Stock price apprecia

(1) Subject to accelerated vesting on certain events such as a change in control or the employee's death, disability, or other qualifying termination of service.

(2) Performance-based equity grants prior to 2016 were based on 3-year Revenue and Non-GAAP Adjusted EBITDA performance.

Table of Contents**DESCRIPTION OF EXECUTIVE COMPENSATION PROGRAM ELEMENTS****Base Salary**

Base salary is the only fixed pay element of our executive compensation program. The Compensation Committee reviews the base salaries for NEOs in similarly-situated roles in our peer group and determines NEOs' salaries based on roles, responsibilities, Company and individual performance, and potential to assume roles with a higher level of responsibility and experience. Our Compensation Committee reviews each NEO's base salary annually, or more frequently if there is a change in a NEO's responsibilities, and considers whether base salary increases are warranted. Base salary changes, if any, are generally effective September 1st for all employees, including NEOs.

Our NEOs' fiscal year 2015 and 2016 base salaries are set out in the table below. Based on the Compensation Committee's review, including all of the factors outlined above, our NEOs did not receive a base salary increase in 2016. The Compensation Committee's decision to maintain base salary levels was not reflective of our NEOs' performance; rather, our Compensation Committee generally focuses on making compensation adjustments to long-term incentive pay, based on the factors listed above, as opposed to base salary.

NEO	2015 Base Salary (\$)	2016 Base Salary (\$)	Change
Ms. DeVore	977,800	977,800	0%
Mr. Alkire	797,500	797,500	0%
Mr. McKasson	510,000	510,000	0%
Mr. Gilbert	467,500	467,500	0%
Mr. Figlioli	481,530	481,530	0%
Mr. Champion	488,470	488,470	0%

Our Annual Incentive Plan

Our annual incentive plan is a one-year cash-based incentive designed to drive and reward NEOs for delivering annual financial and member results relative to pre-established performance thresholds during a fiscal year. Our Compensation Committee determines the annual incentive structure, performance metrics, and goals and each NEO's threshold, target, and maximum award opportunity at the beginning of the fiscal year. At the end of the fiscal year, the Compensation Committee then determines the actual payment amount for each NEO based on our fiscal year financial and member performance.

In fiscal 2016, the annual incentive plan for our NEOs was based 80% on our financial performance and 20% on certain components of our operating performance. Payouts for financial performance were tied equally to Revenue and Adjusted EBITDA. Payouts for operating performance were tied equally to Member Quality and Member Cost indices.

The Compensation Committee chose these metrics and weightings for the following reasons:

Drive top- and bottom-line financial growth in the support of our Mission and Vision;

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Revenue and Adjusted EBITDA are important indicators of the operational strength and performance of the business, including the ability to provide cash flows necessary to execute upon our business and growth strategies and to fund capital expenditures;

Weighting of financial goals is equal to drive a balance between top- and bottom-line performance so that increasing revenue does not come at the expense of declining margins;

Equally weighted member performance indices create greater alignment with our member organizations and assist them in becoming top industry performers in quality, safety, supply chain cost, and total cost of care; and

Align all NEOs to incentivize and unify a singular company-wide focus and to drive collaboration.

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Set forth below is how we calculated annual incentive payments to our NEOs for fiscal 2016:

Base Salary Earnings (For 2016) (\$)	X	Target Annual Award Opportunity (% of Base Salary Earnings)	X	Total Payout Percentage (0% or 50% - 150%)	=	FY2016 Annual Incentive Award (\$)
Ms. DeVore 977,838		Ms. DeVore 125%		Revenue: 36.5%		Ms. DeVore 1,142,603
Mr. Alkire 797,531		Mr. Alkire 100%		Adjusted EBITDA: 36.8%		Mr. Alkire 745,532
Mr. McKasson 510,020		Mr. McKasson 100%		Member Quality: 14.2%		Mr. McKasson 476,767
Mr. Gilbert 467,518	X	Mr. Gilbert 55%	X	Member Cost: 6.0%	=	Mr. Gilbert 240,370
Mr. Figlioli 481,549		Mr. Figlioli 60%				Mr. Figlioli 270,091
Mr. Champion 488,489		Mr. Champion 55%		Total Payout Percentage: 93.5% (rounded)		Mr. Champion 251,152

The charts below discuss the details of our annual incentive plan elements and their applicable provisions and calculations for 2016.

Plan Element	Description / Provisions
Base Salary Earnings (For Fiscal Year 2016)	Includes gross, base, straight-time salary paid during fiscal year 2016, plus vacation, holiday, sick and any short-term disability pay. Excludes any bonus or other incentive compensation earnings.
Target Annual Award Opportunity	Percentage of Base Salary Earnings determined by the Compensation Committee based on each NEO's role, responsibilities, external market including our peer group, potential and performance, and are also dictated by NEOs' employment agreements.

(% of Base
Salary
Earnings)

In early fiscal 2016, the Compensation Committee approved the following performance metrics, weightings, performance goals, and payout ranges for our annual incentive plan.

Performance Metric ²	Weighting	Performance Goals ¹			Payout Range ⁴
		Threshold ³	Target ³	Stretch ³	
GAAP Revenue	40%	\$1,137.7	\$1,167.9	\$1,226.3	0% - 150%
Adjusted EBITDA ⁵	40%	\$425.0	\$444.0	\$466.2	0% - 150%
Member Quality Index	10%	37%	39%	42%	0% - 150%
Member Cost Index	10%	50%	100%	150%	0% - 150%

(1) In millions for Revenue and Adjusted EBITDA.

(2) See Description of Executive Compensation Elements Annual Incentive Plan and Equity Plan Metric Definitions for the descriptions of these performance metrics.

(3) The payout range for each metric is 50% at Threshold, 100% at Target, and 150% at or above stretch performance. The payout percentage for performance below Threshold is 0%.

(4) The total annual incentive award is capped at 150% of target.

(5) See [Appendix A](#) for a reconciliation of Non-GAAP Adjusted EBITDA to GAAP net income.

Total Payout
Percentage

(0% - 150%)

Following the end of fiscal 2016, the Compensation Committee evaluated performance against the performance goals and approved the achievement and payout percentages for each of the metrics, as set out in the following table:

Performance Metric	Performance Results	
	2016 Actual Performance ¹	Payout Percentage ²
Revenue	\$1,162.6	36.5%
Adjusted EBITDA ³	\$441.0	36.8%
Member Quality Index	41.5%	14.2%
Member Cost Index	59.6%	6.0%
	Total Payout Percentage	93.5% (rounded)

(1) In millions for Revenue and Adjusted EBITDA.

(2) Calculated as the weighting for each metric multiplied by the percentage achievement based on the performance goal table. Percentages reflect interpolation between target and maximum achievement and are rounded.

(3) See [Appendix A](#) for a reconciliation of Non-GAAP Adjusted EBITDA to GAAP net income.

The table below sets out the potential payouts at Threshold, Target, and Stretch performance as well as the actual fiscal 2016 annual incentive plan payout for each NEO.

Fiscal 2016 Annual Incentive Award	Threshold (\$)			FY2016 Award (\$)	
	NEO	(50% Payout)	Target (\$) (100% Payout)		Stretch (\$) (150% Payout)
	Ms. DeVore	611,149	1,222,298	1,833,446	1,142,603
	Mr. Alkire	398,766	797,531	1,196,297	745,532
	Mr. McKasson	255,010	510,020	765,030	476,767
	Mr. Gilbert	128,567	257,135	385,702	240,370
	Mr. Figlioli	144,465	288,929	433,394	270,091
	Mr. Champion	134,334	268,669	403,003	251,152

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Our Equity Plan

We design our equity grants to align our NEOs' interests with those of our stockholders. Prior to fiscal 2016, the Compensation Committee granted equity awards to our NEOs whereby 40% of the grant value represented performance shares, 40% of the grant value represented nonqualified stock options (NQSOs), and 20% of the grant value represented in Restricted Stock Units (RSUs). For fiscal 2016, the Compensation Committee changed the equity grants for our NEOs whereby 40% of the grant value represented performance-based restricted stock, 40% of the grant value represented NQSOs, and 20% of the grant value represented time-based restricted stock awards, as outlined in the chart below. See "Changes to our Fiscal 2016 Executive Compensation Program" above for a discussion of this change.

The Compensation Committee determines the type of awards to be granted and the amount of individual awards granted to NEOs, based on an analysis of competitive long-term incentive market practices within our peer group generally, and across the healthcare supply chain and informatics industry (based on compensation surveys) for each executive's position. The Compensation Committee believes this mix of equity vehicles supports our long-term objectives by emphasizing performance-based equity (performance-based restricted stock and NQSOs) over time-based equity awards (time-based restricted stock).

The annual grant date for performance-based restricted stock, NQSOs, and time-based restricted stock is typically the last trading day of the second month of the first quarter of the fiscal year; fiscal year 2016 equity awards were granted on August 31, 2015.

Table of Contents*2016 Grant Calculations*

The Compensation Committee uses the following calculation to determine the (i) target number of shares underlying performance-based restricted stock, NQSOs, and time-based restricted stock awarded to each NEO, and (ii) actual number of shares earned by each NEO under the performance-based restricted stock at the end of the performance period.

Target Award

Each NEO's equity target award is expressed as a percentage of her/his annualized base salary as of the grant date, and is determined by the Compensation Committee based on each NEO's role, responsibilities, external market information (including the long-term incentive practices of our peer group), and long-term NEO potential and performance.

2016 Equity Grants

The fiscal 2016 equity grants for our NEOs are summarized in the table below:

	Annualized Base Salary ¹ (\$)	Target Award (% of Base Salary)	Target Award ² (\$)	Performance- based Restricted Stock Grant Value (\$)	40% NQSO Grant Value (\$)	20% Time-based Restricted Stock Grant Value (\$)	Target Performance- based Restricted Stock Shares ³ (#)	Number of NQSOs ⁴ (#)	Time-ba Restrict Stock Shares (#)
DeVore	977,800	450%	4,400,100	1,760,040	1,760,040	880,020	49,370	141,982	24,683
Alkire	797,500	300%	2,392,500	957,000	957,000	478,500	26,845	77,201	13,423
McKasson	510,000	255%	1,300,500	520,200	520,200	260,100	14,592	41,965	7,296
Gilbert	467,500	155%	724,625	289,850	289,850	144,925	8,131	23,382	4,066
Figlioli	481,530	200%	963,060	385,224	385,224	192,612	10,806	31,076	5,403
Champion	488,470	130%	635,011	254,004	254,004	127,002	7,125	20,491	3,563

- 1) Annualized base salary as of August 31, 2015.
- 2) Target award opportunity equals the NEO's Annualized Base Salary multiplied by the NEO's Target Award Opportunity percentage. See the Summary Compensation Table for Fiscal 2016 below for the grant date accounting value of the equity award for our NEOs.
- 3) Number of shares granted as performance-based restricted stock equals the grant date value divided by \$35.65, the closing price of our Class A common stock on August 31, 2015, rounded up to the next highest share.
- 4) Number of NQSOs equals the NQSO grant value divided by \$12.3963, the Black-Scholes estimated value of a stock option granted as of August 31, 2015 (rounded up to the next highest number of options).
- 5) Number of shares granted as time-based restricted stock equals the grant value divided by \$35.65, the closing price of our Class A common stock on August 31, 2015, rounded up to the next highest share.

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Performance-based Restricted Stock

Performance-based restricted stock is designed to focus on and drive achievement of long-term financial objectives, and to maximize stockholder return. The target number of shares of performance-based restricted stock granted to NEOs is based on the closing price of our Class A common stock as of the grant date, August 31, 2015. The fiscal 2016 grants are for the fiscal three-year performance period beginning on July 1, 2015, and ending June 30, 2018. In August 2015, the Compensation Committee established a threshold, target, and stretch performance level for performance-based restricted stock based on our long-term growth strategy. Following the end of the performance period, the Compensation Committee will determine and award shares based on performance results. For performance below threshold, no shares will be awarded; for performance at threshold, 50% of target shares will be awarded; at target, 100% of target shares will be awarded; at stretch, 150% of target shares will be awarded. For performance between threshold and target or between target and stretch, the Compensation Committee will use straight-line interpolation to determine results and corresponding awards. Provided the Compensation Committee certifies performance above the threshold level, shares will generally be awarded in the first fiscal quarter following the end of the performance period. See the [Grants of Plan-Based Awards in Fiscal 2016](#) table under [Executive Compensation Tables](#) below for potential share awards based on threshold, target, and stretch performance.

Non-Qualified Stock Options and Restricted Stock Awards

For fiscal 2016, in addition to performance-based restricted stock as discussed above, which represented 40% of our NEOs' total target equity award opportunity, the Compensation Committee granted 40% of our NEOs' total target equity award opportunity in NQSOs and 20% in time-based restricted stock. This equity mix balances the performance value of NQSOs with the retention reinforcement of time-based restricted stock. NQSOs vest ratably over three years, 1/3 on each anniversary of the grant date. The number of NQSOs granted is based on the Black-Scholes estimated value as of the grant date, and the exercise price for NQSOs is the closing price of our Class A common stock on the grant date. Time-based restricted stock vests 100% on the third anniversary of the grant date. The size of the time-based restricted stock grant is based on the closing price of our Class A common stock on the grant date. Actual fiscal 2016 equity grants for our NEOs are presented in the [2016 Equity Grants](#) table above and in the [Grants of Plan-Based Awards in Fiscal 2016](#) table under [Executive Compensation Tables](#) below.

Performance Goal for Performance-Based Restricted Stock Grants

The actual number of shares that will be awarded to our NEOs at the end of the performance period, pursuant to the 2016 performance-based restricted stock grants, will be based 100% on Non-GAAP Fully Adjusted Earnings Per Share (Adjusted EPS) performance. See [Annual Incentive Plan and Equity Plan Metrics Definitions](#) and [Appendix A](#) for a description of this metric.

The Compensation Committee used Adjusted EPS for the 2016 performance-based restricted stock grant because it believes:

Adjusted EPS drives a balance of long-term top- and bottom-line growth;

Adjusted EPS is a critical indicator of the long-term operational strength of our business, including the ability to provide cash flows necessary to execute upon our business and growth strategies and fund strategic capital expenditures; and

Adjusted EPS performance is aligned with long-term stockholder value creation.

Table of Contents*Amounts Earned under 2014 Performance Share Grants*

Following the end of fiscal 2016, our Compensation Committee determined the payouts under our performance shares granted in 2014, which is based on our performance during the 2014 to 2016 fiscal years. The table below summarizes the performance metrics, weightings, and goals for these awards along with our actual performance and earned percentage.

