RETIREMENT PLAN

SUMMARY PLAN DESCRIPTION

For Employees and Retirees

of McKesson Corp.

January 2008

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INTRODUCTION

The McKesson Corporation Retirement Plan (the Plan) is intended to provide you with income at retirement. The Plan works in conjunction with Social Security, the McKesson Profit-Sharing Investment Plan (PSIP), and any other sources of savings you may have for retirement. This booklet outlines the provisions of the Plan.

This booklet does not state all Plan terms and conditions. The Plan text and Trust document — not this booklet — will govern your rights and benefits under the Plan. If this booklet is unclear, or if there is a conflict between this booklet and the official Plan text, then the official Plan text will control. Copies of the Plan text and Trust document can be obtained for a small fee by contacting:

McKesson Employee Services Center
P.O. Box 41725
Philadelphia, PA 19101-1725
Phone: 1-866-772-6601

The Company makes all necessary contributions to the Plan. These contributions are actuarially determined. In this booklet, the term "Company" means McKesson Corporation and any of its Affiliated Companies.

FROZEN STATUS OF THE PLAN

The Plan was frozen effective December 31, 1996. The Plan will continue to the extent that all vested benefits under the Plan can be paid to employees. However, no new benefits can be earned under the Plan after December 31, 1996, and any benefits you have already earned under the Plan will be "locked in" as of that date. This means you cannot lose the benefits you've earned as of December 31, 1996, as long as you complete five Years of Vesting Service with the Company.

Still, the Company reserves the right to further change or terminate the Plan. If the Plan is terminated, all Plan assets in excess of those needed to pay Plan benefits will be returned to the Company. See "ERISA Rights" on page 22 for additional information.

FORMER EMPLOYEES OF EPHRATA DIAMOND SPRING WATER COMPANY, MOORE MEDICAL CORPORATION AND NDCHEALTH CORPORATION

The Pension Plan for Employees of Ephrata Diamond Spring Water Company, (the Ephrata Plan) the Moore Medical Corp. Defined Benefit Pension Plan (the MMC Plan) and the NDCHealth Corporation Employees' Retirement Plan (the NDCHealth Plan) have been merged into this Plan. Plan benefits available to former Ephrata Plan, MMC Plan and NDCHealth Plan participants are based in part on the terms of the Ephrata Plan, the MMC Plan, and the NDCHealth Plan (as appropriate). The relevant provisions of those plans are described in Appendix A (Former Ephrata Plan Participants), Appendix B (Former MMC Plan Participants) and Appendix C (Former NDCHealth Plan Participants). Except as described in these

Appendices, this booklet applies generally to all Plan participants. If you were a participant in the Ephrata Plan, the MMC Plan or the NDCHealth Plan please see the applicable Appendix for important information about your Plan benefits.

GENERAL PROVISIONS

PARTICIPATION

You are eligible to participate in the Plan if, before December 31, 1996, you:

- Were at least age 21,
- Had at least one Year of Vesting Service, and
- Worked for a location that participated in the Plan.

You are not eligible to participate in the Plan if you:

- Were first hired by the Company on or after December 31, 1996, or did not complete a Year of Vesting Service before January 1, 1997, even if you were hired before that date,
- Are a temporary or seasonal employee, or
- Are covered by a collective bargaining agreement that does not provide for your participation.

The term "Year of Vesting Service" is defined on page 5.

ELIGIBILITY FOR PLAN BENEFITS

You are eligible for a Plan benefit when you become vested. Vested means you have a right to a Plan benefit that cannot be taken away from you. Effective January 1, 1989, employees become vested after completing five Years of Vesting Service.

When you leave the Company, you may be eligible for a benefit from the Plan. This benefit will be either a Retirement Benefit or a Vested Benefit. Your benefit depends on your age and Years of Vesting Service.

To receive a Retirement Benefit, you must reach:

- At least age 55 while employed by the Company and have accrued at least 10 Years of Vesting Service, or
- Normal Retirement Age while employed by the Company and have accrued at least 5 Years of Vesting Service.

The term "Normal Retirement Age" is defined on page 10.

To receive a Vested Benefit, you must have at least five Years of Vesting Service.

If you're under age 55 as of December 31, 1996, you can still qualify for an early Retirement Benefit under the Plan, as opposed to a Vested Benefit, as long as you continue to work for the Company until at least age 55 and have 10 Years of Vesting Service.

However, if you leave the Company before becoming vested, you will not receive a benefit.

VESTING SERVICE

YEARS OF VESTING SERVICE

A Year of Vesting Service is a period of 365 days in which you work for the Company. A Year of Vesting Service begins on the anniversary of your date of hire. If you leave the Company and are subsequently rehired, please see the Break-in-Service rules below.

If you were not vested in your benefits when they were locked in on December 31, 1996, you can become vested if you continue working for the Company and complete five Years of Vesting Service.

BREAK IN SERVICE

A Break in Service occurs when you are no longer employed by the Company. If you return to work for the Company, the following rules apply:

- If your Break in Service is less than 12 months, the break will count toward a Year of Vesting Service.
- If your Break in Service is more than 12 months, your service before the Break will count with your new service only if the number of years in the Break is less than:
  - Five years, or
  - The number of years you worked before the Break in Service.

If your Break in Service is longer than five years or the number of years you worked before the Break, your service before the Break will not count for any purpose under the Plan.

If you are on a maternity or paternity leave, you may be credited with an additional Year of Vesting Service.

Please contact the McKesson Employee Services Center at 1-866-772-6601 if you have any questions about any Breaks in Service that will affect you.

PLAN BENEFITS

The following factors determine your Plan benefits:

- Years of Creditable Service
- Final Average Pay
- Social Security Covered Compensation

YEARS OF CREDITABLE SERVICE

Creditable Service accrues from your hire date. Generally, a Year of Creditable Service is a calendar year in which you receive credit for completing 2,000 hours of service. If you complete less than 2,000 hours of service in a year, then you will be credited with a partial Year of Creditable Service equal to your number of hours of service divided by 2,000. Generally, you will receive 45 hours of credit for each week in which you have worked at least one hour. The maximum number of Years of Creditable Service that you may accrue for benefit purposes is 30. **You cannot earn any Creditable Service for any period after December 31, 1996.**

If you are covered by a collective bargaining agreement, you will not accrue Creditable Service under the Plan unless the agreement provides for participation in the Plan. Also, you will not accrue Creditable Service if your Employer does not participate in the Plan.

Upon rehire, your Creditable Service before a Break in Service will count only if:

- The Break is less than five years,
- Your years of service before the Break are greater than the Break, or
- You were vested in the Plan before the Break.

