PROSPECTUS

McKESSON CORPORATION
2000 EMPLOYEE STOCK PURCHASE PLAN

To Our Employees:

We are pleased with this opportunity to provide you with information regarding our 2000 Employee Stock Purchase Plan, as amended, referred to in these materials as the "Plan." We believe that the Plan is an important part of the benefits provided to the employees of McKesson Corporation (the "Company") and its designated parent (if any), subsidiary and affiliated corporations and we hope you will take the time to review this information carefully. The Company adopted the Plan in order to provide you with an opportunity to acquire an ownership interest in the Company, at a discounted price, and upon terms which may be favorable from a tax standpoint. The Company believes that participation in the Plan encourages employees to continue to work hard.

We have divided our discussion of the Plan into two parts. The first part of our discussion describes the terms of the Plan, which provides for the purchase of the Company's common stock ("Stock") at a discount. The second part of our discussion describes the tax consequences relating to participation in the Plan by employees who are subject to United States federal income taxation.

The following information is intended to be a summary. It may not answer all the questions that you have about the Plan and is not intended to discuss every detail. Please note that if there are any inconsistencies between the information in this prospectus and the terms of the Plan, the terms of the Plan will control. You may always obtain a copy of the Plan by logging onto McKNet under the Human Resources tab, or by contacting the Corporate Secretary's Department at 1-800-826-9360. Any further questions concerning the Plan may be directed to the Corporate Secretary's Department or by emailing us at corporatebenefits@mckesson.com. Questions relating to the tax consequences of your participation in the Plan should be referred to your personal tax advisor.

This Document Constitutes Part of the Prospectus
Covering Securities That Have Been Registered Under the
Securities Act of 1933.

The Date of This Document is January 29, 2010

INFORMATION ABOUT MCKESSON CORPORATION

An important part of your participation in the Plan is understanding the Company, its products, operations and financial condition. Like any stockholder of the Company, you can keep yourself informed about the Company by reviewing reports and other documents that the Company prepares for stockholders and the general public. If you become a stockholder of the Company, you will be entitled to attend stockholder meetings and to vote in the election of directors and other matters brought before the stockholders.

You should have already received a copy of the Company's most recent annual report containing audited financial statements. New hires will receive a copy of the annual report with these materials. Additional copies are available from McKesson Corporation, Attn: Investor Relations, One Post Street, San Francisco, California 94104, U.S.A. by calling 1-800-826-9360, or by logging onto www.mckesson.com, under Investors. Alternatively, the Company's most recent annual report on Form 10-K is available through the Company's Filings with the Securities and Exchange Commission (the "Commission") located at the following web site: www.sec.gov.

The U.S. federal securities laws require the Company to provide information about its business and financial status in annual reports, commonly known as "10-Ks" and quarterly reports, commonly known as "10-Qs." These reports are filed with the Commission. In addition, if certain important corporate events occur during the year, the Company may file reports commonly known as "8-Ks." The Company also prepares and files with the Commission a proxy statement in connection with its annual meeting of stockholders. The proxy statement provides further information about the Company and its officers, directors and major stockholders. From time to time, the Company may also file other documents with the Commission, as required by Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

All of these documents constitute part of the information required by securities laws to be provided or made available to you in connection with your purchase of Stock under the Plan; that is, these documents are incorporated by reference into these materials, which constitute the prospectus for the Plan.

For a copy of these documents, all of which are available without charge and upon written or oral request, please contact McKesson Corporation, Attn: Investor Relations, One Post Street, San Francisco, California 94104, U.S.A. by calling 1-800-826-9360, or by logging onto www.mckesson.com, under Investors.

If you are already a stockholder of the Company, you already should receive copies of the Company's proxy statement, reports to stockholders and other stockholder communications. You may always request copies of this information, which can be obtained without charge from Investor Relations.

QUESTION INDEX

PART I

TERMS OF THE PLAN

1. How Does the Plan Work?

Generally. The Plan gives you the opportunity to purchase shares of Stock at a discount from the market price through payroll deductions.

The Company has reserved 16,100,000 shares of Stock, par value $0.01 per share, for issuance under the Plan. Fractional shares of Stock will be issued under the Plan. Stock subject to the Plan may be authorized but unissued shares, shares that have been reacquired by the Company or shares of treasury stock. To the extent a right under the Plan terminates for any reason, any shares not purchased under such right will again become available for issuance.