Performance Shares Metric ¹	Weighting	2014 2016 Performance Period Results			Actual Performance	Earned Percentage
		Threshold	Target	Stretch		
Three-Year Revenue (Cumulative Annual Growth Rate)	50%	8.5%	10.0%	12.5%	15.0%	75.0%
Three-Year Non-GAAP Adjusted EBITDA (Cumulative Annual Growth Rate)	50%	8.5%	10.0%	12.5%	12.0%	70.0%
Total Achievement Percentage						145%

(1) See Annual Incentive Plan and Equity Plan Metrics Definitions for the description of these metrics. The number of shares issued to our NEOs under the performance share grants is equal to the target number of performance shares multiplied by the earned percentage as set forth below.

NEO	Target Number of Performance Shares	Earned Percentage	Number of Issued Shares
Ms. DeVore	325,934	145%	472,605
Mr. Alkire	159,500	145%	231,275
Mr. McKasson	66,112	145%	95,863
Mr. Gilbert	41,556	145%	60,257
Mr. Figlioli	56,179	145%	81,460
Mr. Champion	26,052	145%	37,776

Requiring Stock Ownership

To further align our NEOs and stockholders interests, the Compensation Committee requires each executive to accumulate and hold a significant amount of our Class A common stock. We believe our stock ownership requirements are comparable to those of our peer group. The table below summarizes our ownership and holding requirement provisions.

Provisions	Description of Provisions
Ownership requirement	Five times base salary for our CEO

Three times base salary for our COO, CFO, SVP, Healthcare Informatics, and President, Supply Chain Services

One times base salary for our other executive officers

**Time to meet requirement
(phase-in period)**

Five years from (i) NEO's employment date, or (ii) promotion to applicable executive level, or (iii) the date of our initial public offering, September 26, 2013, whichever is later

Equity included as ownership

Vested shares underlying RSUs and time-based restricted stock

Earned performance-based shares and performance-based restricted stock

Shares owned directly

Shares owned indirectly (by a spouse or a trust for an immediate family member)

Shares held in our benefit plans

Holding requirements

Until the ownership requirement is met, NEOs must hold shares acquired under our equity program (including stock after restrictions have lapsed, shares awarded under our performance-based awards, and shares acquired upon the exercise of a NQSO), net applicable shares withheld for taxes or for payment of exercise price, as follows:

CEO must hold 50% of net after tax value of shares

All other NEOs must hold 35% of net after tax value of shares

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As of June 30, 2016, all of our NEOs are within the five-year phase-in period and have until September 26, 2018, to comply with our stock ownership requirements.

Annual Incentive Plan and Equity Plan Metric Definitions

As noted above, we used Revenue, Non-GAAP Adjusted EBITDA and Non-GAAP Adjusted EPS for our incentive grants to NEOs. The Compensation Committee believes that Revenue, Adjusted EBITDA, and Adjusted EPS reflect the items that management has under its control through operational performance.

We believe Adjusted EBITDA assists our Compensation Committee and management in making financial, operating and strategic decisions and in evaluating our performance on a consistent basis from period to period. Doing so removes the impact of our asset base (primarily depreciation and amortization) and items outside the control of our management team, e.g. (taxes), as well as other non-cash (impairment of intangible assets, purchase accounting adjustments and stock-based compensation) and non-recurring items (strategic and financial restructuring expenses) from operating results.

We also believe Adjusted EPS aligns our long-term focus and our stockholders' interests while assisting our Compensation Committee and management in making financial, operating and strategic decisions and in evaluating our performance on a consistent basis from period to period. Doing so removes non-cash (such as impairment of intangible assets, purchase accounting adjustments and stock-based compensation) and non-recurring items (such as strategic and financial restructuring expenses). It also eliminates the variability of non-controlling interest as a result of member owner exchanges of Class B common units into shares of Class A common stock (which exchanges are a member owner's cumulative right, but not obligation, which began on October 31, 2014, and occur each year thereafter, and are limited to one-seventh of the member owner's initial allocation of Class B common units).

See **Appendix A** to this proxy statement and our 2016 Form 10-K for additional information on our use of non-GAAP financial metrics and definitions of terms used in the table below as well as a reconciliation to comparable GAAP measures.

Metric	Definitions	Rationale
Revenue	Revenue is net revenue (including net administrative fees) from Specialty Pharmacy, Direct Sourcing Revenue (S2S), Informatics and Technology Services, Premier Performance Partners, Premier Insurance Management Services as well as partnerships, acquisitions, joint ventures and/or investments closed during the fiscal year under which revenue is consolidated for reporting purposes.	Revenue measures the top-line growth of the business through our diversification of offerings and core business growth with new and existing members.
Non-GAAP Adjusted Earnings Before Interest, Taxes,	EBITDA is defined as net income before interest and investment income, net income tax expense, depreciation and amortization of purchased intangible assets. Adjusted EBITDA is defined as EBITDA before merger and acquisition related expenses and non-recurring, non-cash or	Adjusted EBITDA is an indicator of the operational strength and performance of the business. Adjusted EBITDA allows the Compensation Committee and management to assess performance without regard to financing methods and

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Depreciation, and Amortization (Adjusted EBITDA)	non-operating items and including equity in net income of unconsolidated affiliates. Non-recurring items include expenses and other items that have not been incurred within the prior two years and are not expected to recur within the next two years. Such expenses include certain strategic and financial restructuring expenses. Non-operating items include gain or loss on disposal of assets.	capital structure and without the impact of other matters that management does not consider indicative of the operating performance of the business.
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Metric	Definitions	Rationale
Member Quality Performance Index	Index of hospitals surpassing the top performance threshold in the following five quality measures: mortality, evidence-based care, patient and family engagement, safety, and appropriate hospital use. This index was developed for hospitals that participate in Premier's quality collaborative in order to measure hospitals' quality of care performance. This index measures the number of hospitals that participate in quality collaborative that meet or surpass the top performance thresholds in each quality measure (25th percentile as fixed in the baseline year of 2013). This index is an equally weighted average index of the quality measured noted above, and evidence-based care measure is weighted 75% for in-patient results and 25% for out-patient results with 75% of the domain weighting going to in-patient and 25% to out-patient. At the beginning of the year, performance goals are independently certified by National Economic Research Associates (NERA); at the conclusion of the year, actual performance attainment is also reviewed and certified by NERA.	The Member Quality Performance Index is an indicator of Premier's impact on members' performance in quality and safety. Aligns employees' interests with those of our members.
Member Cost Performance Index	Index of hospitals surpassing top performance threshold in total cost and average year-over-year improvement in supply expense for all entities in our supply chain collaborative. This index was developed for hospitals that participate in Premier's supply chain collaborative in order to measure hospitals' supply chain expense. At the beginning of the year, performance goals are independently certified by National Economic Research Associates (NERA); at the conclusion of the year, actual performance attainment is also reviewed and certified by NERA.	The Member Cost Performance Index is an indicator of Premier's impact on members' performance in supply chain cost and total cost of care. Aligns employees' interests with those of our members.
Non-GAAP Adjusted Fully Distributed Earnings Per Share (Adjusted EPS)	Adjusted Fully Distributed Earnings Per Share (Adjusted EPS) is earnings per share attributable to Premier (i) excluding income tax expense, (ii) excluding the impact of adjustment of redeemable limited partners' capital to redemption amount, (iii) excluding the effect of non-recurring and non-cash items, (iv) assuming the exchange of all the Class B common units into shares of Class A common stock, which results in the elimination of non-controlling interest in Premier LP and (v) reflecting an adjustment for income tax expense on	Adjusted EPS measures the portion of total profit that is attributable to Premier's Class A stockholders on a fully converted basis. Adjusted EPS aligns employees with our long-term focus and our stockholders' interests and is an indicator of the long-term operational strength and performance of the business. Adjusted EPS allows the Compensation Committee and management to assess performance

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Non-GAAP fully distributed net income before income taxes at our estimated effective income tax rate.

without regard to financing methods and capital structure and without the impact of other matters that management does not consider indicative of the operating performance of the business.

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Non-Qualified Deferred Compensation Plan

NEOs are eligible to participate in our voluntary, non-qualified executive Deferred Compensation Plan, which is provided for recruitment purposes and to assist executives in managing their future cash flow. The program allows NEOs to defer, on a pre-tax basis, up to 30% of their base salary and annual incentive plan award, and receive a company matching contribution of 100% of the first 3% deferred and 50% of the next 2% deferred. We provide this match for eligible compensation above the annual IRS compensation limit. Distributions are generally not allowed while NEOs are actively employed. The investment choices are similar to those offered to eligible employees in our 401(k) plan, and the plan does not offer above-market earnings. NEOs elect to receive post-separation distributions in either a lump sum or in annual installments over five years. For additional information on this program, see the Summary Compensation Table for Fiscal 2016 and Non-Qualified Deferred Compensation Benefits for Fiscal 2016 tables in this proxy statement.

Defined Contribution (401(k) Savings) Program

Our NEOs are eligible to participate in our qualified defined contribution 401(k) Plan, under which NEOs have the opportunity to defer a portion of their eligible compensation, up to tax code limitations, and receive a company matching contribution of 100% of the first 3% of contributions and 50% of the next 2% of contributions. We provide this match for eligible compensation below the annual IRS compensation limit.

Employment Agreements

We extend employment agreements to our NEOs, which supports the enforceability of non-competes under the laws of North Carolina, where our corporate headquarters are located. The employment agreements provide severance protection before and after a change in control event and a minimum level of benefits to our NEOs during the term of the agreement. For additional details, see Employment Agreements.

Change in Control Protection

We provide our NEOs with change in control protection which includes severance benefits and additional rights to payment of incentive compensation in the event of a change in control. We structure separation payments to help assure that key personnel, including our NEOs, would be available to assist in the successful transition following a change in control and provide a competitive level of severance protection if the executive officer is involuntarily terminated without cause or resigns for good reason within two years following a change in control. We do not provide automatic vesting of benefits upon a change in control transaction irrespective of performance. In the event that payments in connection with a change in control would trigger an excise tax under Code Section 4999, we will limit payments to an amount that will not trigger this tax unless paying all the benefits would provide a larger after-tax benefit to the NEO. We do not provide any tax gross-ups for taxes payable on change-in-control benefits. We describe the severance arrangements and other benefits provided to NEOs on a change in control (as well as the equity treatment upon certain separations in the event of a change in control) under Potential Payments Upon Termination below.

Executive Perquisites

We do not offer our NEOs the executive perquisites that many of our peer group companies offer, such as personal usage of company aircraft, company vehicles or auto allowances, personal drivers, health/country club memberships, etc. We offer our CEO reimbursement for her out-of-pocket medical expenses (see Employment Agreements below for details). Our CEO is solely responsible for all taxes related to this perquisite. We do not provide tax gross-ups. We

do not offer any other executive perquisites to our NEOs.

Table of Contents**2016 COMPENSATION ACTIONS FOR OUR NAMED EXECUTIVE OFFICERS**

The table below sets out a summary of fiscal 2016 compensation actions for each of our NEOs along with references to the applicable section describing each compensation element in this proxy statement.

NEO	Base Salary Increase	2016 Annual Incentive Plan	2016 Equity Grant
	(%)	Award (\$)	(Shares)
	Description of Executive Compensation Elements	Description of Executive Compensation Elements	Description of Executive Compensation Elements
	Base Salary	Annual Incentive Plan	Our Equity Plan
Ms. DeVore	0.0%	1,142,603	49,370 target performance-based restricted stock shares 141,982 NQSOs 24,685 time-based restricted stock shares
Mr. Alkire	0.0%	745,532	26,845 target performance-based restricted stock shares 77,201 NQSOs 13,423 time-based restricted stock shares
Mr. McKasson	0.0%	476,767	14,592 target performance-based restricted stock shares 41,965 NQSOs 7,296 time-based restricted stock shares
Mr. Gilbert	0.0%	240,370	8,131 target performance-based restricted stock shares 23,382 NQSOs 4,066 time-based restricted stock shares
Mr. Figlioli	0.0%	270,091	10,806 target performance-based restricted stock shares 31,076 NQSOs 5,403 time-based restricted stock shares
	0.0%	251,152	

Mr.
Champion

7,125 target performance-based restricted
stock shares

20,491 NQSOs

3,563 time-based restricted stock shares

CLAWBACK POLICY

We have adopted compensation recoupment or clawback policies with respect to all incentive compensation awards, including amounts payable under our annual incentive plan and the equity awards granted under our equity plan that may be earned by our current and former executive officers. If we are required to restate our financial statements due to NEOs' material noncompliance with any financial reporting requirements under the federal securities laws, our NEOs who received incentive compensation based on erroneous data in a materially noncompliant financial statement must repay the amount in excess of what they would have received based on that restatement. The repayment obligation extends to any incentive compensation a NEO receives during the three-year period preceding a restatement.

The Board has the sole discretion and authority to: (i) determine the amount of any incentive-based compensation owed by any current or former executive officer; (ii) determine the means, timing (which in all circumstances will be prompt) and any other requirements by which reimbursement is required to occur, which may include, without limitation, forfeiture of any outstanding incentive award; and (iii) impose any other terms, conditions or procedures (e.g., the imposition of interest charges on un-repaid amounts) to govern the current or former executive officer's repayment of any incentive-based compensation.

The Board has discretion to take such actions it deems necessary to address the events that gave rise to the restatement and to prevent its recurrence, including, to the extent permitted under applicable law:

Dismissing the executive;

Adjusting the future compensation of the executive; or

Authorizing legal action or taking other action to enforce the executive's obligations to us.

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TRADING RESTRICTIONS, ANTI-HEDGING, AND ANTI-PLEDGING POLICY

Our insider trading policy limits the timing and types of transactions in our securities by our insiders, including our NEOs. Among other restrictions, the policy:

Allows insiders to trade our securities only during open trading window periods (following earnings releases) and only after they have obtained pre-clearance for transactions; and

Prohibits insiders from trading in options, entering into transactions in warrants, puts, or calls and/or any other derivative or hedging transactions on our securities (other than awards granted under our equity incentive plans).

Additionally, our insider trading policy prohibits our insiders from holding our securities in margin accounts or pledging our securities as collateral for a loan.

QUALIFYING COMPENSATION FOR TAX DEDUCTIBILITY

Internal Revenue Code (the Code) Section 162(m) limits our ability to deduct compensation paid to certain NEOs (the covered employees) to \$1 million annually. Covered employees under Code Section 162(m) include our principal executive officer and our next three highest paid executive officers, other than our principal financial officer. There are several important exemptions to the deduction limit, including compensation (whether or not performance-based) that is payable during an IPO transition period for newly public companies. We granted performance-based restricted stock in lieu of performance shares in August 2015 with the intention of qualifying under the IPO transition rule.