Creditable Service before the Break will not count if you received payment of your entire benefit under the Plan at the time of your Break in Service or if your date of rehire was after December 31, 1996.

FINAL AVERAGE PAY

Final Average Pay is the average of your highest 60 months of pay during the 15-year period of Creditable Service before December 31, 1996 — or your termination date, if earlier. Pay includes base salary, bonuses, overtime, commissions, company incentive programs, shift premiums, and any amounts you contributed to Profit-Sharing Investment Plan (PSIP), Health and Dental Plan, or Family Care Plan. Pay excludes reimbursed business expenses, car allowances, moving expenses or any other form of additional pay.

From 1989 until 1994, the maximum amount of a participant's pay that could be considered under the Plan was $200,000 per year, as indexed. In 1994, the $200,000 limit was lowered to $150,000, as indexed. The limit in effect on December 31, 1996 was $150,000.

COVERED COMPENSATION

Covered Compensation is the average of the Social Security Wage Bases for the 35 years ending on the earlier of:

- The year you reach Normal Retirement Age, or
- December 31, 1996.

The Wage Base is the maximum dollar amount from which Social Security taxes are taken from your pay. If you leave the Company before your Normal Retirement Age, the Wage Base will be projected without increases to the earlier of:

- Your Normal Retirement Age, or
- December 31, 1996.

PLAN FORMULA

The Plan formula for calculating your annual benefit is shown below. You will receive your maximum Plan benefit at your Normal Retirement Age if you have 30 Years of Creditable Service. Depending on your age and years of service at your termination date, you will receive a Retirement Benefit or a Vested Benefit, as shown below.

RETIREMENT BENEFIT*

0.9% x	Final Average Pay up to Covered Compensation
+ 1.4% x	Final Average Pay above Covered Compensation
x	Years of Creditable Service as of December 31, 1996 (30-year maximum)
=	Annual Benefit at Normal Retirement Age

VESTED BENEFIT

0.9% x	Final Average Pay up to Covered Compensation
+1.4% x	Final Average Pay above Covered Compensation
x	Maximum Years of Creditable Service (30-year maximum)
x	Actual Years of Creditable Service as of December 31,1996
÷	Maximum Years of Creditable Service**
=	Annual Benefit at Normal Retirement Age

* The amount of your Retirement Benefit will be no less than a Vested Benefit payable to you under the terms of the Plan as of December 31, 1996.

** This is the number of Years of Creditable service which you would have had if you had remained an active participant until age 65— or the fifth anniversary of your participation in the Plan, if later.

SPECIAL CONSIDERATIONS

Please note that your annual Plan benefit is reduced if you receive Plan benefits before your Normal Retirement Age.

If you receive Plan benefits in the form of a Joint and Survivor benefit, the amount paid annually during your life will be less than the annual benefit calculated at left. See pages 10 through 13 for descriptions of the early retirement and joint and survivor benefits.

Your retirement benefits may be different if you are in the following groups of employees:

- Former employees of Buxton-Smith Merc. Co., Champion International Corporation, Crocker Companies, Inland Chemical Corporation, Johnson Drug Company, Inc., Kitchenaides Inc., Mass Merchandisers Inc., Moreland Chemical Company, Inc. Moore Medical Corporation, Ephrata Diamond Spring Water Company, or NDCHealth Corporation

- Certain Corporate employees who first became eligible for the Plan as of January 1, 1972

Please contact the McKesson Employee Services Center at 1-866-772-6601 if you have any questions.

Please note that certain highly-paid employees may have their Plan benefits reduced because of limitations required by Internal Revenue Code Section 415.

SPECIAL TRANSITIONAL RULES

The formula used to calculate your annual Plan benefit changed as of January 1, 1989. For active employees, the changes are effective as of your hire date. All service and pay earned under the old Plan formula will count toward the new Plan formula. You should note that you will not lose any Plan benefits earned under the old Plan formula up to December 31, 1989. Special rules apply for highly-paid employees.

BENEFIT ELIGIBILITY

NORMAL RETIREMENT AGE

Your Normal Retirement Age is the same as the Social Security Normal Retirement Age. The table below shows birth years and Normal Retirement Ages.

Year Born	Normal Retirement Age
1937 and earlier	65
1938	65 plus 2 months
1939	65 plus 4 months
1940	65 plus 6 months
1941	65 plus 8 months
1942	65 plus 10 months
1943 through 1954	66
1955	66 plus 2 months
1956	66 plus 4 months
1957	66 plus 6 months
1958	66 plus 8 months
1959	66 plus 10 months
1960 and later	67

EARLY RETIREMENT BENEFIT

You are eligible for an early retirement benefit if you end employment with the Company after you reach age 55 with 10 Years of Vesting Service. You may receive your Plan benefits anytime after you retire. If you choose an early retirement benefit, your Plan benefits will be reduced. This reduction is 0.3% for each month between the date your Plan benefit begins and your Normal Retirement Age.

VESTED BENEFIT

You are eligible for a vested benefit at your ERISA Retirement Age if you have five Years of Vesting Service. Your ERISA Retirement Age is age 65 or, if later, the fifth anniversary of the date your participation in the Plan first began. Your vested benefit is calculated as follows: First, your Plan benefit calculation projects service to Plan Normal Retirement Age, then it prorates by the actual Years of Creditable Service, divided by your Creditable Service to your ERISA Retirement Date.

You can defer your vested benefit to ERISA Retirement Age, or you may receive your vested benefit as early as age 55. You will be eligible for an unreduced vested benefit at your Normal Retirement Age. Vested benefits will be reduced for each month between the date your benefit begins and your Normal Retirement Age. The reduction is 0.3% per month between your Normal Retirement Age and ERISA Retirement Age — and 0.5% per month between your ERISA Retirement Age and the date your benefits begin.

If you die before receiving your deferred vested benefits, your spouse may be eligible for a reduced Plan benefit. Your spouse's Plan benefits will begin on the first day of the month after which you would have reached age 55. If you are already age 55 or older, the Plan benefit will begin on the first day of the month following your death. The lump sum rules explained on page 13 in the section, "Types of Benefit Payments," also will apply to this Plan benefit.

AUTOMATIC FORMS OF BENEFITS

NORMAL FORM OF RETIREMENT BENEFIT

Retirement benefits will be paid as a Single Life Allowance to single participants.