In the event of a change in the Company's capital structure, including the payment of a stock dividend, stock split, reverse stock split, or in the event of any "corporate transaction" as defined in the Plan, the number of shares reserved under the Plan, the purchase price, the maximum number of shares that you may purchase during an Offering Period or during each calendar year, and the number of shares credited to participants' stock accounts (as described in the Plan), will be adjusted in an equitable manner by the Board of Directors of the Company (the "Board") to give proper effect to such event, subject to the limitations contained in the Plan.

Terms under an Offering. Under the Plan, rights to purchase Stock are granted to eligible employees during an Offering Period. Each Offering Period under the Plan will be three months in duration beginning on each August 1, November 1, February 1 and May 1 and shall end on the last trading day of the end of the month that is three months later.

The first day of an Offering Period is the "Offering Date." The last day of an Offering Period is the "Purchase Date." If an Offering Date falls on a day during which the Stock is not actively traded, then the Offering Date will automatically be the next succeeding day during which the Stock is actively traded. If a Purchase Date falls on a day during which the Stock is not actively traded, then the Purchase Date will automatically be the next preceding day during which the Stock is actively traded. Notwithstanding the foregoing, if no shares of Stock remain available for issuance under the Plan or if the Board determines that a new Offering Period shall not commence, no new Offering Period will commence.

How Stock Is Purchased. If you decide to participate in the Plan, you will authorize the Company to automatically deduct funds from each of your paychecks until you instruct the Company to stop these deductions or until you terminate your employment (or your eligibility to participate in the Plan otherwise ends) (unless payroll deductions are not permitted under local laws, in which case, you may contribute by other means specified by the Compensation Committee of the Board (the "Committee") if permitted by the Company). On each designated Purchase Date, the Company will use your payroll deductions to purchase Stock for you at a discounted price. (See Question 10.)

2. Am I Eligible to Buy Stock Pursuant to the Plan?

Because the 423 component of the Plan is intended to qualify under Section 423 of the Internal Revenue Code, Internal Revenue Service ("IRS") regulations require certain minimum standards for participation in the Plan. You are eligible to participate in the Plan if, on an Offering Date, you meet the following criteria:

- You are employed by the Company (or one of its designated parent (if any), subsidiary or affiliated corporations) and you have been so employed for a continuous period of at least 60 days ending on the applicable Offering Date (unless exclusion on the above basis is inconsistent with applicable local law).

- Your employment is customarily for 20 hours or more per week and more than 5 months per calendar year (unless a lower number of hours per week and/or number of months per calendar year is required under applicable local law).

- You do not own, and/or are not entitled to purchase under certain options, 5% or more of the combined voting power or value of all classes of stock of the Company or any parent or subsidiary corporation of the Company.

3. Who Has the Right to Determine What Benefits I Receive Under the Plan?

Subject to the express provisions of the Plan, the Board may amend or terminate the Plan at any time. However, the Committee has the authority to administer the Plan, to make the rules, sub-plans and regulations for implementing and administering the Plan, and to make all other determinations necessary or advisable for administering the Plan. The determinations of the Committee will be final and binding upon all persons, unless otherwise determined by the Board. Committee members serve as long as the Board thinks it appropriate and may be removed by the Board at any time.

Information about the current members of the Board or the Committee is provided at www.mckesson.com under Corporate Governance. Such information also may be found in the Company's proxy statement for the last annual stockholders meeting. You may obtain additional information about the administration of the Plan by contacting the Corporate Secretary's Department at 1-800-826-9360.

4. How Do I Sign Up to Authorize After-Tax Payroll Deductions Under the Plan?

If you are currently enrolled in the Plan, you are not required to re-enroll. Information on how to enroll in the Plan will be provided to you separately. This information also is available by logging onto McKNet under the Human Resources tab, or by contacting the Corporate Secretary's Department at 1-800-826-9360. When you enroll in the Plan, you will authorize the Company to automatically deduct the percentage of compensation specified by you from each paycheck during the Offering Period to purchase shares of Stock on the applicable Purchase Date. When you elect to participate in the Plan, you must elect what percentage of your compensation you want to contribute to the Plan. You can elect to contribute up to 15% of your after-tax compensation. See Question 9 regarding limits on the number of shares that you can purchase under the Plan. See Questions 13 and 17 regarding changing your election during an Offering Period.

5. How Much of My Compensation Can I Have Withheld to Purchase Stock Under the Plan?

If you are eligible to participate in the Plan, you can authorize the Company to withhold up to 15% of your compensation for each pay period. If you elect to have a percentage of your pay withheld, you may choose any whole percentage of deductions up to 15%. For example, you may choose to have 2% or 3% of your compensation deducted during each pay period but not 2.5%. The amount you choose to have deducted is up to you.