The Company generally intends to structure stock options and incentive compensation that is based on performance goals as performance-based compensation that is exempt from the Section 162(m) deduction limitation. However, the application of Section 162(m) is complex and may change with time, with potentially retroactive effect, and thus there can be no guarantee that all of these awards will actually qualify as performance-based compensation under Code Section 162(m). Additionally, our Compensation Committee retains the discretion to authorize awards and payments that may not be tax deductible if it believes such payments are in the best interest of our Company and our stockholders. Time-based restricted stock or RSUs that are granted after the IPO transition period are not performance-based compensation under Section 162(m) and potentially will not be fully deductible.

Table of Contents**EXECUTIVE COMPENSATION TABLES****Summary Compensation Table for Fiscal 2016**

For the fiscal year ended June 30, 2016, the following table shows compensation awarded to or paid to, or earned by our Chief Executive Officer and Chief Financial Officer during fiscal 2016, the three most highly compensated executive officers who were serving as executive officers (other than as our Chief Executive Officer or Chief Financial Officer) at the end of fiscal 2016 and a former executive officer (Mr. Figlioli) who would have been among our most highly compensated executive officers had he remained an executive officer through the end of the fiscal year (the named executive officers or NEOs).

Name and Principal Position(a)	Year (b)	Salary \$(c)	Bonus \$(d)	Stock Awards \$(e)	Option Awards \$(f)	Non-Equity Incentive	All Other Compensation \$(h)	Total (i)
						Plan Compensation \$(g)		
Susan D. DeVore								
<i>President and Chief</i>	2016	977,838	0	2,640,061	1,760,577	1,142,603	98,764	6,619,843
	2015	977,838	0	2,640,088	1,685,137	1,284,122	276,694	6,863,879
<i>Executive Officer</i>	2014	977,838	0	13,200,327	9,242,699	1,272,411	215,954	24,909,229
Michael J. Alkire								
	2016	797,531	0	1,435,554	957,292	745,532	65,416	4,001,325
	2015	797,531	0	1,435,500	916,271	837,870	126,760	4,113,932
<i>Chief Operating Officer</i>	2014	797,531	0	6,459,750	4,523,042	830,230	141,342	12,751,895
Craig S. McKasson								
<i>Senior Vice President,</i>	2016	510,020	0	780,307	520,366	476,767	41,833	2,329,293
	2015	510,020	0	765,026	488,301	535,817	80,486	2,379,649
<i>Chief Financial Officer</i>	2014	510,020	0	2,677,536	1,874,761	530,931	92,714	5,685,962
Durrall R. Gilbert								
	2016	467,518	0	434,823	289,937	240,370	29,506	1,462,154
<i>President, Supply Chain Services</i>								
Keith J. Figlioli								
	2016	481,549	0	577,851	385,342	270,091	31,404	1,746,236
	2015	481,549	0	577,882	368,831	303,543	57,353	1,789,157
<i>Former Senior Vice President- Healthcare Informatics</i>								
R. Wesley Champion								
	2016	488,489	0	381,027	254,088	251,152	30,830	1,405,586
	2015	488,489	0	498,301	318,026	282,258	55,200	1,642,274
<i>Senior Vice President-Premier Performance Partners</i>								

Salary (Column (c))

Reflects the salary earned in fiscal years 2016, 2015 and 2014 from July 1 through June 30 of each year.

Bonus (Column (d))

No discretionary bonuses were awarded to the NEOs in 2016, 2015, or 2014.

Stock Awards (Column (e))

The amounts reported in the Stock Awards column are the grant date fair value of stock awards determined pursuant to ASC Topic 718. Amounts reflect the aggregate grant date fair value of the performance-based restricted stock and time-based restricted stock granted to the NEOs on August 31, 2015; and the performance shares and time-based restricted stock units granted to the NEOs in August 2014 and September 2013, respectively. The September 2013 grants were granted immediately prior to our initial public offering.

Performance-based restricted stock and performance shares granted in fiscal 2016 provide an opportunity for employees to keep Class A common stock that has been issued to them if specified performance measures are met for a specified performance period, which is typically three years. If the minimum performance measure is not met, no award is earned. If at least the minimum performance measure is attained, awards range from 50% to 150% of the target number of shares. The amounts reported in this table for performance-based restricted stock and performance shares are disclosed at target (100%), which is the probable outcome (as of the grant date). Details regarding the performance-based restricted stock and performance shares maximum values can be found in the Grants of Plan-Based Awards in Fiscal 2016 table below.

Time-based restricted stock and time-based RSUs provide an opportunity for employees to receive common stock if the executive remains employed through a specified date, typically three years from grant. The time-based restricted stock and time-based restricted stock units reported above and granted in fiscal 2014 and fiscal 2015 are based on the fair value of our Class A common stock on the grant date in the same manner as described above for performance-based restricted stock and time-based restricted stock.

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There can be no assurance that the performance-based restricted stock, performance shares, time-based restricted stock, and time-based RSUs granted to our NEOs will ever be earned or that the value of these awards as earned will equal the amounts disclosed in the Summary Compensation Table for Fiscal 2016. The stock price assumption used to calculate the compensation cost is disclosed in *Note 18 Stock Based Compensation* to our consolidated financial statements included in our 2016 Form 10-K.

To see the value actually received under the performance shares with respect to the three-year performance period ended June 30, 2016, please refer to the *Option Exercises and Stock Vested in Fiscal 2016* table below. Additional information on all outstanding stock awards is reflected in the *Outstanding Equity Awards at June 30, 2016* table below.

Options Awards (Column (f))

The amounts reported in the Option Awards column are the grant date fair value of stock option awards granted to the NEOs on August 31, 2015, August 29, 2014 and immediately prior to our initial public offering during the 2014 fiscal year, calculated in accordance with ASC Topic 718. No stock options were granted by us to the NEOs during fiscal 2013 or any prior period. The assumptions used to calculate the fair value for this purpose are disclosed in *Note 18 Stock Based Compensation* to our consolidated financial statements included in our 2016 Form 10-K. There can be no assurance that the options will ever be exercised (in which case no value will be realized by the executive) or that the value on exercise will equal the fair value.

To see the value actually received upon exercise of options by the NEOs in 2016, refer to the *Option Exercises and Stock Vested in Fiscal 2016* table below. Additional information on all outstanding option awards is reflected in the *Outstanding Equity Awards at June 30, 2016* table below.

Non-Equity Incentive Plan (Column (g))

The amounts reported in the Non-Equity Incentive Plan are the annual cash incentives earned by our NEOs under our Annual Incentive Plan.

All Other Compensation (Column (h))

The amounts reported in the All Other Compensation column consist of employer contributions and deferrals allocated to our NEOs under our 401(k) plan and Deferred Compensation Plan: \$10,600, \$10,600, \$10,600, \$10,600, \$10,600 and \$10,600 for Ms. DeVore and Messrs. Alkire, McKasson, Gilbert, Figlioli, and Champion, respectively, with respect to the 401(k) plan and \$79,878, \$54,816, \$31,233, \$18,906, \$20,804, and \$20,230 for Ms. DeVore and Messrs. Alkire, McKasson, Gilbert, Figlioli, and Champion, respectively, with respect to the Deferred Compensation Plan. The amount reported in the All Other Compensation column also consists of employer contributions of \$8,286 for Ms. DeVore for reimbursement of her out-of-pocket medical expenses per her employment agreement. None of these amounts reflect amounts contributed by our NEOs under the Deferred Compensation Plan, which are reported in the Deferred Compensation Plan table.

Table of Contents**Grants of Plan-Based Awards in Fiscal 2016**

The following table sets forth information with respect to grants of plan-based awards to the NEOs during the fiscal year ended June 30, 2016.

	Approval Date / Grant Date(b)		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)(i)	All Other Option Awards: Number of Securities Under- lying Options (#)(j)	Exercise or Base Price of Option Awards (\$/Sh) (k)
			Threshold \$(c)	Target \$(d)	Maximum \$(e)	Threshold #(f)	Target #(g)	Maximum #(h)			
Vore	8/12/2015	8/31/2015	611,125	1,222,250	1,833,375	24,685	49,370	74,055	24,685	141,982	35.65
Kire	8/12/2015	8/31/2015	398,750	797,500	1,196,250	13,423	26,845	40,267	13,423	77,201	35.65
Casson	8/12/2015	8/31/2015	255,000	510,000	765,000	7,296	14,592	21,888	7,296	41,965	35.65
Bert	8/12/2015	8/31/2015	128,563	257,125	385,688	4,066	8,131	12,196	4,066	23,382	35.65
oli	8/12/2015	8/31/2015	144,459	288,918	433,377	5,403	10,806	16,209	5,403	31,076	35.65
ampion	8/12/2015	8/31/2015	134,329	268,659	402,988	3,563	7,125	10,688	3,563	20,491	35.65

Grant Date (Column (b))

The awards shown were approved by the Compensation Committee at its August 12, 2015, meeting with a grant date of August 31, 2015.

Estimated Future Payouts Under Non-Equity Incentive Plan Awards (columns (c), (d), and (e))

The awards represent the threshold, target, and maximum payout levels for each NEO under our annual incentive plan based on the NEO's annualized base salary and annual incentive plan target percentage.

Estimated Future Payouts Under Equity Incentive Plan Awards (Performance-Based Restricted Stock Awards) (Columns (f), (g), and (h))

The awards represent performance-based restricted stock awards granted in August 2015 under the 2013 Equity Incentive Plan. The awards vest contingent on Adjusted Fully Distributed Earnings Per Share (Adjusted EPS) growth over the three-year performance period beginning July 1, 2015, and ending June 30, 2018, subject to such officer's continued employment through the end of the performance period. The grant date fair value is included in the Stock

Award Column (column (e)) of the Summary Compensation Table for Fiscal 2016. The threshold payment reflects 50% payout based on attaining threshold achievement; however, no payout will occur for performance below threshold. The maximum payout is 150% of the target amount shown.

All Other Option Awards (Stock Options) (Columns (i))

The awards represent time-based restricted stock awards granted in August 2015 under the 2013 Equity Incentive Plan. These awards generally vest on the third anniversary of the grant date.

All Other Option Awards (Stock Options) (Columns (j) and (k))

The awards represent stock options granted in August 2015 under the 2013 Equity Incentive Plan. These options have a term of 10 years from the grant date and vest one-third each on the first, second, and third anniversaries of the grant date. The exercise price of stock options is the closing price of the common stock on the grant date.

Table of Contents**Outstanding Equity Awards at June 30, 2016**

The following table sets forth information with respect to each NEO's outstanding equity awards at June 30, 2016.

Name(a)	<i>Option Awards¹</i>					<i>Stock Awards¹</i>			Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested (\$)(j)*
	Number of securities underlying unexercised options (#) exercisable (b)	Number of securities underlying unexercised options (#) unexercisable (c)	Equity incentive plan awards: number of securities underlying unexercised options (#) (d)	Option exercise price (\$)(e)	Option expiration date (f)	Number of shares or units of stock that have not vested (#) (g)	Market value of shares or units of stock that have not vested (\$)(h)*	Equity incentive plan awards: number of shares, units or other rights that have not vested ² (#) (i)	
Susan D. DeVore	806,766 ³	0	0	\$27.00	9/25/2023	52,552 ⁷	1,718,450	105,103 ⁸	3,436,868
	43,815 ⁴	87,631 ⁵	0	\$31.58	8/29/2024				
	0	141,982 ⁶	0	\$35.65	8/31/2025				
Michael J. Alkire	394,802 ³	0	0	\$27.00	9/25/2023	28,575 ⁷	934,403	57,149 ⁸	1,868,772
	23,824 ⁴	47,648 ⁵	0	\$31.58	8/29/2024				
	0	77,201 ⁶	0	\$35.65	8/31/2025				
Craig S. McKasson	163,642 ³	0	0	\$27.00	9/25/2023	15,371 ⁷	502,632	30,742 ⁸	1,005,263
	12,696 ⁴	25,393 ⁵	0	\$31.58	8/29/2024				
	0	41,965 ⁶	0	\$35.65	8/31/2025				
Durrall R. Gilbert	102,861 ³	0	0	\$27.00	9/25/2023	8,360 ⁷	273,372	16,718 ⁸	546,679
	6,750 ⁴	13,501 ⁵	0	\$31.58	8/29/2024				
	0	23,382 ⁶	0	\$35.65	8/31/2025				
Keith J. Figlioli	54,634 ³	0	0	\$27.00	9/25/2023	11,503 ⁷	376,148	23,005 ⁸	752,264
	9,590 ⁴	19,180 ⁵	0	\$31.58	8/29/2024				
	0	31,076 ⁶	0	\$35.65	8/31/2025				
R. Wesley Champion	21,495 ³	0	0	\$27.00	9/25/2023	8,823 ⁷	288,512	17,644 ⁸	576,959

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0	16,538 ⁵	0	\$31.58	8/29/2024
0	20,491 ⁶	0	\$35.65	8/31/2025

* Calculation based on the closing price of our Class A common stock on NASDAQ of \$32.70 per share on June 30, 2016.

- (1) All or a portion of these equity awards are subject to accelerated vesting upon the occurrence of certain events, including involuntary termination of employment, retirement, death or disability, as defined in the equity award s applicable award agreement.
- (2) Performance shares and performance-based restricted stock awards are earned based on achieving defined growth objectives over a three-year performance period. For the grant issued August 2014, the performance objectives are revenue and Adjusted EBITDA growth objectives for the performance period beginning on July 1, 2014, and ending on June 30, 2017; for the grant issued August 2015, the performance objective is Adjusted Fully Distributed Earnings Per Share (Adjusted EPS) for the performance period beginning on July 1, 2015, and ending on June 30, 2018. Both grants are generally subject to such officer s continued employment through the end of the performance period on June 30, 2017, and June 30, 2018, respectively. The disclosed amount reflects a 100% payout (target achievement) based on the probable achievement of the performance objectives under this grant at the grant date. The maximum payout on each performance plan is 150% of the target amount shown.
- (3) Represents fully exercisable stock options. These options were granted in September 2013 and vested in equal installments on June 30, 2014, June 30, 2015, and June 30, 2016.
- (4) Represents fully exercisable stock options. These options were granted in August 2014 and vest in equal installments on August 28, 2015, August 28, 2016, and August 28, 2017.
- (5) This amount represents 2/3 of the stock options granted in August 2014, 1/3 of which vests on August 28, 2016, and 1/3 of which vests on August 28, 2017.
- (6) This amount represents the entire number of stock options granted in August 2015, which will vest in equal installments on the first, second, and third anniversaries of the grant date.