The normal form of benefit for a married participant is a 50% Joint and Survivor Allowance. As a married participant, you may choose an option other than the 50% Joint and Survivor Allowance. However, your spouse must consent to this optional type of benefit, and your spouse's consent must be notarized or witnessed by an authorized Plan representative. Your spouse must also consent if you designate a beneficiary other than your spouse.

For the definitions of "Single Life Allowance" and "Joint and Survivor Allowance," please see page 13.

NORMAL FORM OF VESTED BENEFIT

Vested benefits will be paid as a Single Life Allowance to single participants. The normal form of benefit for a married participant is a 50% Joint and Survivor Allowance. As a married participant, you may choose a Single Life Allowance with your spouse's consent.

MINIMUM DISTRIBUTION RULES

Retirees must begin receiving pension payments from the Plan at age 70½. The payments will begin on the later of April 1 following the date on which you reach age 70½ or, if you remain employed with the Company beyond this date, the date on which you retire (unless you are a five percent owner of the Company).

TYPES OF BENEFIT PAYMENTS

SINGLE LIFE ALLOWANCE

A single life allowance provides benefits to you during your lifetime only.

JOINT AND SURVIVOR ALLOWANCE

A Joint and Survivor Allowance (J&S) provides benefits to you and your beneficiary during your joint lifetimes. Since these benefits are paid over the joint lives of you and your beneficiary, they are reduced. The amount of the benefit is the single life allowance reduced to spread over your lifetime and the rest of your beneficiary's lifetime.

The 50% J&S allowance benefit payable to you is 90% of the single life allowance. The benefit payable to your beneficiary will be half of your benefit. If the difference in age between you and your beneficiary is greater than five years, the J&S benefit is further reduced.

The 66-2/3% J&S allowance benefit payable to you is 87% of the single life allowance. The benefit payable to your beneficiary will be two-thirds of your benefit. If the difference in age between you and your beneficiary is greater than five years, the J&S benefit is further reduced.

The 75% J&S allowance benefit payable to you is 85% of the single life allowance. The benefit payable to your beneficiary will be three quarters of your benefit. If the difference in age between you and your beneficiary is greater than five years, the J&S benefit is further reduced.

The 100% J&S allowance benefit payable to you and your beneficiary will be 80% of the single life allowance. If the difference in age between you and your beneficiary is greater than five years, the J&S benefit is further reduced.

LEVEL INCOME BENEFIT

The Plan offers you a level income throughout your retirement. This option gives you a higher Plan benefit before you begin receiving your reduced Social Security pension at age 62. Then, you receive a lower Plan benefit when Social Security payments are due to begin.

You may choose this option if you retire before age 62. The earliest you can receive an early retirement benefit from the Plan is age 55. The earliest you can receive a reduced Social Security benefit is age 62. This option provides a single life allowance.

LUMP SUM BENEFIT

If the present value of your Plan benefit is $1,000 or less, you have no choice but to automatically receive a lump sum payment.

If the present value of your Plan benefit is over $1,000 and not over $10,000, you have the option to receive a lump sum payment.

If the present value of your Plan benefit is over $10,000, you may not receive a lump sum benefit.

GENERAL INFORMATION

Once your Plan benefit payments have begun, you cannot change your benefit payment election. You cannot change your election even if your beneficiary dies before you.

DEATH BENEFITS

IF YOU DIE WHILE YOU ARE AN EMPLOYEE

If you die while you are a vested employee, your spouse may receive a Plan benefit. The amount of this Plan benefit will be based on your age and Years of Vesting Service at the time of your death. You must have been married at least one year before your death. If you do not have an eligible surviving spouse, this allowance may be extended to legally dependent children under the age of 21. If you do not have an eligible surviving spouse or any legally dependent children, no Plan benefit is payable.

You also may choose to have your dependent children receive up to one-half of the Plan benefit. The remaining Plan benefit must be paid to your spouse. This designation must be made while you are actively employed with the Company. If you wish to exercise this option, please contact the McKesson Employee Services Center at 1-866-772-6601 for the beneficiary designation form.

SPECIAL BENEFITS

IF YOU ARE DISABLED AND QUALIFY FOR SOCIAL SECURITY DISABILITY BENEFITS

You will be fully vested in your Plan benefits if, after October 1, 1988, you are eligible for disability benefits under the Social Security Act and:

- Incur a total and permanent disability after completing five Years of Vesting Service, or
- Reach the age of 35.

Additional Creditable Service

If you were totally and permanently disabled on or before December 31, 1996, you will continue to receive additional Creditable Service until the earliest of:

- Your death,
- The date on which your disability benefits under the Social Security Act end,
- The date your employment relationship with all Employers terminates, or
- December 31, 1996 — the Freeze Date.

In no case will your total Years of Creditable Service exceed 30.

Final Average Pay

Your Final Average Pay will be computed as if you had received compensation during the period for which you were credited with Creditable Service as described above, at the annual rate in effect on the date you became disabled.

Covered Compensation

Your Covered Compensation will be computed as of the earlier of:

- The date you incurred a total and permanent disability
- December 31, 1996 (the Freeze Date)

IF YOU ARE DISABLED AND DO NOT QUALIFY FOR SOCIAL SECURITY DISABILITY BENEFITS

If you do not qualify for and receive disability benefits under the Social Security Act for your disability, but you are on a health leave approved by the Company, then you will only be entitled to full vesting of your Plan benefit.

IF YOU WORK BEYOND THE NORMAL RETIREMENT AGE

Plan benefits continue to accrue beyond the Normal Retirement Age, but no later than December 31, 1996. Please note that a maximum of 30 Years of Creditable Service will be used to figure your Plan benefit.

IF YOU ARE REEMPLOYED

Your prior service may be bridged upon reemployment with the Company. Please see the Break-in-Service rules described on page 5. Also, you can contact the McKesson Employee Services Center at 1-866-772-6601 to find out whether your prior service can be reinstated.

IF YOU ARE REEMPLOYED AFTER PLAN BENEFITS BEGIN

Any reemployment by the Company will not affect the payment of your Plan benefits. Your eligibility for an early retirement benefit will be redetermined when you again end your employment with the Company.

QUALIFIED DOMESTIC RELATIONS ORDER

The Plan must comply with a Qualified Domestic Relations Order (QDRO). Under a QDRO, part of your Plan benefits may be paid to another person. Payments may be made relating to child support, alimony or marital property rights. You or your beneficiary may obtain a free copy of the Plan's procedures for determining whether a domestic relations order satisfies the requirements of a QDRO from the Plan Administrator. For more information about obtaining a QDRO, please contact the McKesson Employee Services Center at 1-866-772-6601.