For purposes of the Plan, "compensation" means compensation as defined in the Company's Profit-Sharing Investment Plan (or otherwise defined for employees outside of the U.S.). See Appendix A for the definition of compensation. If your compensation increases or decreases, the amount of your payroll deduction will be adjusted accordingly.

6. Can I Participate in an Offering Period After It Has Begun? What If I First Become Eligible After an Offering Period Has Begun?

No, if you were an eligible employee on the Offering Date but did not elect to participate in the Offering Period at that time or you become an eligible employee during an ongoing Offering Period, you may not participate in the ongoing Offering Period and must wait to enroll in the next Offering Period.

7. Do I Have to Reapply to Participate in Each Offering?

No, once you elect to participate in the Plan and authorize payroll deductions, deductions will be made continually until:

- you withdraw from participation (see Question 17);

- you are no longer an eligible employee (see Question 2);
- no further shares are authorized for purchase under the Plan; or
- the Board discontinues the Plan, which it has the right to do at any time. (However, if the Board terminates the Plan, any cash contributions that you have made to the Plan that have not been used to purchase Stock will be returned to you.)

8. When is Stock Purchased?

Shares are purchased for you under the Plan on the Purchase Dates, which are each July 31, October 30, January 31 and April 30. However, if an Offering Period terminates prior to the scheduled Purchase Date, then the termination date under such Offering Period would constitute the Purchase Date.

9. How Many Shares Can I Purchase Under the Plan?

During any calendar year you may not purchase more than $25,000 worth of Stock based on the fair market value of the Stock on the Offering Date. Unused amounts shall not be carried over to other calendar years. In addition, in no event shall the number of shares of Stock that you may purchase during any Offering Period under the Plan exceed 25,000 shares of Stock.

If the purchase of shares using all of your and other employees' payroll deductions would result in the sale of more than the number of shares then available under the Plan, the Committee will allocate a pro rata portion of the shares available for purchase for you and other employees in as nearly a uniform manner as practicable and as it deems equitable.

10. At What Price Are the Shares Purchased?

Shares are purchased at a price equal to 85% of the fair market value of the Stock on the Purchase Date.

For example, if the fair market value of the Stock is $8.00 on the Purchase Date, then Stock would be purchased for you at a price per share of $6.80 (85% of $8.00). In all cases, the price of the Stock will be rounded up to the nearest whole cent for the purpose of determining how many shares of Stock you can purchase.

11. What Happens to My Money During the Period Before Stock is Purchased?

Your payroll deductions are maintained with the general funds of the Company (or one of its subsidiaries or affiliates) and do not earn interest for you (unless otherwise required under applicable local law).

12. What Happens to My Money That is Not Used to Purchase Stock on a Purchase Date?

Any payroll deductions that are collected from you that cannot be used to purchase Stock because of the limits described in Question 9 will be refunded to you as soon as practicable following the Purchase Date.

13. Can I Reduce or Increase the Percentage of My Payroll Deductions at Any Time?

You may not increase or decrease the level of your payroll contributions during an Offering Period. You may withdraw from the Plan at any time. (See Question 17.)

14. What Happens If I Leave the Company?

Whether you leave the Company (or one of its designated subsidiaries or affiliates) voluntarily or your employment is terminated for any reason (including disability), your rights to purchase Stock under the Plan terminate immediately and your payroll deductions not already used to purchase Stock under the Plan will be returned to you, without interest (unless otherwise required under applicable local law), as soon as reasonably practicable.

15. What Happens If I Take a Leave of Absence?

During any military, sick leave or other bona fide leave of absence, you can continue to participate in the Plan for 90 days from the beginning of your leave. If a return to your job is not expressly guaranteed by the Company or federal, state or local law, then on the 91st day of your leave you will be treated as a terminated employee and will receive a refund of all of your payroll deductions accumulated to date (reduced for prior Stock purchases) without interest (unless otherwise required under applicable local law). You will not be permitted to participate in any future Offering Period until such time as you again become eligible under the Plan. (See Question 2.) However, if your return to work following your leave is expressly guaranteed by the Company or by law, you may continue to participate in the Plan after the 91st day of your leave so long as your return to work continues to be so guaranteed.

16. What Happens If I Die While Participating in the Plan?

If your employment with the Company (or one of its designated subsidiaries or affiliates) terminates due to your death and you were participating in the Plan, then your beneficiary or your estate may elect to receive a distribution of your payroll deductions not already used to purchase Stock or may elect to purchase Stock under the Plan on the next Purchase Date.