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- (7) Reflects RSUs granted in August 2014 that are scheduled to vest on August 28, 2017, and restricted stock granted in August 2015 that is scheduled to vest on August 30, 2018, for each of the NEOs as follows:

Name	Restricted stock granted in August 2015		Total number of shares or units of stock that have not vested (# shares)
	RSUs granted in August 2014 scheduled to vest on August 28, 2017 (# shares)	scheduled to vest on August 30, 2018 (# shares)	
Susan D. DeVore	27,867	24,685	52,552
Michael J. Alkire	15,152	13,423	28,575
Craig S. McKasson	8,075	7,296	15,371
Durrall R. Gilbert	4,294	4,066	8,360
Keith J. Figlioli	6,100	5,403	11,503
R. Wesley Champion	5,260	3,563	8,823

- (8) Reflects the target level of performance shares granted in August 2014 and performance-based restricted stock granted in August 2015 to each NEO. The amount actually earned, if any, will depend on the actual performance level achieved for the applicable performance period.

Name	Performance Shares granted in August 2014			Performance-based restricted stock granted in August 2015		
	Target (# shares)	Maximum (150% of target) (# shares)	Maximum Market Value as of June 30, 2016 (\$)	Target (# shares)	Maximum (150% of target) (# shares)	Maximum Market Value as of June 30, 2016 (\$)
Susan D. DeVore	55,733	83,600	2,733,720	49,370	74,055	2,421,599
Michael J. Alkire	30,304	45,456	1,486,411	26,845	40,267	1,316,731
Craig S. McKasson	16,150	24,225	792,158	14,592	21,888	715,738
Durrall R. Gilbert	8,587	12,881	421,209	8,131	12,196	398,809
Keith J. Figlioli	12,199	18,299	598,377	10,806	16,209	530,034
R. Wesley Champion	10,519	15,779	515,973	7,125	10,688	349,498

Option Exercises and Stock Vested in Fiscal 2016

The following table sets forth information with respect to the exercise of stock options and vesting of stock awards (performance shares and RSUs) for each of the NEOs during the fiscal year ended June 30, 2016.

Name(a)	Option Awards		Stock Awards	
	Number of shares acquired on exercise (#)	Value realized on exercise (\$)	Number of shares acquired on vesting (#)	Value realized on vesting (\$)
(b)	(c)	(d)	(e)	
	0	0	635,572	20,783,204

Susan D. DeVore				
Michael J. Alkire	0	0	311,025	10,170,518
Craig S. McKasson	0	0	128,919	4,215,651
Durrall R. Gilbert	0	0	81,035	2,649,845
Keith J. Figlioli	60,422	395,202	109,550	3,582,285
R. Wesley Champion	51,259	269,590	50,802	1,661,225

Option Awards (Column (c))

The amounts shown are calculated based on the fair market value of our Class A common stock on the date of exercise for stock options.

Stock Awards (Column (e))

The amounts shown in this column are calculated based on the fair market value of our Class A common stock on June 30, 2016 (\$32.70), the last day of the performance period of our performance shares and the vesting date of the RSUs granted in September 2013.

Table of Contents**Non-Qualified Deferred Compensation Benefits for Fiscal 2016**

Our NEOs are eligible to participate in the Premier, Inc. Deferred Compensation Plan. The following table sets forth information with respect to the Deferred Compensation Plan.

Name(a)	Executive contributions in last FY (\$) (b)	Registrant contributions in last FY (\$) (c)	Aggregate earnings in last FY (\$) (d)	Aggregate withdrawals/distributions (\$) (e)	Aggregate balance at last FYE (\$) (f)
Susan D. DeVore	556,358	79,878	378,801	0	10,150,196
Michael J. Alkire	390,929	54,816	(144,744)	0	5,088,616
Craig S. McKasson	209,167	31,233	1,471	0	1,487,671
Durrall R. Gilbert	50,390	18,906	(3,655)	0	292,608
Keith J. Figlioli	79,240	20,804	7,115	0	490,253
R. Wesley Champion	66,763	20,230	(86,277)	0	1,386,695

Executive Contributions in Last Fiscal Year (Column (b))

These amounts were contributed by the executives during fiscal 2016, which are also included in the Salary and Non-Equity Incentive Compensation columns of the Summary Compensation Table for Fiscal 2016.

Registrant Contributions in Last Fiscal Year (Column (c))

Registrant contributions were made in the form of matching contributions, which are shown are included in the All Other Compensation column of the Summary Compensation Table for Fiscal 2016.

Aggregate Earnings in Last Fiscal Year (Column (d))

The earnings reflected in column (d) represent deemed investment earnings or losses for NEO accounts under the Deferred Compensation Plan. There is no guaranteed rate of return on amounts deferred under the Deferred Compensation Plan. No amounts included in column (d) are reported in the Summary Compensation Table for Fiscal 2016 because the Deferred Compensation Plan does not provide for above-market or preferential earnings.

Aggregate Withdrawals/Distributions (Column (e))

Active employees are not able to make withdrawals or receive distributions from the Deferred Compensation Plan.

Aggregate Balance at Last Fiscal Year End (Column (f))

The amounts shown reflect each participant's total account balance in the Deferred Compensation Plan as of the end of fiscal 2016 (June 30, 2016). The Deferred Compensation Plan allows NEOs to defer, on a pre-tax basis, up to 30% of their base salary and up to 30% of the annual incentive plan award. We make a company matching contribution of 100% of the first 3% deferred and 50% of the next 2% deferred under the Deferred Compensation Plan. We provide this match only with respect to eligible compensation above the annual IRS compensation limit. Distributions are

generally not allowed while NEOs are actively employed. The investment choices are similar to those offered to eligible employees in our 401(k) plan, and the plan does not offer above-market earnings. NEOs elect to receive post-separation distributions in either a lump sum or in annual installments over five years.

EMPLOYMENT AGREEMENTS

The material terms of the compensation provided to our NEOs pursuant to employment agreements and restrictive covenant agreements between us and each executive are described below. See 2016 Compensation Actions for Our Named Executive Officers above for a discussion of 2016 compensation determinations and Potential Payments Upon Termination below for a description of the payments and benefits that would be provided to our NEOs in connection with a termination of their employment or a change in control of our Company.

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Effective October 1, 2013, we and each of Ms. DeVore, Mr. Alkire and Mr. McKasson entered into new employment agreements. The term of the employment agreements for each of Ms. DeVore, Mr. Alkire and Mr. McKasson is three years from the effective date, after which the employment agreement will be automatically extended by adding a one-year term upon each anniversary of the effective date, unless either party timely provides written notice to the contrary.

Additionally, effective October 1, 2013, we and each of Mr. Gilbert, Mr. Figlioli, and Mr. Champion entered into new restrictive covenant agreements. There is no stated employment term under these agreements (i.e., employment is at-will whereby Messrs. Gilbert, Figlioli, and Champion may resign at any time for any reason and we may terminate their respective employment at any time for any reason). The agreements provide for certain restrictive covenant protections for us, and extend minimum compensation and severance benefits for Messrs. Gilbert, Figlioli, and Champion.

The employment agreements, and restrictive covenant agreements, between us and the NEOs, provide for the following:

Minimum base salaries for Ms. DeVore, Mr. Alkire, Mr. McKasson, Mr. Gilbert, Mr. Figlioli, and Mr. Champion of \$977,800, \$797,500, \$510,000, \$467,500, \$481,530 and \$488,470, respectively.

Participation in the 2013 Equity Incentive Plan.

Participation in our benefits plans and programs.

Incentive-based compensation forfeiture and clawback provisions subject to one or both of our compensation recoupment policies as in effect from time to time (see [Clawback Policy](#) for a discussion of these policies)

Restrictive covenants, including confidentiality, non-compete and non-solicitation provisions that apply during and after the term of employment.

- i For Ms. DeVore, Mr. Alkire and Mr. McKasson, if employment terminates, confidentiality covenant survives for 60 months; non-compete and non-solicitation covenants survive for 24 months.
- i For Mr. Gilbert, Mr. Figlioli, and Mr. Champion, confidentiality covenant survives 60 months; non-compete covenant survives for 12 months; non-solicitation covenant survives for 18 months.

In addition to the above, the employment agreement for Ms. DeVore provides her with insurance coverage for purposes of providing supplemental coverage of out-of-pocket expenses, including deductibles, co-insurance, uncovered benefits, etc., and administrative fees for medical and dental care in accordance with the terms and conditions of the plan, subject to our sole discretion.

POTENTIAL PAYMENTS UPON TERMINATION

As noted under Employment Agreements above, the employment agreements and restrictive covenant agreements for each NEO provide for certain payments and benefits upon their respective separation from our Company. These provisions, and the actual termination treatment for Mr. Figlioli and Mr. Champion, are summarized below.

Mr. Figlioli

Keith Figlioli resigned from his position as Senior Vice President of Healthcare Informatics effective as of June 27, 2016, but Mr. Figlioli remained employed by the company during a transition period, serving in an executive consulting role through August 31, 2016. In connection with his departure, the Company and Mr. Figlioli entered into a Transition Agreement and Release (the Transition Agreement) on June 27, 2016. Under the terms of the Transition Agreement, above and beyond any final pay, earned bonus amounts and benefits owed to him upon departure, and in lieu of the 12 months of severance outlined in his employment

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agreement with the Company, Mr. Figlioli received (i) base salary (in an amount of \$40,127.50 per month) and benefit continuation for a two-month transition period from June 27, 2016 through August 31, 2016, subject to applicable withholdings and deductions; (ii) 12 months of severance pay in an aggregate amount of \$481,530, subject to applicable withholdings and deductions, payable on a semi-monthly basis over a 12-month period following August 31, 2016; (iii) additional severance in an aggregate amount of \$14,596 for use in paying COBRA insurance premiums or other expenses, subject to applicable withholdings and deductions, payable on a semi-monthly basis over a 12-month period following August 31, 2016; and (iv) 12 months of executive outplacement assistance in the amount of \$12,000, payable directly to the outplacement vendor.

The payments above are contingent upon Mr. Figlioli's compliance with the following covenants, including, among other things, (i) refraining from engaging in certain competitive activities as previously agreed to by him for 12 and in some cases 18 months following his final separation date, including non-compete and non-solicitation provisions; (ii) preserving and not disclosing the Company's confidential information as previously agreed to by him for five years following his final separation date; (iii) fully releasing the Company and its subsidiaries and affiliate companies from all claims arising from his employment with or separation from the Company; and (iv) cooperating and assisting the Company in transitioning his work assignments and responsibilities.

Pursuant to the terms of his equity award agreements, Mr. Figlioli was entitled to the following with respect to outstanding and unvested equity awards:

Performance shares and performance-based restricted stock pro rata portion of the shares will be paid out upon certification of the actual results under each respective grant, based on the following formula: total number of shares awarded (based on actual performance results) multiplied by the number of days of active service following the beginning of the respective performance period divided by 1,095 days.

RSUs and restricted stock pro rata portion of shares equal to number of days of active service since the grant date divided by 1,095 days.

NQSOs the portion of the option that would have otherwise vested over the 12-month period following the date of termination will vest. Any vested NQSOs would be exercisable for the time periods set forth in the respective award agreements, generally one year thereafter (but not beyond the original expiration date).

The following table sets forth quantitative information with respect to payments to Mr. Figlioli upon termination in based on the circumstances and conditions described above. The amounts included in the table below do not include amounts otherwise due and owing to Mr. Figlioli, such as salary or annual bonus earned through the date of termination, as those amounts are reflected in the preceding tables or payments or benefits generally available to all of our salaried employees. Values in the table below with respect to equity are based on an August 31, 2016, termination date and \$32.70 per share, the closing price of our Class A common stock on June 30, 2016.

NEO	Severance ¹ (\$)	Stock-Based Awards ² (\$)	Total ³ (\$)
Keith J. Figlioli	588,381	630,537	1,218,918

- (1) Under the terms of the Transition Agreement with Mr. Figlioli, includes (i) base salary (in an amount of \$40,127.50 per month) and benefit continuation for a two-month transition period from June 27, 2016 through August 31, 2016, subject to applicable withholdings and deductions; (ii) 12 months of severance pay in an aggregate amount of \$481,530, subject to applicable withholdings and deductions, payable on a semi-monthly basis over a 12-month period following August 31, 2016; (iii) additional severance in an aggregate amount of \$14,596 for use in paying COBRA insurance premiums or other expenses, subject to applicable withholdings and deductions, payable on a semi-monthly basis over a 12-month period following August 31, 2016; (iv) \$12,000 for 12 months of executive outplacement assistance to be paid directly to the outplacement vendor.

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- (2) Reflects the value of unvested performance shares, performance-based restricted stock, RSUs, restricted stock, and NQSOs granted prior to fiscal 2016 that will vest as a result of the termination of employment not for cause or for good reason, as applicable, based on the excess of the closing sale price of common stock on June 30, 2016 (\$32.70), over the exercise price of stock options and the closing sale price of common stock on June 30, 2016 (\$32.70), for performance shares, performance-based restricted stock, RSUs, and restricted stock, and assumes the performance for performance shares and performance-based restricted stock is at target (100%).

Mr. Champion

On August 8, 2016, Mr. Champion informed the Company that he will resign from Premier effective October 31, 2016. Under this voluntary resignation, Mr. Champion will not receive any of the severance payments outlined above and summarized for the other NEOs in the tables below.

Involuntary Termination without Cause or Resignation for Good Reason Non-Change in Control Event

Severance benefits in the event the NEO is terminated without cause or resigns for good reason are as follows:

For Ms. DeVore, Mr. Alkire and Mr. McKasson, if terminated without cause or for resignation for good reason, we will pay 1.9 times the respective executive's annual base salary in cash over 24 months following termination. Good reason applies only under the employment agreements for Ms. DeVore, Mr. Alkire and Mr. McKasson and means a resignation due to (i) a reduction in position, responsibilities, or status or a change in title resulting in material reduction in responsibilities or position; (ii) change in reporting responsibility; (iii) reduction in base salary; (iv) relocation to a location outside a 50-mile radius of the executive's primary office location; (v) our failure to make any material non-forfeited payments earned or (vi) failure of a successor to assume obligations under executives' employment agreements. A termination without cause under our employment agreements and restrictive covenant agreements means an involuntary termination of the executive officer's employment for any reason other than death, disability, cause, or for Mr. DeVore, Mr. Alkire and Mr. McKasson, good reason.

For Ms. DeVore, Mr. Alkire and Mr. McKasson, if terminated without cause or for resignation for good reason within 24 months following a change in control (as defined in the 2013 Equity Incentive Plan), we will pay 2.4 times the respective executive's total annual compensation in cash over 30 months following termination. Total annual compensation for this purpose means the sum of the executive's then annualized base salary, plus the greater of (i) their target annual incentive plan bonus as of termination, or (ii) the average annual incentive plan bonuses paid during the 36 months preceding employment termination.

Per the terms of the agreement for Mr. Gilbert, if terminated without cause, or due to a change in control, we will pay Mr. Gilbert's annual base salary in cash for 12 months following termination.