STARTING YOUR BENEFITS

HOW TO BEGIN BENEFITS

If you plan to leave the Company with more than five Years of Service, you should contact the McKesson Employee Services Center at 1-866-772-6601 at least three months before your retirement date.

If you have any questions about your Plan benefit, you should contact the McKesson Employee Services Center at the above phone number.

OTHER IMPORTANT INFORMATION

CLAIMS PROCEDURES

You have the right to request a review of any matter concerning your Plan benefits. Your claim must be directed to:

Sr. Vice President, Compensation and Benefits
McKesson Corporation
One Post Street
San Francisco, CA 94104

You will receive a written response within 90 days unless an extension is needed for an additional 90 days. If such an extension is needed, you will be notified before the end of the initial 90-day period. If your request is denied, the notice will:

- Specify the reasons for denial,
- Refer to the Plan provisions on which the denial is based,
- Describe any additional material or information necessary to clarify or perfect the request and an explanation of why such information is needed,
- Explain the Plan's appeal procedure with respect to the denial of benefits, and
- Include a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse determination on appeal.

You may then appeal the decision, in writing, within 60 days after receiving the denial. Your written appeal should be sent to:

Sr. Vice President, Compensation and Benefits
McKesson Corporation
One Post Street
San Francisco, CA 94104

You or any authorized representative may review any documents relevant to your claim and submit issues and comments in writing. The Committee will review your claim, taking into account all comments, documents, records and other information you submit for review, even if not considered in the initial benefit determination, and will make its decision within 60 days after receiving the appeal unless it needs an extension of time for an additional 60 days. If such an extension is needed, you will be notified before the initial 60-day period has expired. This notice will inform you of the circumstances requiring the extension and the date by which the Plan expects to reach a decision.

You will receive a written notice of the Committee's decision and the reasons for the decision. If your appeal is denied, the notice will:

- Specify the reasons for denial,
- Refer to the Plan provisions on which the denial is based,
- Explain the Plan's appeal procedure with respect to the denial of benefits,
- State that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to your claim, and
- Include a statement of your right to bring a civil action under Section 502(a) of ERISA.

NO ASSIGNMENT OF PLAN BENEFITS

Except as otherwise provided by law, your Plan benefit is not assignable, either by you or someone else. You may not transfer, use as security for a loan or otherwise alienate your Plan benefit.

NO EMPLOYMENT CONTRACT

Nothing in the Plan or this booklet shall alter the Company's right to terminate the employment of any individual at any time and for any reason. Also, this booklet does not prohibit changes in the terms of, or the termination of, employment of any employee covered by the Plan.

YOUR RIGHTS UNDER ERISA

The Employee Retirement Income Security Act of 1974 (ERISA) protects employees' rights under benefit plans. For a copy of these rights, please see "ERISA Rights" on page 22. The section "Additional Plan Information" on page 24 also contains information on the Plan's funding, fiduciaries, administration and trustees.

LOSS OF PLAN BENEFITS

There are several ways in which Plan benefits can be lost:

- Termination of employment before an employee is vested
- Plan termination or amendment
- Reduction of Plan benefits due to PBGC or IRS limits
- Payment of benefits is not made within seven years after it becomes payable

TOP-HEAVY RULES

The Plan becomes "top heavy" if 60% or more of the total value of all Plan benefits are payable to certain "key employees." Key employees are, in general, officers and employees with a significant percentage of ownership in the Company. If that should ever happen, the Company would be obligated to provide a minimum benefit each year while the Plan is top-heavy — which is coordinated with the PSIP should the PSIP also be top-heavy.

YOUR RIGHTS AS A PLAN MEMBER

ERISA RIGHTS

As a member of the Plan, you're entitled to certain rights and protection under ERISA. McKesson wholeheartedly supports these rights and is aware of its duties and responsibilities to you in the administration of the Plan. We urge you to become familiar with your ERISA rights so that you may take the best advantage of your benefits.

Right to Information

ERISA provides that all plan participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, all Plan Documents including Insurance Contracts and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.

- Obtain copies of Plan Documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies.

- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age — age 65 — and if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interests of Plan participants and beneficiaries.

No one, including your employer, your union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining your benefits or exercising your rights under ERISA.

Denied Claim

If your claim for a pension benefit is denied or ignored, in whole or in part, you must receive a written explanation of reasons for the denial. You have the right to have the plan review and reconsider your claim. Please see the "Claims Procedures" section on page 19 for further information.

Enforcing Your Rights

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits which is denied or ignored in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If the Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

The court decides who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees — for example, if it finds your claim to be frivolous.

Questions

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, at the following address:

> U.S. Department of Labor,
> 200 Constitution Avenue N.W.
> Washington, D.C. 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

PARTICIPATING EMPLOYERS

A participating employer is any corporation which is a subsidiary of or affiliated with McKesson Corp., whose employees are authorized by the Company to participate in the Plan described in this Summary Plan Description. A complete list of participating employers and information regarding whether a particular employer participates in the Plan may be obtained on written request to the Plan Administrator.

ADDITIONAL PLAN INFORMATION

Name of Plan
McKesson Corporation Retirement Plan

Type of Plan
Defined Benefit Plan

Plan Number
001

Employer Identification Number
94-3207296

Plan Sponsor
McKesson Corporation
One Post Street
San Francisco, CA 94104

Plan Administrator
McKesson Corporation Employee Benefits Management Committee
c/o Executive Vice President, Human Resources and Administration
McKesson Corporation
One Post Street
San Francisco, CA 94104
Phone: (415) 983-9437

Plan Trustee
JP Morgan Chase Bank, NA
Benefit payment Services NY1-E179
4 New York Plaza – 15 Floor
New York, NY 10004-2413

Type of Administration
The Plan is administered by:

McKesson Call Center
100 Half Day Road
P.O. Box 1530
Lincolnshire, IL 60069-1530

Funding Medium
The Plan is funded by Company contributions deposited into a trust operated for the sole benefit of Plan participants.

Source of Contributions

The Plan is entirely funded by Company contributions.

Plan Year
All related financial records are kept on a plan-year basis from January 1 to December 31.

Service of Legal Process
Service of legal process should be directed to one of the following:

Executive Vice President, Human Resources and Administration
McKesson Corporation
One Post Street
San Francisco, CA 94104

Service of legal process may also be made on the Plan Administrator or Plan Trustee.

Amendment or Termination of the Plan

The Plan may be modified or amended at any time. However, no modification or amendment may reduce your accrued benefits or make it possible for the Plan's assets to be used for purposes other than for the exclusive benefit of the Plan's participants or beneficiaries.