The NEOs' rights to receive severance benefits upon termination are conditioned upon the execution of a release of claims against us. Additionally, severance benefits may be reduced or terminated and equity awards may be forfeited if the executive breaches applicable restrictive covenant terms.

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Severance payments may be delayed to the extent necessary for compliance with Section 409A of the Code governing nonqualified deferred compensation.

In the event of a termination for cause, or a voluntary resignation, the executives would not receive any of the severance payments outlined above and summarized in the tables below.

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In the event of a termination without cause (other than after a change in control, which is covered below), the executives would receive the severance payments summarized in the Employment Agreements section above. Outstanding equity awards for NEOs for an involuntary termination without cause, or for resignation for good reason, as applicable, would be treated as follows:

Performance shares and performance-based restricted stock pro rata portion of the shares that are earned based on our performance will be paid out upon certification of the actual results under each respective grant, based on the following formula: total number of shares awarded (based on actual performance results) multiplied by the number of days of active service following the beginning of the respective performance period divided by 1,095 days.

RSUs and time-based restricted stock pro rata portion of shares equal to number of days of active service since the grant date divided by 1,095 days.

NQSOs the portion of the option that would have otherwise vested over the 12-month period following the date of termination will vest. Any vested NQSOs would be exercisable for the time periods set forth in the respective award agreements, generally one year thereafter (but not beyond the original expiration date).

Potential Payments upon Involuntary Termination without Cause at June 30, 2016

The following table sets forth quantitative information with respect to potential payments to each NEO or her/his beneficiaries upon termination in various circumstances as described above, assuming termination on June 30, 2016. The amounts included in the table below do not include amounts otherwise due and owing to each applicable NEO, such as salary or annual bonus earned through the date of termination, as those amounts are reflected in the preceding tables or payments or benefits generally available to all of our salaried employees. Values in the table below with respect to equity are based on \$32.70 per share, the closing price of our Class A common stock on June 30, 2016.

NEO	Base Salary Continuation ¹ (\$)	Stock-Based Awards ² (\$)	Total ³ (\$)
Susan D. DeVore	1,857,820	2,589,438	4,447,258
Michael J. Alkire	1,515,250	1,407,996	2,923,246
Craig S. McKasson	969,000	754,842	1,723,842
Durrall R. Gilbert	467,500	407,154	874,654

- (1) For Ms. DeVore, Mr. Alkire and Mr. McKasson, base salary continuation equals 1.9 times respective NEO's annual base salary as of June 30, 2016, paid over 24 months following termination without cause or for good reason. For Mr. Gilbert, base salary continuation equals one times his respective annual base salary as of June 30, 2016, paid over 12 months following termination without cause.
- (2) Reflects the value of unvested performance shares, performance-based restricted stock, RSUs, time-based restricted stock, and NQSOs granted prior to 2016 that will vest as a result of the termination of employment not for cause or for good reason as applicable based on the excess of the closing sale price of common stock on June 30, 2016 (\$32.70), over the exercise price of stock options and the closing sale price of common stock on June

30, 2016 (\$32.70), for performance shares, performance-based restricted stock, RSUs, and time-based restricted stock, and assumes the performance for performance shares and performance-based restricted stock is at target (100%).

- (3) In the event an involuntary termination for cause, or a voluntary resignation, the executives would not receive any of the payments outlined in the table.

Involuntary Termination without Cause or Resignation for Good Reason Change in Control Event

A termination upon a change in control (as defined in the 2013 Equity Incentive Plan), is a termination without cause or a resignation for good reason as applicable within 24 months following a change in control. We do not provide our NEOs a gross-up of any golden parachute excise taxes under the Code. Our equity award

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agreements include a modified cutback provision. Benefits under these equity awards, the employment agreements, and other plans and arrangements covering our NEOs are paid out in full or reduced so that the golden parachute excise tax is avoided, whichever produces a better after-tax result for the NEO. Outstanding equity awards for NEOs for an involuntary termination or resignation for good reason as applicable, within 24 months following a change in control, would be treated as follows:

Performance shares and performance-based restricted stock all shares will be paid out upon certification of the anticipated performance relative to performance goals from the start of the respective performance period to the date of the change in control.

Time-based RSUs and restricted stock all unvested shares will vest upon termination within 12 months following a change in control.

NQSOs all NQSOs will vest upon termination within 12 months following a change in control. Any vested NQSOs would be exercisable for the time periods set forth in the respective award agreements, generally one year thereafter (but not beyond the original expiration date).

Potential Payments upon Involuntary Termination without Cause Due to a Change in Control at June 30, 2016

The following table sets forth quantitative information with respect to potential payments to each NEO or her/his beneficiaries upon termination in various circumstances as described above, assuming termination on June 30, 2016. The amounts included in the table below do not include amounts otherwise due and owing to each applicable NEO, such as salary or annual bonus earned through the date of termination, as those amounts are reflected in the preceding tables or payments or benefits generally available to all of our salaried employees. Values in the table below with respect to equity are based on \$32.70 per share, the closing price of our Class A common stock on June 30, 2016.

NEO	Total Annual Compensation		
	Continuation ¹ (\$)	Equity Awards ² (\$)	Total (\$)
Susan D. DeVore	5,306,029	5,253,465	10,559,494
Michael J. Alkire	3,844,906	2,856,530	6,701,436
Craig S. McKasson	2,458,812	1,536,335	3,995,147
Durrall R. Gilbert	467,500	835,172	1,302,672

- (1) For Ms. DeVore, Mr. Alkire and Mr. McKasson, total annual compensation continuation equals 2.4 times respective NEO's total annual compensation as of June 30, 2016, paid over 30 months following termination within 24 months following a change in control. Total annual compensation means the sum of the executive's then annualized base salary, plus the greater of (i) their target annual incentive plan bonus as of termination, or (ii) the average annual incentive plan bonuses paid during the 36 months preceding employment termination. For Mr. Gilbert, base salary continuation equals one times his annual base salary as of June 30, 2016, paid over 12 months following termination after a change in control.

- (2) Reflects the value of unvested performance shares, performance-based restricted stock, RSUs, and stock options granted prior to 2016 that will vest as a result of the termination of employment following a change in control based on the excess of the closing sale price of common stock on June 30, 2016 (\$32.70), over the exercise price of stock options and the closing sale price of common stock on June 30, 2016 (\$32.70), for performance shares, performance-based restricted stock, RSUs, and restricted stock, and assumes the performance for performance shares and performance-based restricted stock is at target (100%).

Table of Contents**Termination Due to Approved Retirement, Disability or Death**

In the event of a termination due to approved retirement (which means a voluntary resignation from our Company on or after attaining age 59.5, or attaining age 55 with five or more years of service), disability, or death, (other than after a change in control, which is covered above), the NEOs would receive the severance payments summarized in the

Employment Agreements section above. Outstanding equity awards for the NEOs for a termination due to approved retirement, disability or death, would be treated as follows:

Performance shares and performance-based restricted stock pro rata portion of the performance shares will be paid out upon certification of the actual results under each respective grant, based on the following formula: total number of shares (based on actual performance results) multiplied by the number of days of active service following the beginning of the respective performance period divided by 1,095 days.

Time-based RSUs and restricted stock pro rata portion of shares underlying RSUs equal to number of days of active service since the grant date divided by 1,095 days.

NQSOs the portion of the option that would have vested over the 12-month period following the date of termination will vest. Any vested NQSOs would be exercisable for the time periods set forth in the respective award agreements, generally one year thereafter (but not beyond the original expiration date).

Potential Payments upon Involuntary Termination Due to Approved Retirement, Disability or Death at June 30, 2016

The following table sets forth quantitative information with respect to potential payments to each NEO or her/his beneficiaries upon termination in various circumstances as described above, assuming termination on June 30, 2016. The amounts included in the table below do not include amounts otherwise due and owing to each applicable NEO, such as salary or annual bonus earned through the date of termination, as those amounts are reflected in the preceding tables or payments or benefits generally available to all of our salaried employees. Values in the table below with respect to equity are based on \$32.70 per share, the closing price of our Class A common stock on June 30, 2016.

NEO	Equity Awards¹ (\$)	Total (\$)
Susan D. DeVore	2,589,438	2,589,438
Michael J. Alkire	1,407,996	1,407,996
Craig S. McKasson	754,842	754,842
Durrall R. Gilbert	407,154	407,154

- (1) Reflects the value of unvested performance shares, performance-based restricted stock, RSUs, restricted stock, and stock options granted prior to 2016 that will vest as a result of the termination of employment due to retirement, disability, or death based on the excess of the closing sale price of common stock on June 30, 2016 (\$32.70), over the exercise price of stock options and the closing sale price of common stock on June 30, 2016 (\$32.70), for performance shares, performance-based restricted stock, RSUs, and restricted stock, and assumes the performance for performance shares and performance-based restricted stock is at target (100%).

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COMPENSATION COMMITTEE REPORT

The Compensation Committee oversees our compensation programs on behalf of the Board. In fulfilling its oversight responsibilities, the Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis included in this proxy statement. Following that review and discussion, the Compensation Committee recommended that the Board include the Compensation Discussion and Analysis in our proxy statement to be filed with the SEC in connection with our Annual Meeting and incorporate it by reference in our Annual Report on Form 10-K for the fiscal year ended June 30, 2016, filed with the SEC on August 26, 2016.

Compensation Committee:

William E. Mayer (Chair)

Stephen R. D Arcy

Marc D. Miller

Richard J. Statuto

Executive Compensation Role of the Compensation Consultant

During our fiscal year 2016, the Compensation Committee directly retained the services of Mercer LLC to provide advice and recommendations to the Compensation Committee on executive officer and Board of Director compensation programs. Mercer's fees for executive compensation consulting to the Compensation Committee for fiscal year 2016 were approximately \$281,000.

During fiscal year 2016, Mercer provided the following services to the Compensation Committee related to executive officer compensation:

Attended meetings of the Compensation Committee as the Committee's advisor;

Evaluated the competitive positioning of our executive officers' base salaries, annual incentive and long-term incentive compensation relative to our peer companies;

Advised on target award levels within the annual and long-term incentive plans and, as needed, on actual compensation actions;

Assessed the alignment of executive officer compensation levels relative to our performance against our peer companies and relative to the Compensation Committee's articulated compensation philosophy;

Provided advice on the design of our annual and long-term incentive plans;

Advised on the performance measures and performance targets for the annual and long-term incentive programs; and

Evaluated the competitive positioning of the compensation of our independent directors and member directors and made recommendations for change.

During fiscal year 2016, management retained the services of Mercer to provide compensation and health and welfare consulting, and affiliated companies Marsh and National Economic Research Associates, Inc. to provide insurance services and economic consulting services, respectively. The aggregate fees paid for these services for fiscal year 2016 were approximately \$533,000.

Based in part on the policies and procedures Mercer and the Compensation Committee have in place, the Compensation Committee believes that the advice it receives from the executive compensation consultant, a Mercer representative, is objective and not influenced by Mercer's or its affiliates' relationships with Premier. These policies and procedures include:

The executive compensation consultant receives no incentive or other compensation based on the fees charged to us for other services provided by Mercer or any of its affiliates;

The executive compensation consultant is not responsible for selling other Mercer or affiliate services to us;

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Mercer's professional standards prohibit the executive compensation consultant from considering any other relationships Mercer or any of its affiliates may have with us in rendering his or her advice and recommendations;

The Compensation Committee has the sole authority to retain and terminate the executive compensation consultant;

The executive compensation consultant has direct access to the Compensation Committee without management intervention;

The Compensation Committee evaluates the quality and objectivity of the services provided by the executive compensation consultant each year and determines whether to continue to retain the consultant; and

The protocols for the engagement (described below) limit how the executive compensation consultant may interact with management.

While it is necessary for the executive compensation consultant to interact with management to gather information, the Compensation Committee has adopted protocols governing if and when the executive compensation consultant's advice and recommendations can be shared with management. These protocols are included in the Compensation Committee's engagement letter with Mercer. The Compensation Committee also determines the appropriate forum for receiving the executive compensation consultant's recommendations. Where appropriate, management invitees are present to provide context for the recommendations.

EQUITY COMPENSATION PLAN INFORMATION

As of June 30, 2016, we granted equity awards to employees and directors under the Premier, Inc. 2013 Equity Incentive Plan, as amended, which initially was approved by our stockholders prior to our October 2013 initial public offering and was approved most recently by our stockholders in December 2015. The following table sets forth certain information as of June 30, 2016 concerning the shares of Class A common stock authorized for issuance under this equity compensation plan. No shares of Class B common stock are authorized for issuance under this plan, and we have no equity compensation plans under which shares may be issued that have not been approved by our stockholders.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
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(c)

Equity compensation plans approved by security holders:				
Premier, Inc. 2013 Equity Incentive Plan	4,346,470(1)	\$	30.04(2)	5,493,425(3)
Equity compensation plans not approved by security holders			n/a	
Total	4,346,470(1)	\$	30.04(2)	5,493,425(3)

(1) Assumes restricted stock unit (RSU), restricted stock (RSA), performance share (PSA) and stock option awards are paid at target, except for August 31, 2015 performance-based restricted stock awards that were granted at the maximum payout level (and are subject to forfeiture). Actual shares awarded may be higher or lower based upon actual performance over the measurement period. For more detailed information, see *Note 18 Stock-Based Compensation* to our Consolidated Financial Statements in our 2016 Form 10-K.

(2) This calculation only reflects outstanding stock option awards.

(3) Reflects, as of June 30, 2016, shares reserved for future grants of stock options, RSUs, RSAs, PSAs and/or other equity awards. Any shares withheld to satisfy tax withholding obligations or tendered to pay the exercise price of an option shall again be available for grant under the terms of the plan.

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REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE

The following Report of the Audit and Compliance Committee does not constitute soliciting material and shall not be deemed filed or incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent Premier specifically incorporates such information by reference.

The Board of Directors has the ultimate authority for effective corporate governance, including the role of oversight of Premier's management. The Audit and Compliance Committee's purpose is to assist the Board of Directors in fulfilling its responsibilities to Premier and its stockholders by overseeing the accounting and financial reporting processes, the qualifications and selection of the independent registered public accounting firm engaged by the Company, the Company's Ethics & Compliance Program as directed by the Chief Ethics and Compliance Officer, and the performance of the internal auditors and independent registered public accounting firm. The Audit and Compliance Committee members' functions are not intended to duplicate or to certify the activities of Premier's management or Premier's independent registered public accounting firm.

In its oversight role, the Audit and Compliance Committee relies on the expertise, knowledge and assurances of management, the internal auditors, and the independent registered public accounting firm. Management has the primary responsibility for establishing and maintaining effective systems of internal and disclosure controls (including internal control over financial reporting), for preparing financial statements, and for the public reporting process. Ernst & Young LLP (EY), Premier's independent registered public accounting firm, is responsible for performing an independent audit of Premier's consolidated financial statements and for expressing an opinion on the conformity of the Company's audited financial statements with generally accepted accounting principles in the United States. In this context, the Audit and Compliance Committee:

reviewed and discussed with management and EY the fair and complete presentation of Premier's consolidated financial statements and related periodic reports filed with the SEC (including the audited consolidated financial statements for the fiscal year ended June 30, 2016);

discussed with EY the matters required to be discussed by the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), including PCAOB Auditing Standard No. 16 (Communications with Audit Committees); and

received the written disclosures and the letter from EY required by PCAOB Rule 3526 (Communication with Audit Committees Concerning Independence) and discussed with EY its independence from the Company and its management.

The Audit and Compliance Committee also discussed with Premier's internal auditors and EY the overall scope and plans for their respective audits; reviewed and discussed with management, the internal auditors and EY the effectiveness of the Company's internal control over financial reporting, the significant accounting policies applied by Premier in its financial statements, as well as alternative treatments and risk assessment; and met periodically in executive sessions with each of management, the internal auditors and EY.

The Audit and Compliance Committee was kept apprised of the progress of management's assessment of Premier's internal control over financial reporting and provided oversight to management during the process.

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Based on the reviews and discussions described above, the Audit and Compliance Committee recommended to the Board of Directors, and the Board of Directors approved, that the audited consolidated financial statements for the fiscal year ended June 30, 2016 be included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2016 for filing with the SEC. The Audit and Compliance Committee has selected EY as the Company's independent registered public accounting firm for fiscal year 2017.

*Members of the Audit and Compliance Committee**

Ellen C. Wolf, Chair

Stephen R. D Arcy

Jody R. Davids

* David H. Langstaff became a member of the Audit and Compliance Committee on September 1, 2016 and did not participate in the matters described above.

Table of Contents**EXECUTIVE OFFICERS**

The following table lists all of our executive officers who are not also directors. Each of our executive officers will hold office until his or her successor is elected and qualified, or until his or her earlier resignation or removal. There are no family relationships between any of our executive officers and our directors or director nominees. The business address of each of our executive officers is 13034 Ballantyne Corporate Place, Charlotte, NC 28277. References to positions held at Premier LP are to positions held at the general partner of Premier LP both before and after our reorganization and IPO.

Executive Officers Who are Not Directors

Michael J. Alkire	53	Chief Operating Officer
Mr. Alkire has served as the Chief Operating Officer of Premier since 2013. He has served in the same position at PHSI and Premier LP since 2011 and was a member of the board of directors of PHSI and the board of managers of Premier Plans from 2011 to 2013. Mr. Alkire joined Premier in 2004 as a Senior Vice President until he assumed the role of President of Premier LP from 2006 to 2011. In July 2016, Mr. Alkire joined the board of directors of FFF Enterprises, Inc., a distributor of plasma products, vaccines, biosimilars and other specialty pharmaceuticals and biopharmaceuticals. Mr. Alkire's prior executive experience also includes positions at Deloitte & Touche LLP and Cap Gemini Ernst & Young. Mr. Alkire is a member of the East Coast Healthcare Executive Summit and a past director on the board of directors of Global Healthcare Exchange, LLC and the Healthcare Supply Chain Association. Mr. Alkire obtained a bachelor's degree from Indiana State University and his Master of Business Administration from Indiana University.		
Craig S. McKasson	49	Senior Vice President and Chief Financial Officer
Mr. McKasson has served as the Senior Vice President and Chief Financial Officer of Premier since 2013. He has served in the same positions at PHSI and Premier LP since 2010, and, prior to that, he served those entities as Vice President and Corporate Controller from 1997 to 2010. Mr. McKasson currently serves as a member of the board of managers of Innovatix LLC and the board of directors (and on the executive and audit committees and as treasurer and chairman of the finance committee) of Saint Vincent De Paul Village Inc. From 2010 to 2014, Mr. McKasson served as a board and audit committee member (and compensation committee member from 2013 to 2014) of Global Healthcare Exchange, LLC. Mr. McKasson is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. Mr. McKasson obtained a bachelor's degree in business administration and a Master of Science in accountancy from San Diego State University.		
Durrall R. Gilbert	50	President of Supply Chain Services
Mr. Gilbert has served as the President of Supply Chain Services of Premier since 2013. He has served in the same position at Premier LP since 2012. Mr. Gilbert joined Premier in 2006 as PHSI's Vice President of Operations, Supply Chain until he assumed the role of PHSI's Senior Vice President of Supply Chain Emerging Services from 2011 to 2012. In February 2016, Mr. Gilbert joined the board of BloodSolutions, LLC, a technology company connecting hospitals and blood centers. Mr. Gilbert's prior experience also includes executive positions at BDS Management,		

LLC, Marsh Inc., LearningStation Inc. and Wachovia Securities, Inc. Mr. Gilbert currently serves as a member of the board of advisors of the McColl School of Business, Queens University of Charlotte and the board of directors of the Healthcare Supply Chain Association, where he also serves as Treasurer. Mr. Gilbert previously served as a director on the board of directors of CCX, Inc. Mr. Gilbert obtained a bachelor's degree from the University of North Carolina at Chapel Hill and a Master of Business Administration from Duke University.

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R. Wesley Champion	50	Senior Vice President of Premier Performance Partners
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(Through October 31, 2016)

Mr. Champion has served as a Senior Vice President of Premier since 2013, and he has also served as a Senior Vice President of Premier LP since 2007 and as the business unit leader for consulting for Premier LP since 2007. Mr. Champion has announced his resignation from Premier effective October 31, 2016. Prior to joining Premier, Mr. Champion was a Senior Executive at Accenture PLC, a NYSE-listed company, and a Vice President at Cap Gemini Ernst & Young. Mr. Champion currently sits on the editorial board of directors of Accountable Care News. Mr. Champion also served as the chief financial officer of a primary care network, an ambulatory service division and a provider-sponsored health plan for an integrated delivery and financing system. Mr. Champion obtained a bachelor's degree from the College of Charleston.

Kelly Rakowski	47	Senior Vice President of Premier Performance Partners
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(Effective November 1, 2016)

Ms. Rakowski will become the Senior Vice President Premier Performance Partners effective as of November 1, 2016. Ms. Rakowski currently serves as Vice President Advisory Services, Performance Partners with Premier, a position she has held since June 2016. Prior to joining Premier, Ms. Rakowski was Senior Vice President, Healthcare Payer Services at Xerox Corporation, a publicly-traded company, from 2014 to June 2016 and was a Managing Director leading the Health Provider Practice at Accenture PLC, a publicly-traded company, from 2008 to 2014. She also previously served in healthcare consulting management positions with GE Healthcare and Cap Gemini Ernst & Young. Ms. Rakowski obtained a bachelor's degree from the University of Rochester and a Master of Health Services Administration from the University of Michigan.

Leigh Anderson	49	Chief Information Officer
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Mr. Anderson has served as the Chief Information Officer of Premier since June 2016. He joined Premier in 2013 as the Chief Operating Officer for Information and Technology Services. Prior to joining Premier, Mr. Anderson was the CIO of HealthTrust and Parallon Supply Chain at Hospital Corporation of America, a healthcare service provider consisting of locally-managed hospitals and surgical centers, from 2011 to 2013. He also previously served in lead informatics roles with Global Healthcare Exchange (GHX), Longmont United Hospital, Whittman-Hart, US West and AT&T. Mr. Anderson previously served on the U.S. governing board of GS1, an international supply chain standards body with over 1,000,000 member companies, and on the board of directors of GHX. He obtained a bachelor's degree from Hofstra University and a Master of Business Administration from Wake Forest University.

Kelli L. Price	54	Senior Vice President of People
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Ms. Price has served as the Senior Vice President of People of Premier since 2013. She has served in the same position at PHSI and Premier LP since 2009. Ms. Price joined Premier in 2001 as a member of Human Resources at Premier LP and assumed the role of Vice President of Engagement and Performance Excellence at Premier LP from 2004 to 2009. Prior to joining Premier, Ms. Price was a senior partner with a North Carolina-based management and organizational development consulting firm. Ms. Price previously served as a North Carolina State Quality Examiner

and on the National Board of Examiners for the Malcolm Baldrige National Quality Awards Program. Ms. Price obtained a bachelor's degree from the University of North Carolina at Greensboro and a Master of Business Administration from Queens University of Charlotte.

David L. Klatsky

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General Counsel

Mr. Klatsky has served as the General Counsel of Premier since July 2016. Prior to joining Premier, Mr. Klatsky practiced law from 1992 to 2016 with the global law firm McDermott Will & Emery LLP (MWE), where he was

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a partner in MWE's health practice group. During his time at MWE, Mr. Klatsky worked extensively with Premier and its affiliated companies since the organization's founding in 1996, including serving as chief outside counsel from 2007 to 2016. A nationally recognized healthcare legal expert, Mr. Klatsky helped lead Premier through its initial public offering and corporate restructure in 2013. His career has included advising Fortune 500 companies, private equity firms, and for-profit and tax-exempt healthcare services clients on the transactional and regulatory aspects of mergers, acquisitions and joint ventures in the healthcare sector. Having practiced corporate and healthcare law for over 25 years, Mr. Klatsky has acted as the lead lawyer in a broad cross section of health industry transactions. Mr. Klatsky obtained a bachelor's degree from Brown University and a Juris Doctor degree from the University of California Los Angeles School of Law.

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OTHER BUSINESS

As of the date of this proxy statement, management does not intend to present, and has not been informed that any other person intends to present, any matter for action not specified in this proxy statement. If any other matters properly come before the Annual Meeting, it is intended that the proxy holders will act on those matters in accordance with their best judgment.

ANNUAL REPORT ON FORM 10-K

A copy of our 2016 Form 10-K, as filed with the SEC, will be mailed without charge to any holder of our common stock upon request. Requests for our 2016 Form 10-K should be addressed to: Investor Relations, Premier, Inc., 13034 Ballantyne Corporate Place, Charlotte, North Carolina 28277. The 2016 Form 10-K includes certain exhibits. Copies of the exhibits will be provided only upon receipt of payment covering our reasonable expenses for such copies. The 2016 Form 10-K and exhibits may also be obtained from our website, www.premierinc.com on the Investor Relations page, or directly from the SEC's website, www.sec.gov.

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STOCKHOLDER PROPOSALS FOR 2017 ANNUAL MEETING OF STOCKHOLDERS

Any proposals that our stockholders wish to have included in our proxy statement and form of proxy for the 2017 annual meeting of stockholders must be received by us no later than the close of business on June 21, 2017 and must otherwise comply with the requirements of Rule 14a-8 of the Exchange Act in order to be considered for inclusion in the 2017 proxy statement and form of proxy. The inclusion of any proposal will be subject to applicable rules of the SEC, including Rule 14a-8 of the Exchange Act, as amended from time to time, and timely submission of a proposal does not guarantee its inclusion in our proxy statement.

You may also submit a proposal without having it included in our proxy statement and form of proxy, but we are not required to submit such a proposal for consideration at the annual meeting if it is considered untimely. To submit a proposal, a stockholder must be entitled to vote on such proposal at the meeting and must be a stockholder at the time notification of the proposal is provided to us. In accordance with Article I, Section 12 of our Bylaws, to be timely your proposal must be delivered to or mailed and received at our principal executive offices on or after August 4, 2017 and not later than September 3, 2017; provided, however, that in the event the date of the 2017 annual meeting is advanced by more than 20 days, or delayed by more than 70 days, from the anniversary date of our December 2, 2016 Annual Meeting, your proposal and related notice, in order to be timely, must be received not earlier than the 120th day prior to the 2017 annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made.

All stockholder proposals and related notice must be in the form set forth in Article I, Section 12 of our Bylaws and must be addressed to Premier, Inc., 13034 Ballantyne Corporate Place, Charlotte, North Carolina 28277, Attention: Corporate Secretary. Article I, Section 12 of our Bylaws requires, among other things, that the proposal and related notice must set forth:

- (1) (i) a brief description of the business desired to be brought before the annual meeting (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend our Bylaws, the language of the proposed amendment); (ii) the reasons for conducting that business at the annual meeting and (iii) any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made;
- (2) the name and record address of the stockholder giving notice and the beneficial owner, if any, on whose behalf the proposal is being made;
- (3) the class and number of shares of our stock which are owned beneficially and of record by such stockholder and such beneficial owner;
- (4) a representation that the stockholder intends to appear in person or by proxy at the meeting to propose such business;
- (5) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (i) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of our outstanding capital stock required to approve or adopt the proposal and/or (ii) otherwise to solicit proxies from stockholders in support of such proposal;
- (6) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations

promulgated thereunder;

(7) a description of any agreement, arrangement or understanding with respect to the proposal and/or the voting of shares of any class or series of our stock between or among the stockholder giving the notice, the

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beneficial owner, if any, on whose behalf the proposal is made, any of their respective affiliates or associates and/or any others acting in concert with any of the foregoing (collectively, proponent persons); and

(8) a description of any agreement, arrangement or understanding (including without limitation any contract to purchase or sell, acquisition or grant of any option, right or warrant to purchase or sell, swap or other instrument) the intent or effect of which may be (i) to transfer to or from any proponent person, in whole or in part, any of the economic consequences of ownership of any security of ours; (ii) to increase or decrease the voting power of any proponent person with respect to shares of any class or series of our stock and/or (iii) to provide any proponent person, directly or indirectly, with the opportunity to profit or share in any profit derived from, or to otherwise benefit economically from, any increase or decrease in the value of any security of ours.

A stockholder proposing business for the annual meeting must update and supplement the notice required by Article I, Section 12 of our Bylaws so that the information in the notice is true and correct as of the record date for the annual meeting and as of the date that is 15 days prior to the annual meeting or any adjournment or postponement thereof; such update and supplement shall be delivered in writing to the Corporate Secretary at our principal executive offices not later than five days after the record date for the meeting (in the case of any update and supplement required to be made as of the record date), and not later than 10 days prior to the date for the meeting or any adjournment or postponement thereof (in the case of any update and supplement required to be made as of 15 days prior to the meeting or any adjournment or postponement thereof). Any stockholder that intends to submit a proposal should read the entirety of the requirements in our Bylaws, particularly Article I, Section 12, which can be found in the Investors section of our website at investors.premierinc.com.

If notice is not timely and properly provided, the persons named in our proxy for the 2017 annual meeting of stockholders will be allowed to exercise their discretionary authority to vote upon any such proposal without the matter having been discussed in the proxy statement for the 2017 annual meeting of stockholders. Only such proposals as are (i) required by the rules of the SEC and (ii) permissible stockholder motions under the Delaware General Corporation Law will be included on the agenda for the 2017 annual meeting of stockholders.