If the Plan is terminated, in whole or in part, the rights of all affected participants to their benefits accrued as of the date of the termination will be 100% vested and non-forfeitable. In the event of Plan termination, the Plan assets will be used exclusively for the benefit of Plan participants and their beneficiaries, except for any excess assets existing because of an erroneous actuarial calculation.

Upon termination of the Plan, to the extent required under federal law, assets will be allocated among participants and beneficiaries according to rules established by federal law. The allocation may be made immediately or at a later date set by the Employee Benefits Committee. If any assets remain after allocation of the assets to satisfy liabilities in accordance with federal law, then those assets remaining will be returned to the Employers.

Notice of a proposed termination will be given to the Pension Benefit Guaranty Corporation (PBGC) at least 10 days before the date of termination. No benefits will be paid from the Plan until the PBGC has issued a notice of sufficiency with regard to the Plan. The PBGC may also institute termination of the Plan.

Benefits under the Retirement Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal and early retirement benefits and certain disability and survivor's pensions.

However, PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination. However, if a plan has been in effect less than five years before it terminates, or if benefits have been increased within the five years before plan termination, the whole amount of the plan's vested benefits or the benefit increase may not be guaranteed. The PBGC does not guarantee certain supplemental benefits that stop when you become eligible for Social Security. In addition, there is a ceiling on the amount of monthly benefit that the PBGC guarantees, which is adjusted periodically.

For more information on the PBGC insurance protection and its limitations, ask your Plan Administrator or the PBGC. Inquiries to the PBGC should be addressed to:

Office of Administrative Review and Technical Assistance
Pension Benefit Guaranty Corporation
1200 K Street N.W., Suite 930
Washington, D.C. 20005-4026
Phone: (202) 326-4000

TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000.

Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

APPENDIX A: FORMER EPHRATA PLAN PARTICIPANTS

The Pension Plan for Employees of Ephrata Diamond Spring Water Company (the Ephrata Plan) was merged into the Plan effective December 31, 2003. This Appendix A outlines the provisions of the Plan that apply to former Ephrata Plan participants. Unless otherwise specified in this Appendix A, the provisions of the main section of this booklet apply to former Ephrata Plan participants.

INTRODUCTION

The Ephrata Plan was frozen effective April 15, 1999, and no new benefits could be earned under the Ephrata Plan after that date. If you were a participant in the Ephrata Plan as of April 15, 1999, any benefits you earned under the Ephrata Plan were "locked in" as of that date.

GENERAL PROVISIONS

The "General Provisions" section (page 3 of this booklet), which describes the Plan's participation and eligibility requirements, does not apply to former Ephrata Plan participants.

Participation

If you were a participant in the Ephrata Plan on December 31, 2003, you are eligible to participate in the Plan even though you did not satisfy the Plan's participation requirements as of December 31, 1996.

Eligibility for Plan Benefits

When you leave the Company, you may be eligible for a Normal Retirement Benefit or Early Retirement Benefit from the Plan. These benefits are described in the "Plan Benefits" section of this Appendix A.

VESTING SERVICE

If you were a participant in the Ephrata Plan as of April 15, 1999, you became fully vested in your Ephrata Plan benefits on that date.

PLAN BENEFITS

The "Plan Benefits," "Plan Formula" and "Benefit Eligibility" sections (pages 6 through 11 of this booklet) do not apply to former Ephrata Plan participants because the Plan was frozen before the Ephrata Plan was merged into the Plan.

Your Plan benefits are based on your Average Monthly Compensation for each Plan Year of Service you earned prior to April 15, 1999.

Average Monthly Compensation

Your Compensation generally includes your base salary, bonuses, overtime, commissions, company incentive programs, shift premiums, and any amounts you contributed to certain employer-sponsored plans prior to April 15, 1999. Your Average Monthly Compensation for a given Plan Year is your total Compensation for that Plan Year divided by 12.

From 1989 until 1994, the maximum amount of a participant's Compensation that could be considered under the Plan was $200,000 per year, as indexed. In 1994, the $200,000 limit was lowered to $150,000 per year, as indexed. As of April 15, 1999, the limit was $160,000.

Plan Year of Service

A Plan Year of Service is a calendar year during which you were a participant in the Ephrata Plan.

NORMAL RETIREMENT BENEFIT

You are eligible for a Normal Retirement Benefit if you terminate employment with the Company after you reach your Normal Retirement Age (age 65). You may receive your Plan benefits at any time after you retire (subject to the minimum distribution rules on page 12 of this booklet).

Your Normal Retirement Benefit is a monthly benefit equal to 1% of your Average Monthly Compensation for each Plan Year of Service earned prior to April 15, 1999. For example, if you earned 30 Plan Years of Service, and your Compensation for each Plan Year was $60,000, your Average Monthly Compensation for each Plan year would be $5,000. Your Normal Retirement Benefit would be 1% of $5,000 for each Plan Year, or $50, multiplied 30 Plan Years for a total monthly benefit of $1,500.

EARLY RETIREMENT BENEFIT

You are eligible for an Early Retirement Benefit if you terminate employment with the Company after you reach age 55 with 10 Years of Service. You may receive your Plan benefits at any time after you retire (subject to the minimum distribution rules on page 12 of this booklet). If you choose an Early Retirement Benefit, your Plan benefits will be reduced. Your early retirement benefit is the greater of the following amounts:

- Your Normal Retirement Benefit, reduced by 0.5% for each month between age 60 and 65, and 0.25% for each month between age 55 and 60, or

- The actuarial equivalent of your Normal Retirement Benefit if your plan benefit is distributed in a form other than a single life allowance.

Special Considerations

If you receive Plan benefits in the form of a Joint and Survivor Allowance, the monthly amount paid during your life will be less than the monthly benefits calculated above.

Please note that certain highly-paid employees may have their Plan benefits reduced because of limitations required by Internal Revenue Code Section 415.

FORMS OF BENEFIT PAYMENT

The normal form of retirement benefit and minimum distribution rules discussed on page 12 of this booklet are the same for former Ephrata Plan participants.

In addition, most of the optional forms of benefit payment discussed on pages 13 and 14 of this booklet are available to former Ephrata Plan participants.

You may choose the single life allowance, lump sum benefit, or the 50%, 66-2/3% or 75% Joint and Survivor Allowance (J&S) options. The benefit payable to you under the J&S options is the actuarial equivalent of a single life allowance. In addition, you may choose a single life allowance with 60 or 120 months of guaranteed payments. Under these options, you will receive reduced monthly payments during your lifetime, and if you die before all guaranteed payments are made, the remaining guaranteed payments will be paid to your beneficiary.

The 100% J&S allowance and level income benefit options are not available to former Ephrata Plan participants.

DEATH BENEFITS

Your spouse or beneficiary may receive the full amount of any benefit payable upon your death, regardless of the duration of your marriage or age or dependent status of your beneficiary. If you are married, you must obtain your spouse's written consent to designate a person other than your spouse as your beneficiary. If you are not married, your beneficiary may receive a death benefit upon your death after December 31, 1997. If you wish to designate a beneficiary to receive death benefits, please contact the McKesson Employee Services Center at 1-866-772-6601 for the beneficiary designation form.

SPECIAL BENEFITS

With the exception of the paragraph discussing Qualified Domestic Relations Orders, the "Special Benefits" section (pages 16 and 17 of this booklet) do not apply to former Ephrata Plan participants.

If You Work Beyond The Normal Retirement Age

Plan benefits continued to accrue if you worked beyond your Normal Retirement Age prior to April 15, 1999.

If You Are Reemployed After Plan Benefits Begin

Any reemployment with the Company will not affect the payment of your benefits.

APPENDIX B: FORMER MMC PLAN PARTICIPANTS

The Moore Medical Corp. Defined Benefit Pension Plan (the MMC Plan) was merged into the Plan effective April 1, 2004. This Appendix B outlines the provisions of the Plan that apply to former MMC Plan participants. Unless otherwise specified in this Appendix B, the provisions of the main section of this booklet apply to former MMC Plan participants.

INTRODUCTION

The MMC Plan was frozen effective March 31, 2004, and no new benefits could be earned under the MMC Plan after that date. If you were an active participant in the MMC Plan as of March 31, 2004, any benefits you earned under the MMC Plan were "locked in" as of that date.

GENERAL PROVISIONS

The "General Provisions" section (page 3 of this booklet), which describes the Plan's participation and eligibility requirements, does not apply to former MMC Plan participants.

Participation

If you were a participant in the MMC Plan on March 31, 2004, you are eligible to participate in the Plan even though you did not satisfy the Plan's participation requirements as of December 31, 1996.

Eligibility for Plan Benefits

When you leave the Company, you may be eligible for a Normal Retirement Benefit or Early Retirement Benefit from the Plan. These benefits are described in the "Plan Benefits" section of this Appendix B.

VESTING SERVICE

If you were an active participant in the MMC Plan as of March 31, 2004, you became fully vested in your MMC Plan benefits on that date.

PLAN BENEFITS

The "Plan Benefits," "Plan Formula" and "Benefit Eligibility" sections (pages 6 through 11 of this booklet) do not apply to former MMC Plan participants because the Plan was frozen before the MMC Plan was merged into the Plan.

The following factors determine your Plan benefits:

- Years of Credited Service
- Average Annual Compensation
- Covered Compensation

Years of Credited Service

Credited Service accrues from your hire date. Generally, a year of Credited Service is a calendar year in which you receive credit for completing 1,000 hours of service. The maximum number of years of Credited Service that you may accrue for benefit purposes is 25. You cannot earn any Credited Service for any period after March 31, 2004.

Average Annual Compensation

Average Annual Compensation is the average the annual Compensation you earned during your highest five consecutive years of Credited Service you earned prior to March 31, 2004. Your Compensation generally includes your base salary, bonuses, overtime, commissions, company incentive programs, shift premiums, and any amounts you contributed to certain employer-sponsored plans.

From 1989 until 1994, the maximum amount of a participant's Compensation that could be considered under the Plan was $200,000 per year, as indexed. In 1994, the $200,000 limit was lowered to $150,000 per year, as indexed. The limit was raised back to $200,000 per year on January 1, 2002, as indexed. As of March 31, 2004, the limit was $205,000.

Covered Compensation

Your Covered Compensation is the average of the Social Security Wage Bases for the 35 years ending on the earlier of:

- The year you reach your Social Security retirement age (see the chart on page 10 of this booklet, but note that as a former MMC Plan participant your Social Security retirement age is not the same as your Normal Retirement Age), or

- March 31, 2004.

The Social Security Wage Base is the maximum dollar amount from which Social Security taxes are taken from your pay. If you leave the Company before your Social Security retirement age, the Social Security Wage Base will be projected without increases to the earlier of:

- Your Social Security retirement age, or

- March 31, 2004.

NORMAL RETIREMENT BENEFIT

The formula for calculating your annual Normal Retirement Benefit is shown below. You will receive your maximum Plan benefit at your Normal Retirement Age (age 65) if you earned 25 Years of Credited Service prior to March 31, 2004.

Normal Retirement Benefit

1.25% x	Average Annual Compensation up to Covered Compensation
+ 0.6% x	Average Annual Compensation above Covered Compensation
x	Years of Credited Service as of March 31, 2004 (25-year maximum)
=	Annual Benefit at Normal Retirement Age

EARLY RETIREMENT BENEFIT

You are eligible for an Early Retirement Benefit after you reach age 55 (if you had 5 Years of Service when your employment with the Company ended). You may receive your Plan benefits anytime after you retire (subject to the minimum distribution rules on page 12 of this booklet). If you choose an Early Retirement Benefit, your Plan benefits will be reduced. This reduction is 1/15 for each year between age 60 and age 65, and 1/30 for each year between age 55 and age 60.

Special Considerations

If you receive Plan benefits in the form of a Joint and Survivor Allowance, the amount paid annually during your life will be less than the annual benefits calculated above.

Please note that certain highly-paid employees may have their Plan benefits reduced because of limitations required by Internal Revenue Code Sections 401(a)(17) and 415.

Special Transitional Rules

The formula used to calculate your annual MMC Plan benefit changed as of January 1, 1991. You should note that you will not lose any MMC Plan benefits earned under the old Plan formula up to December 31, 1990. Special rules apply for highly-paid employees.

FORMS OF BENEFIT PAYMENT

The normal form of retirement benefit and minimum distribution rules discussed on page 12 of this booklet are the same for former MMC Plan participants, except that for single participants, the normal form of retirement benefit is a single life allowance with 120 months of guaranteed payments.

Each of the optional forms of benefit payment discussed on pages 13 and 14 of this booklet are available to former MMC Plan participants. In addition, you may choose a single life allowance with 60, 120 or 180 months of guaranteed payments. Under these options, you will receive reduced monthly payments during your lifetime, and if you die before all guaranteed payments are made, the remaining guaranteed payments will be paid to your beneficiary. Also, you may elect to receive your entire Plan benefit in a single lump payment.