ALL STOCKHOLDERS ARE URGED TO COMPLETE, SIGN, DATE AND RETURN THE

ACCOMPANYING PROXY OR VOTING INSTRUCTION CARD IN THE

ENCLOSED POSTAGE-PAID ENVELOPE.

THANK YOU FOR YOUR PROMPT ATTENTION TO THIS MATTER.

By Order of the Board of Directors,

Richard J. Statuto
Chairman of the Board of Directors

Charlotte, NC

October 19, 2016

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To help our readers understand our past financial performance, our future operating results, and our liquidity, we supplement the financial results we provide in accordance with generally accepted accounting principles in the United States of America (GAAP) with certain non-GAAP financial measures that are not determined in accordance with GAAP (Non-GAAP). Our management regularly uses our supplemental Non-GAAP financial measures to understand, manage, and evaluate our business and make operating decisions.

In the accompanying proxy statement, particularly under the heading Executive Compensation Compensation Discussion and Analysis , we use the following Non-GAAP financial measures: EBITDA, Adjusted EBITDA, and Adjusted Fully Distributed Earnings per Share.

We define EBITDA as net income before interest and investment income, net, income tax expense, depreciation and amortization and amortization of purchased intangible assets. We define Adjusted EBITDA as EBITDA before merger and acquisition related expenses and non-recurring, non-cash or non-operating items and including equity in net income of unconsolidated affiliates. For all Non-GAAP financial measures, we consider non-recurring items to be expenses and other items that have not been incurred within the prior two years and are not expected to recur within the next two years. Such expenses include certain strategic and financial restructuring expenses. Non-operating items include gain or loss on the disposal of assets.

We define Adjusted Fully Distributed Net Income as net income attributable to Premier (i) excluding income tax expense, (ii) excluding the impact of adjustment of redeemable limited partners capital to redemption amount, (iii) excluding the effect of non-recurring and non-cash items, (iv) assuming the exchange of all the Class B common units into shares of Class A common stock, which results in the elimination of non-controlling interest in Premier LP and (v) reflecting an adjustment for income tax expense on Non-GAAP fully distributed net income before income taxes at our estimated effective income tax rate. Adjusted Fully Distributed Net Income is a Non-GAAP financial measure because it represents net income attributable to Premier before merger and acquisition related expenses and non-recurring or non-cash items, the effects of non-controlling interests in Premier LP and the impact of the adjustment of redeemable limited partners capital to redemption amount.

We define Adjusted Fully Distributed Earnings per Share as earnings per share attributable to Premier (i) excluding income tax expense, (ii) excluding the impact of adjustment of redeemable limited partners capital to redemption amount, (iii) excluding the effect of non-recurring and non-cash items, (iv) assuming the exchange of all the Class B common units into shares of Class A common stock, which results in the elimination of non-controlling interest in Premier LP and (v) reflecting an adjustment for income tax expense on Non-GAAP fully distributed net income before income taxes at our estimated effective income tax rate. Adjusted Fully Distributed Earnings per Share is a Non-GAAP financial measure because it represents earnings per share attributable to Premier before merger and acquisition related expenses and non-recurring or non-cash items, the effects of non-controlling interests in Premier LP, and the impact of the adjustment of redeemable limited partners capital to redemption amount.

Adjusted EBITDA is a supplemental financial measures used by us and by external users of our financial statements. We consider Adjusted EBITDA to be an indicator of the operational strength and performance of our business. Adjusted EBITDA allows us to assess our performance without regard to financing methods and capital structure and without the impact of other matters that we do not consider indicative of the operating performance of our business.

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We use Adjusted EBITDA, Adjusted Fully Distributed Net Income and Adjusted Fully Distributed Earnings per Share to facilitate a comparison of our operating performance on a consistent basis from period to period that, when viewed in combination with our results prepared in accordance with GAAP, provides a more complete

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understanding of factors and trends affecting our business than GAAP measures alone. We believe Adjusted EBITDA assists our board of directors, management and investors in comparing our operating performance on a consistent basis from period to period because they remove the impact of our asset base (primarily depreciation and amortization) and items outside the control of our management team, e.g. taxes, as well as other non-cash (such as impairment of intangible assets, purchase accounting adjustments and stock-based compensation) and non-recurring items (such as strategic and financial restructuring expenses), from our operations. We believe Adjusted Fully Distributed Net Income and Adjusted Fully Distributed Earnings per Share assists our board of directors, management and investors in comparing our net income and earnings per share on a consistent basis from period to period because it removes non-cash (such as impairment of intangible assets, purchase accounting adjustments and stock-based compensation) and non-recurring items (such as strategic and financial restructuring expenses), and eliminates the variability of non-controlling interest as a result of member owner exchanges of Class B common units into shares of Class A common stock (which exchanges are a member owner's cumulative right, but not obligation, which began on October 31, 2014, and occur each year thereafter, and are limited to one-seventh of the member owner's initial allocation of Class B common units).

Despite the importance of these Non-GAAP financial measures in analyzing our business, determining compliance with certain financial covenants in our Credit Facility, measuring and determining incentive compensation and evaluating our operating performance relative to our competitors, EBITDA, Adjusted EBITDA, Adjusted Fully Distributed Net Income and Adjusted Fully Distributed Earnings per Share are not measurements of financial performance under GAAP, may have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net income, net cash provided by operating activities, or any other measure of our performance derived in accordance with GAAP.

Some of the limitations of EBITDA and Adjusted EBITDA include that they do not reflect: our capital expenditures or our future requirements for capital expenditures or contractual commitments; changes in, or cash requirements for, our working capital needs; the interest expense or the cash requirements to service interest or principal payments under our Credit Facility; income tax payments we are required to make; and any cash requirements for replacements of assets being depreciated or amortized. In addition, EBITDA and Adjusted EBITDA, are not measures of liquidity under GAAP, or otherwise, and are not alternatives to cash flows from continuing operating activities.

Some of the limitations of Adjusted Fully Distributed Net Income and Adjusted Fully Distributed Earnings per Share are that they do not reflect income tax expense or income tax payments we are required to make. In addition, Adjusted Fully Distributed Net Income and Adjusted Fully Distributed Earnings per Share are not measures of profitability under GAAP.

We also urge you to review the reconciliation of these Non-GAAP measures below, as well as those included in our 2016 Form 10-K. To properly and prudently evaluate our business, we encourage you to review the audited consolidated financial statements and related notes included elsewhere in our 2016 Form 10-K, and to not rely on any single financial measure to evaluate our business. In addition, because EBITDA, Adjusted EBITDA, Adjusted Fully Distributed Net Income, and Adjusted Fully Distributed Earnings per Share are susceptible to varying calculations, the EBITDA, Adjusted EBITDA, Adjusted Fully Distributed Net Income, and Adjusted Fully Distributed Earnings per Share measures, as presented here in and in our 2016 Form 10-K, may differ from, and may therefore not be comparable to, similarly titled measures used by other companies.

Table of Contents**Non-GAAP EBITDA and Adjusted EBITDA Reconciliation**

The following table shows the reconciliation of net income to EBITDA and Adjusted EBITDA for the periods presented (in thousands):

	Year Ended June 30,	
	2016	2015
Net income	\$ 235,161	\$ 234,785
Interest and investment income, net(a)	1,021	(866)
Income tax expense	49,721	36,342
Depreciation and amortization	51,102	45,186
Amortization of purchased intangible assets	33,054	9,136
EBITDA	370,059	324,583
Stock-based compensation(b)	49,081	28,498
Acquisition related expenses(c)	15,804	9,037
Strategic and financial restructuring expenses(d)	268	1,373
Adjustment to tax receivable agreement liability(e)	(4,818)	
Loss (gain) on investment(f)		1,000
ERP implementation expenses(g)	4,870	
Loss on disposal of long-lived assets		15,243
Acquisition related adjustment - deferred revenue(h)	5,624	13,371
Other expense, net(i)	87	70
Adjusted EBITDA	\$ 440,975	\$ 393,175

- (a) Represents interest expense (income), net and realized gains and losses on our marketable securities.
- (b) Represents non-cash employee stock based compensation expense and \$0.4 million stock purchase plan expense in the year ended June 30, 2016.
- (c) Represents legal, accounting and other expenses related to acquisition activities.
- (d) Represents legal, accounting and other expenses directly related to strategic and financial restructuring activities, including costs incurred in connection with quarterly exchanges pursuant to the Exchange Agreement and the company-directed offerings conducted pursuant to the Registration Rights Agreement.
- (e) Represents adjustment to tax receivable agreement liability for a 1% decrease in the North Carolina state income tax rate during the year ended June 30, 2016.
- (f) Represents the loss on investment for the year ended June 30, 2015.
- (g) Represents implementation and other costs of new enterprise resource planning (ERP) system.
- (h) Represents non-cash adjustment to deferred revenue of acquired entities. Business combination accounting rules require the Company to record a deferred revenue liability at its fair value only if the acquired deferred revenue represents a legal performance obligation assumed by the acquirer. The fair value is based on direct and indirect incremental costs of providing the services plus a normal profit margin. Generally, this results in a reduction to the purchased deferred revenue balance, which was based on upfront fees associated with software license updates and product support contracts assumed in connection with acquisitions. Because these support contracts are typically one-year in duration, our GAAP revenues for the one-year period subsequent to our acquisition of a business do not reflect the full amount of support revenues on these assumed support contracts that would have

otherwise been recorded by the acquired entity. The Non-GAAP adjustment to our software license updates and product support revenues is intended to include, and thus reflect, the full amount of such revenues.

- (i) Represents loss on sale of assets and unrealized loss on deferred compensation plan assets.

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Table of Contents**Non-GAAP Adjusted Fully Distributed Net Income Reconciliation**

The following table shows (1) the reconciliation of net income (loss) attributable to stockholders to Non-GAAP Adjusted Fully Distributed Net Income and (2) the reconciliation of the numerator and denominator for earnings (loss) per share attributable to stockholders to Non-GAAP Adjusted Fully Distributed Earnings per Share for the periods presented (each in thousands):

	Year Ended June 30,	
	2016	2015
Reconciliation of numerator for earnings (loss) per share attributable to stockholders to Non-GAAP Adjusted Fully Distributed Earnings per Share:		
Net income (loss) attributable to stockholders	\$ 818,364	(865,292)
Adjustment of redeemable limited partners capital to redemption amount	(776,750)	904,035
Income tax expense	49,721	36,342
Amortization of purchased intangible assets	33,054	9,136
Stock-based compensation(a)	49,081	28,498
Acquisition related expenses(b)	15,804	9,037
Strategic and financial restructuring expenses(c)	268	1,373
Adjustment to tax receivable agreement liability(d)	(4,818)	
Loss on investment(e)		1,000
ERP implementation expenses(f)	4,870	
Loss on disposal of long-lived assets		15,243
Acquisition related adjustment deferred revenue(g)	5,624	13,371
Net income attributable to non-controlling interest in Premier LP(h)	193,547	194,206
Non-GAAP adjusted fully distributed income before income taxes	388,765	346,949
Income tax expense on fully distributed income before income taxes(i)	155,506	138,780
Non-GAAP Adjusted Fully Distributed Net Income	\$ 233,259	\$ 208,169
Reconciliation of denominator for earnings (loss) per share attributable to stockholders to Non-GAAP Adjusted Fully Distributed Earnings per Share:		
Weighted average:		
Common shares used for basic and diluted earnings (loss) per share	42,368	35,681
Potentially dilutive shares	2,366	1,048
Conversion of Class B common units	100,574	108,518
Weighted average fully distributed shares outstanding diluted	145,308	145,247

(a) Represents non-cash employee stock based compensation expense and \$0.4 million stock purchase plan expense in the year ended June 30, 2016.

(b) Represents legal, accounting and other expenses related to acquisition activities.

(c) Represents legal, accounting and other expenses directly related to strategic and financial restructuring activities, including costs incurred in connection with quarterly exchanges pursuant to the Exchange Agreement and the

- company-directed offerings conducted pursuant to the Registration Rights Agreement.
- (d) Represents adjustment to tax receivable agreement liability for a 1% decrease in the North Carolina state income tax rate during the year ended June 30, 2016.
 - (e) Represents the loss on investment for the year ended June 30, 2015.
 - (f) Represents implementation and other costs of new ERP system.
 - (g) Represents non-cash adjustment to deferred revenue of acquired entities. Business combination accounting rules require the Company to record a deferred revenue liability at its fair value only if the acquired deferred revenue represents a legal performance obligation assumed by the acquirer. The fair value is based on direct and indirect incremental costs of providing the services plus a normal profit margin. Generally, this results in a reduction to the purchased deferred revenue balance, which was based on upfront fees associated with software license updates and product support contracts assumed in connection with acquisitions. Because

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these support contracts are typically one-year in duration, our GAAP revenues for the one-year period subsequent to our acquisition of a business do not reflect the full amount of support revenues on these assumed support contracts that would have otherwise been recorded by the acquired entity. The Non-GAAP adjustment to our software license updates and product support revenues is intended to include, and thus reflect, the full amount of such revenues.

- (h) Reflects the elimination of the non-controlling interest in Premier LP as if all member owners of Premier LP had fully exchanged their Class B common units for shares of Class A common stock.
- (i) Reflects income tax expense at an estimated effective income tax rate of 40% of Non-GAAP adjusted fully distributed income before income taxes.

Non-GAAP Adjusted Fully Distributed Earnings Per Share Reconciliation

The table that follows shows the reconciliation of (loss) earnings per share attributable to stockholders to Non-GAAP Adjusted Fully Distributed Earnings Per Share for the periods presented:

	Year Ended June	
	30,	
	2016	2015
Earnings (loss) per share attributable to stockholders:	\$ 19.32	\$ (24.25)
Adjustment of redeemable limited partners' capital to redemption amount	(18.33)	25.34
Impact of additions:		
Income tax expense	1.17	1.02
Stock-based compensation(a)	1.16	0.80
Acquisition related expenses(b)	0.37	0.25
Strategic and financial restructuring expenses(c)	0.01	0.04
ERP implementation expense(d)	0.11	
Adjustment to tax receivable agreement liability(e)	(0.11)	
Loss on investment(f)		0.03
Acquisition related adjustment - deferred revenue(g)	0.13	0.37
Loss on disposal of long-lived assets		0.43
Amortization of purchased intangible assets	0.78	0.26
Net income attributable to non-controlling interest in Premier LP(h)	4.57	5.44
Impact of corporation taxes(i)	(3.67)	(3.90)
Impact of increased share count(j)	(3.90)	(4.40)
Non-GAAP Adjusted Fully Distributed Earnings per Share	\$ 1.61	\$ 1.43

- (a) Represents non-cash employee stock based compensation expense and \$0.4 million stock purchase plan expense in the year ended June 30, 2016.
- (b) Represents legal, accounting and other expenses related to acquisition activities.
- (c) Represents legal, accounting and other expenses directly related to strategic and financial restructuring activities, including costs incurred in connection with quarterly exchanges pursuant to the Exchange Agreement and the company-directed offerings conducted pursuant to the Registration Rights Agreement.
- (d) Represents implementation and other costs of new ERP system.
- (e)

Represents adjustment to tax receivable agreement liability for a 1% decrease in the North Carolina state income tax rate during the year ended June 30, 2016.