SPECIAL BENEFITS

With the exception of the paragraph discussing Qualified Domestic Relations Orders, the "Special Benefits" section (pages 16 and 17 of this booklet) do not apply to former MMC Plan participants.

Disability Retirement Benefits

If you become disabled before you retire, and due to your disability you cannot continue your employment with the Company, you will receive a Disability Retirement Benefit even if you are under age 55 and do not have 5 Years of Service. Your Disability Retirement benefit is equal to your Early Retirement Benefit, reduced actuarially if you are under age 55.

If You Work Beyond The Normal Retirement Age

Plan benefits continued to accrue if you worked beyond your Normal Retirement Age prior to March 31, 2004.

If You Are Reemployed After Plan Benefits Begin

Any reemployment with the Company will not affect the payment of your benefits.

APPENDIX C: FORMER NDCHEALTH PLAN PARTICIPANTS

The NDCHealth Corporation Employees' Retirement Plan (the NDCHealth Plan) was merged into the Plan effective December 31, 2007. This Appendix C outlines the provisions of the Plan that apply to former NDCHealth Plan participants. Unless otherwise specified in this Appendix C, the provisions of the main section of this booklet apply to former NDCHealth Plan participants.

INTRODUCTION

The NDCHealth Plan was frozen effective July 31, 1998, and no new benefits could be earned under the NDCHealth Plan after that date. If you were an active participant in the NDCHealth Plan as of July 31, 1998, any benefits you earned under the NDCHealth Plan were "locked in" as of that date.

GENERAL PROVISIONS

The "General Provisions" section (page 3 of this booklet), which describes the Plan's participation and eligibility requirements, does not apply to former NDCHealth Plan participants.

Participation

If you were a participant in the NDCHealth Plan on July 31, 1998, you are eligible to participate in the Plan even though you did not satisfy the Plan's participation requirements as of December 31, 1996. If you were a participant in the NDCHealth Plan on or before July 31, 1998, you are eligible to participate in the Plan if you were rehired by NDCHealth Corporation after that date.

Eligibility for Plan Benefits

When you leave the Company, you may be eligible for a Normal Retirement Benefit, Early Retirement Benefit, Delayed Retirement Benefit or Disability Benefit from the Plan. These benefits are described in the "Plan Benefits" section of this Appendix C.

VESTING SERVICE

Years of Vesting Service

Subject to the special rules in the NDCHealth Plan, a year of Vesting Service is a period of 12 consecutive months in which you work for the Company. A Year of Vesting Service begins on the anniversary of your date of hire. You will receive one month of Vesting Service for each month that you work for the Company starting on your date of hire.

You become 100% vested in your benefit after the earlier of attaining age 65 while employed or being credited with five years of Vesting Service.

PLAN BENEFITS

The "Plan Benefits," "Plan Formula" and "Benefit Eligibility" sections (pages 6 through 11 of this booklet) do not apply to former NDCHealth Plan participants because the Plan was frozen before the NDCHealth Plan was merged into the Plan.

The following factors determine your Plan benefits:

- Years of Benefit Service
- Final Average Earnings
- Integration Level

Years of Benefit Service

Benefit Service accrues from your hire date. Generally, a year of Benefit Service is a year in which you receive credit for completing 12 consecutive months of service with NDCHealth as an eligible employee. The maximum number of years of Benefit Service that you may accrue for benefit purposes is 35. **You cannot earn any Benefit Service for any period after July 31, 1998.**

Final Average Earnings

Final Average Earnings is the average of the five consecutive calendar years (or your period of employment, if shorter) in which you had your highest annual earnings during the 10 calendar years immediately prior to your Normal Retirement Date, Early Retirement Date, Delayed Retirement Date, date of death or termination date, whichever is applicable.

Integration Level

Integration Level is the lesser of your Final Average FICA Compensation or Covered Compensation determined as of your termination date but in no case shall it be greater than your Taxable Wage Base in effect on the first day of the Plan Year in which your termination date occurs.

Final Average FICA Compensation is the average of your annual earnings for three consecutive calendar years ending with the calendar year coinciding with or preceding your termination date. If your entire period of service is less than three consecutive calendar years, your Final Average FICA Compensation will be determined by dividing the total annual earnings you received by your entire period of employment, including fractional years.

Covered Compensation is the average of the Taxable Wage Bases for thirty-five calendar years ending with the year you attain Social Security Normal Retirement Age. If you leave the Company before your Social Security Normal Retirement Age, then the Taxable Wage Base in effect at the beginning of the Plan Year will remain the same for all future years when determining your Covered Compensation for any Plan year.

Taxable Wage Base is the maximum dollar amount from which Social Security taxes are taken from your pay.

If you have at least 15 years of vesting service, the Early Retirement Date will be applied in accordance with the formula and rules above

NORMAL RETIREMENT BENEFIT

You are eligible to receive a Normal Retirement Benefit if you are age 65 and you terminate employment with the Company on or after August 1, 1998. If your employment with the Company ended before August 1, 1998, you are eligible for the Normal Retirement Benefit when you attain age 65 if you were credited with five years of Vesting Service prior to your termination of employment.

$$\left(\frac{\text{(i)} - \text{(ii)}}{\text{Final Average Earnings at later of termination date or December 31, 1998}} \right) \times \text{Final Average Earnings at termination date}$$

Where

(i)=

1.65% x Final Average Earnings at earlier of termination date or December 31, 1998

x Years of Benefit Service (35-year maximum)

(ii)=

.75% x Integration Level at earlier of termination date or December 31, 1998

x Years of Benefit Service (35-year maximum)*

Your annual benefit at Normal Retirement Age will not be less than your accrued benefit as of July 31, 1998. In no event will the Normal Retirement Benefit determined above be less than 50% of the amount determined in step (i) above computed using only that portion of your Final Average Earnings that do not exceed your Integration Level.

* If your Social Security Normal Retirement Age is greater than 65, then the product under (ii) above shall be reduced by 5/9ths of one percent for each month preceding your Social Security Retirement Age.

EARLY RETIREMENT BENEFIT

You are eligible for an early retirement benefit after you reach age 55 with 15 years of Vesting Service. You may receive your Plan benefits any time after you retire (subject to the minimum distribution rules on page 12 of this booklet). If you choose an early retirement benefit, your Plan benefits will be reduced as described below.

The formula for calculating your annual early retirement income is shown below.

1/12 x (i) – (ii)

***(i) =**

1.65 x Final Average Earnings at your Early Retirement Date x Years of Benefit Service (35-year maximum) at your Early Retirement Date

x .56% (up to the first 60 months your Early Retirement Date is before your Normal Retirement Date)

x .28% (up to the next 60 months your Early Retirement Date is before your Normal Retirement Date).

(ii) =

.75 x Integration Level at your Early Retirement Date x Years of Benefit Service (35-year maximum) at your Early Retirement Date

x .56% (up to the first 60 months your Early Retirement Date is before your Normal Retirement Date)

x .28% (up to the next 60 months your Early Retirement Date is before your Normal Retirement Date)

x Average Earnings factors set forth in the Plan for each additional month your Early Retirement Date precedes your Social Security Normal Retirement Age.

* The early retirement reduction applied to the amount determined in (i) above shall not be less (as a percent of final average monthly earnings) than the reduction applied under (ii) above (expressed as a percentage of your monthly Integration Level).

If you elect to defer the first payment of your early retirement income until your Normal Retirement Date, your monthly payments will be the same as your normal retirement income determined as of your Early Retirement Date.

DISABILITY BENEFIT

You are entitled to receive retirement income at your Normal Retirement Date based on all years of Benefit Service you would have earned had you continued employment until your Normal Retirement Date,[§] (assuming your annual earnings continued each year in the same amount as your annual earnings in your last calendar year before your date of disability, or your annual earning in the calendar year of your disability, if greater), if the following requirements are met:

- your employment with the Company was terminated due to disability; and
- you had at least five years of Vesting Service;* and
- your attained age plus your years of Vesting Service total forty (40)*; and
- and your disability continued until your Normal Retirement Date.

§Benefit Service cannot be accrued for any period beginning after July 31, 1998.

* Both determined as of the first anniversary of the date you were first absent from service by reason of Disability.

DELAYED RETIREMENT BENEFIT

If you are an active employee past your Normal Retirement Date, your benefit is calculated in the same manner as your normal retirement income, except that your Delayed Retirement Benefit is computed using your Final Average Earnings, Integration Level and Benefit Service at your Delayed Retirement Date.

DEFERRED VESTED BENEFIT

If you have more than five years of Vesting Service at termination of your employment, your benefit is calculated using your Final Average Earnings, Integration Level and Benefit Service at your termination date. If you have at least 15 years of vesting service, the Early Retirement Date will be applied in accordance with the formula and rules above. If you have between 5 and 15 years of Vesting Service, your benefit is payable at age 65. If you have more than 15 years of Vesting Service, you will be eligible to begin receiving this benefit as early as age 55.

PRE-RETIREMENT SURVIVOR ANNUITY

If you are a married vested participant and you die prior to receiving benefits from the Plan, then your spouse will be entitled to a monthly retirement income known as a Pre-Retirement Survivor Annuity.

If you die after your Earliest Retirement Age, your spouse's Pre-Retirement Survivor Annuity shall equal 50% of the monthly retirement income you would have received assuming you had retired on the day before your death and elected to receive your retirement income under the Joint and 50% Survivor Annuity.

If you die on or before your Earliest Retirement Age, your spouse's Pre-Retirement Survivor Annuity shall equal 50% of the monthly retirement income that you would have received assuming you had:

(i) separated from service on your termination date;

(ii) survived until your Earliest Retirement Age;

(iii) retired on your Earliest Retirement Age and elected to receive your retirement income under the Joint and 50% Survivor Annuity; and

(iv) died the next day.

Your spouse will receive the Pre-Retirement Survivor Annuity on the later of (1) the first day of the month following your death or (2) the date you would have attained your Normal Retirement Age.

Notwithstanding the above, if during the 90-day period preceding your annuity starting date you had elected to receive a Contingent Annuitant Option with your spouse as your beneficiary, your spouse's Pre-Retirement Survivor Annuity shall be determined assuming you had elected such Contingent Option instead of the Joint and 50% Survivor Annuity.

Death benefits are calculated differently under the Plan (see "Death Benefits" on page 15 for more information). If the formula under the Plan yields a greater death benefit, then the formula under the Plan will be applied instead.

FORMS OF BENEFIT PAYMENT

The normal form of retirement benefit and minimum distribution rules discussed on page 12 of this booklet are the same for former NDCHealth Plan participants, except that you may also elect to receive your retirement income in one of the following forms: (i) a Single Life Annuity with a 10-year term certain; (ii) a Contingent Annuitant Option; or (iii) a Lump Sum Option.

The Single Life Annuity with a 10-year term certain is payable to you during your lifetime and, in the event of your death within 10 years after your benefits begin, the same monthly amount is payable to your beneficiary for the remainder of that ten-year period. In the event that both you and your beneficiary die before receiving 120 payments, any remaining payments will be paid to your contingent beneficiary.

The Contingent Annuitant Option is a monthly retirement income equal to the reduced Actuarial Equivalent of the Single Life Annuity. Upon your death, a designated percentage (100%, 75%, or 50%) of your retirement income will be payable to your beneficiary for the beneficiary's life. This retirement income will cease on the later of your death or your beneficiary's death.

The Lump Sum Option is available in accordance with the following rules:

- Automatic Payouts of Accrued Benefits of $5,000 or Less. If you are an alternate payee under a Qualified Domestic Relations Order, a surviving Spouse, or a participant who has reached your Normal Retirement Age as of the distribution date, then your retirement income shall be automatically paid in the form of the Lump Sum Option if, as of that date, the Actuarial Equivalent present value of the your vested retirement income is $5,000 or less.

- Automatic Payouts of Accrued Benefits of $1,000 or Less. If you are a participant who has not reached your Normal Retirement Age as of the date of distribution, your retirement income shall be paid automatically in the form of a Lump Sum Option, if, as of that date, the Actuarial Equivalent present value of your vested retirement income is $1,000 or less.

- Optional Payouts of Accrued Benefits Greater Than $1,000 But Not More Than $5,000. If, as of the date of the distribution, the Actuarial Equivalent present value of your vested retirement income is greater than $1,000 and less than or equal to $5,000, then you may elect to have your distribution paid in the form of the Lump Sum Option in a direct rollover to an eligible retirement plan or in a cash payment to you (less applicable withholding). If you are a married participant, you will not be required to obtain spousal consent in order to receive your retirement income in the form of a Lump Sum Option. However, you may not elect to receive your retirement income in any form of payment other than the Lump Sum Option.

- Accrued Benefits Greater Than $5,000. If, as of the date of the distribution, the Actuarial Equivalent present value of your vested retirement income is greater than $5,000, then you may not elect to receive your retirement income in the form of a Lump Sum Option.