- (f) Represents the loss on investment for the year ended June 30, 2015.
- (g) Represents non-cash adjustment to deferred revenue of acquired entities. Business combination accounting rules require the Company to record a deferred revenue liability at its fair value only if the acquired deferred revenue represents a legal performance obligation assumed by the acquirer. The fair value is based on direct and indirect incremental costs of providing the services plus a normal profit margin. Generally, this results in a reduction to the purchased deferred revenue balance, which was based on upfront fees associated with software license updates and product support contracts assumed in connection with acquisitions. Because

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these support contracts are typically one-year in duration, our GAAP revenues for the one-year period subsequent to our acquisition of a business do not reflect the full amount of support revenues on these assumed support contracts that would have otherwise been recorded by the acquired entity. The Non-GAAP adjustment to our software license updates and product support revenues is intended to include, and thus reflect, the full amount of such revenues.

- (h) Reflects the elimination of the non-controlling interest in Premier LP as if all member owners of Premier LP had fully exchanged their Class B common units for shares of Class A common stock.
- (i) Reflects income tax expense at an estimated effective income tax rate of 40% of Non-GAAP adjusted fully distributed income before income taxes.
- (j) Reflects impact of increased share counts assuming the conversion of all Class B common units into shares of Class A common stock.

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PREMIER, INC.

13034 BALLANTYNE CORPORATE PLACE

CHARLOTTE, NC 28277

WE ENCOURAGE YOU TO TAKE ADVANTAGE OF INTERNET OR TELEPHONE VOTING. BOTH ARE AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Standard Time on December 1, 2016. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Standard Time on December 1, 2016. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

Your Internet or telephone vote authorizes the named proxies to vote the shares in the same manner as if you marked, signed and returned your proxy card.

If you vote your proxy by Internet or telephone, you do NOT need to mail back your proxy card.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E13241-TBD

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

PREMIER, INC.

<p>For All</p> <p>Withhold All</p> <p>For All Except</p>	<p>To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below.</p>
---	---

The Board of Directors recommends a vote FOR ALL of the following Director nominees.

1. Election of Directors " " "

Nominees:

- 01) 04 Susan D. DeLeon
- 02) 05 Jody M. Quinn
- 03) Peter S. Fine

For Against Abstain

The Board of Directors recommends a vote FOR Proposals 2 and 3.

- | | |
|--|-------|
| 2. Ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for fiscal year 2017. | |
| 3. Approval, on an advisory basis, of the compensation of our named executive officers as disclosed in the proxy statement for the Annual Meeting. | |

NOTE: The shares represented by this proxy, when properly executed, will be voted in the manner directed herein by the undersigned stockholder(s). **If no direction is made, this proxy will be voted FOR ALL of the Director nominees listed in Item 1 and FOR Items 2 and 3.** If any other matters properly come before the Annual Meeting, the persons named in this proxy will vote in their discretion.

THE UNDERSIGNED STOCKHOLDER(S) HEREBY ACKNOWLEDGE(S) RECEIPT OF THE NOTICE OF THE ANNUAL MEETING, THE ACCOMPANYING PROXY STATEMENT AND THE ANNUAL REPORT TO STOCKHOLDERS FOR THE YEAR ENDED JUNE 30, 2016.

For address changes and/or comments, ..
 please check this box and write them on the back where indicated.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]	Signature (Joint Owners)
	Date

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice of Annual Meeting & Proxy Statement and Annual Report on Form 10-K are available at www.proxyvote.com.

E13242-TBD

PREMIER, INC.

ANNUAL MEETING OF STOCKHOLDERS

FRIDAY, DECEMBER 2, 2016 10:00 AM

THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS

The undersigned hereby appoints David L. Klatsky and Michael J. Alkire, and each of them, as attorney, agent and proxy of the undersigned, each with the full power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Class A common stock of PREMIER, INC. that the undersigned is entitled to vote at the Annual Meeting of Stockholders to be held at 10:00 AM, EST on Friday, December 2, 2016, at the Premier, Inc. Corporate Headquarters, 13034 Ballantyne Corporate Place, Charlotte, North Carolina, and any postponement or adjournment thereof, with all powers that the undersigned would have if personally present.

This proxy, when properly executed, will be voted as specified by the undersigned on the reverse side. If no choice is specified, the proxy will be voted as to all shares of the undersigned: FOR ALL of the nominees for director listed on the reverse side and FOR Proposals 2 and 3. The proxies are hereby authorized to vote all shares of the undersigned in their discretion upon such other matters as may properly come before the meeting or any postponement or adjournment thereof.

Please date and sign exactly as your name appears on the form and mail the proxy promptly. When signing as an attorney, executor, administrator, trustee or guardian, please give your full title as such. If shares are held jointly, both owners must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Address Changes/Comments:

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side)

(Continued and to be marked, dated and signed on the reverse side)

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PREMIER, INC.

13034 BALLANTYNE CORPORATE PLACE

CHARLOTTE, NC 28277

**WE ENCOURAGE YOU TO TAKE ADVANTAGE
OF INTERNET OR TELEPHONE VOTING
INSTRUCTIONS. BOTH ARE AVAILABLE 24
HOURS A DAY, 7 DAYS A WEEK.**

**VOTING INSTRUCTIONS BY INTERNET -
www.proxyvote.com**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Standard Time on November 29, 2016. Have your voting instruction card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY
MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, voting instruction cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTING INSTRUCTIONS BY PHONE -
1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Standard Time on November 29, 2016. Have your voting instruction card

in hand when you call and then follow the instructions.

VOTING INSTRUCTIONS BY MAIL

Mark, sign and date your voting instruction card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. Voting instructions must be received by 11:59 P.M. Eastern Standard Time on November 29, 2016.

Your Internet or telephone transmission instructs the Trustee how you want to vote the shares.

If you provide voting instructions by Internet or telephone, you do NOT need to mail back your voting instruction card.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E13243-TBD

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS VOTING INSTRUCTION CARD IS VALID ONLY WHEN SIGNED AND DATED.

PREMIER, INC.

For All Withhold All For All Except	To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below.
--	--

The Board of Directors recommends a vote FOR ALL of the following Director nominees.

1. Election of Directors

Nominees:

- 01) 04 Susan DeWitt Langstaff
- 02) 05 Jody M. Davis O Quinn
- 03) Peter S. Fine

The Board of Directors recommends a vote FOR Proposals 2 and 3.

For Against Abstain

- 2. Ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for fiscal year 2017. " " "
- 3. Approval, on an advisory basis, of the compensation of our named executive officers as disclosed in the proxy statement for the Annual Meeting. " " "

THE UNDERSIGNED STOCKHOLDER(S) HEREBY ACKNOWLEDGE(S) RECEIPT OF THE NOTICE OF THE ANNUAL MEETING, THE ACCOMPANYING PROXY STATEMENT AND THE ANNUAL REPORT TO STOCKHOLDERS FOR THE YEAR ENDED JUNE 30, 2016.

For address changes and/or comments, "
 please check this box and write them on the
 back where indicated.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Signature (Joint Owners)
Date

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice of Annual Meeting & Proxy Statement and Annual Report on Form 10-K are available at www.proxyvote.com.

E13244-TBD

PREMIER, INC.

ANNUAL MEETING OF STOCKHOLDERS

FRIDAY, DECEMBER 2, 2016 10:00 AM

The undersigned hereby instructs the Trustee of the Class B common stock voting trust to vote, as designated on the reverse side of this ballot, all of the shares of Class B common stock of PREMIER, INC. that the undersigned is entitled to instruct the Trustee to vote at the Annual Meeting of Stockholders to be held at 10:00 AM, EST on Friday, December 2, 2016, at the Premier, Inc. Corporate Headquarters, 13034 Ballantyne Corporate Place, Charlotte, North Carolina, and any postponement or adjournment thereof.

Based on the instructions provided by the beneficial holders of the Class B common stock and pursuant to the voting trust agreement, the Trustee will vote all of the Class B common stock as a block in the manner determined by the plurality of the votes timely received by the Trustee from the Class B common stockholders with respect to the election of directors to serve on our Board of Directors, and by a majority of the votes timely received by the Trustee from the Class B stockholders with respect to all other matters. Upon retirement of shares of Class B common stock in connection with any Class B common unit exchange, such Class B common shares will no longer be eligible to be voted by the Trustee, and the Trustee will not include those ineligible shares in its determination of the vote to be made on behalf of the holders of Class B common stock at the Annual Meeting. **The Board of Directors recommends a vote FOR ALL of the nominees for director and FOR Proposals 2 and 3.**

Please date and sign exactly as your name appears on the form and mail the instruction card promptly. When signing as an attorney, executor, administrator, trustee or guardian, please give your full title as such. If shares are held jointly, both owners must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Address Changes/Comments:

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side)

(Continued and to be marked, dated and signed on the reverse side)

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*** Exercise Your *Right to Vote* ***

**Important Notice Regarding the Availability of Proxy Materials for the
Stockholder Meeting to Be Held on December 2, 2016.**

PREMIER, INC.

Meeting Information

PREMIER, INC.

13034 BALLANTYNE CORPORATE PLACE

CHARLOTTE, NC 28277

Meeting Type: Annual Meeting

For holders as of: October 3, 2016

Date: December 2, 2016 **Time:** 10:00 AM EST

Location: Premier, Inc.

Corporate Headquarters

13034 Ballantyne Corporate Place

Charlotte, North Carolina 28277

You are receiving this communication because you hold shares in the company named above.

This is not a ballot. You cannot use this notice to vote these shares. This communication presents only an overview of the more complete proxy materials that are available to you on the Internet. You may view the proxy materials online at www.proxyvote.com or easily request a paper copy (see reverse side).

We encourage you to access and review all of the important information contained in the proxy materials before voting.

See the reverse side of this notice to obtain proxy materials and voting instructions.

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Before You Vote
How to Access the Proxy Materials

Proxy Materials Available to VIEW or RECEIVE:

1. Notice of Annual Meeting & Proxy Statement 2. Annual Report on Form 10-K 3. Form of Proxy Card

How to View Online:

Have the information that is printed in the box marked by the arrow (located on the following page) and visit: www.proxyvote.com.

How to Request and Receive a PAPER or E-MAIL Copy:

If you want to receive a paper or e-mail copy of these documents, you must request one. There is NO charge for requesting a copy. Please choose one of the following methods to make your request:

- 1) *BY INTERNET*: www.proxyvote.com
2) *BY TELEPHONE*: 1-800-579-1639
3) *BY E-MAIL**: sendmaterial@proxyvote.com

* If requesting materials by e-mail, please send a blank e-mail with the information that is printed in the box marked by the arrow (located on the following page) in the subject line.

Requests, instructions and other inquiries sent to this e-mail address will NOT be forwarded to your investment advisor. Please make the request as instructed above on or before November 18, 2016 to facilitate timely delivery.

How To Vote
Please Choose One of the Following Voting Methods

Vote In Person: Many stockholder meetings have attendance requirements including, but not limited to, the possession of an attendance ticket issued by the entity holding the meeting. Please check the meeting materials for any special requirements for meeting attendance. At the meeting, you will need to request a ballot to vote these shares.

Vote By Internet: To vote now by Internet, go to *www.proxyvote.com*. Have the information that is printed in the box marked by the arrow (located on the following page) available and follow the instructions.

Vote By Mail: You can vote by mail by requesting a paper copy of the materials, which will include a proxy card and voting instructions.

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Voting Items

**The Board of Directors recommends a vote
FOR ALL of the following Director nominees.**

1. Election of Directors

Nominees:

- | | |
|------------------------|------------------------|
| 01) Susan D.
DeVore | 04) David H. Langstaff |
| 02) Jody R. Davids | 05) Marvin R. O Quinn |
| 03) Peter S. Fine | |

The Board of Directors recommends a vote FOR Proposals 2 and 3.

2. Ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for fiscal year 2017.
3. Approval, on an advisory basis, of the compensation of our named executive officers as disclosed in the proxy statement for the Annual Meeting.

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

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*** Exercise Your *Right to Vote* ***

**Important Notice Regarding the Availability of Proxy Materials for the
Stockholder Meeting to Be Held on December 2, 2016.**

PREMIER, INC.

Meeting Information

PREMIER, INC.

13034 BALLANTYNE CORPORATE PLACE

CHARLOTTE, NC 28277

Meeting Type: Annual Meeting

For holders as of: October 3, 2016

Date: December 2, 2016 **Time:** 10:00 AM EST

Location: Premier, Inc.

Corporate Headquarters

13034 Ballantyne Corporate Place

Charlotte, North Carolina 28277

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See the reverse side of this notice to obtain proxy materials and voting instructions.

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Before You Submit Voting Instructions
How to Access the Proxy Materials

Proxy Materials Available to VIEW or RECEIVE:

1. Notice of Annual Meeting & Proxy Statement 2. Annual Report on Form 10-K 3. Form of Voting Instruction Card

How to View Online:

Have the information that is printed in the box marked by the arrow (located on the following page) and visit: www.proxyvote.com.

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Please Choose One of the Following Voting Methods

Voting Instructions By Internet: To submit voting instructions now by Internet, go to *www.proxyvote.com*. Have the information that is printed in the box marked by the arrow (located on the following page) available and follow the instructions.

Voting Instructions By Mail: You can submit voting instructions by mail by requesting a paper copy of the materials, which will include a voting instruction card and instructions.

No Voting In Person: Class B common stockholders may not vote at the meeting, but they are invited to attend. Many stockholder meetings have attendance requirements including, but not limited to, the possession of an attendance ticket issued by the entity holding the meeting. Please check the meeting materials for any special requirements for meeting attendance.

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Voting Items

**The Board of Directors recommends a vote
FOR ALL of the following Director nominees.**

1. Election of Directors

Nominees:

- | | |
|------------------------|------------------------|
| 01) Susan D.
DeVore | 04) David H. Langstaff |
| 02) Jody R. Davids | 05) Marvin R. O Quinn |
| 03) Peter S. Fine | |

The Board of Directors recommends a vote FOR Proposals 2 and 3.

2. Ratification of the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for fiscal year 2017.
3. Approval, on an advisory basis, of the compensation of our named executive officers as disclosed in the proxy statement for the Annual Meeting.

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