17. Can I Withdraw the Money Deducted for Me at Any Time?

You can withdraw your money at any time other than during the 10 days preceding a Purchase Date. The contact information to withdraw from the Plan will be provided to you separately or you can get that information by logging onto McKNet under the Human Resources tab, or by contacting the Corporate Secretary's Department at 1-800-826-9360. Your payroll deductions will stop and your payroll deductions will be returned to you, less any amount previously used to purchase Stock, without interest (unless otherwise required under applicable local law), as soon as reasonably practicable. If you withdraw from an Offering Period, you may not re-enroll in the same Offering Period. You will be eligible to enroll in the next Offering Period if you meet the requirements in Question 2 on the Offering Date.

18. Can I Contribute Additional Amounts If I Want to Buy Additional Shares of Stock?

No, only amounts withheld through payroll deductions (or other contributions allowed by the Company in countries where payroll deductions may not be allowable) can be used to purchase shares under the Plan.

19. When Can I Sell Stock Purchased Under the Plan?

You can generally sell Stock purchased under the Plan as soon as the Stock is issued to you, or you may retain your Stock and enjoy the rights of a stockholder of the Company. However, see Question 21 if you are in possession of material undisclosed information. See Part II for the tax consequences of an immediate sale. Officers of the Company who are subject to Section 16 of the Exchange Act should refer to Question 26.

20. How Do I Sell My Stock?

When Stock is purchased for you under the Plan, the shares are delivered to your account with the Company's designated broker. These shares will be deposited into your account generally within one week from the Purchase Date. You can view your account at the designated broker's website. The designated broker may also mail you a confirmation of purchase statement following a purchase.

To sell your shares online, go to your account on the designated broker's website or call the designated broker directly.

The Company will not buy from you any Stock purchased under the Plan. Officers of the Company who are subject to Section 16 of the Exchange Act also are subject to special limitations on the sale of their Stock. (See Question 26.)

21. If I Am Aware of Important Non-Public Information, Can I Sell My Stock Before This News is Disclosed to the Public? For Example, If I Have Information About an Earnings Release, Can I Sell My Stock Before the Company Puts Out a Press Release?

No. The U.S. federal securities laws make it unlawful for employees (including executive officers), directors and their "tippees" to trade in Company Stock on the basis of material, inside information. Information is "material" if there is a substantial likelihood that a reasonable investor would consider the information important in arriving at a decision to buy or sell the Stock. Information is "inside" if it is not generally available to the investing public. Examples of inside information that might be deemed to be material include earnings estimates, changes in previously announced estimates, dividend increases or decreases, etc. This list is not exhaustive; other types of information may be material at any particular time, depending upon all of the circumstances.

If you are contemplating selling your Stock and think you might have "material, inside information" you should discuss your possible sale with the Company's Associate General Counsel and Secretary or with the Executive Vice President and General Counsel. If, after this discussion, it is determined that the information is in fact material, inside information, you must wait to sell your Stock until after the information has been made public.

For more information, see the Company's Insider Trading Policy at McKNet under My Work, Corporate Secretary's Department, or call 1-800-826-9360 to request a copy.

22. Do I Pay Commissions on the Purchase or Sale of My Stock?

You pay no commissions when Stock is purchased for you under the Plan. You can expect to be charged a fee or commission on the sale of your Stock. Visit the Company's designated broker's website for a summary of these charges.

23. Can I Request That the Stock Be Issued in the Name of My Child, or a Family Trust, or in "Street Name" for My Broker?

Your shares purchased under the Plan may be issued only in your name. To transfer the Stock to another individual, contact the Company's designated broker. Please note that a transfer of Stock may result in a "disqualifying disposition" for U.S. federal tax purposes. (See Part II.)

24. Does the Company Pay Dividends on Its Stock?

The Company currently pays dividends on its Stock.

25. Is the Plan Subject to ERISA?

The Plan is not subject to any provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 401(a) of the Internal Revenue Code.

26. Do Special Rules Apply to Me If I Am an Officer of the Company Who Is Subject to Section 16 of the Exchange Act?

If you are an officer of the Company who is subject to Section 16 of the Exchange Act, then you may only sell your Company Stock during "window periods" that begin two business days after the public release of the Company's quarterly earnings statements and end two weeks prior to the end of each quarter (i.e., June 15, September 15, December 15 and March 15). Note that there will be times when the Company may impose a ban on trading even during the permitted window period because of a potential acquisition, divestiture, financing or other extraordinary event or circumstance. See the Company's Insider Trading Policy for more information.

If you are an officer of the Company who is subject to the reporting requirements of Section 16(a) of the Exchange Act, then you are also subject to the short-swing profit liability provisions of Section 16(b) of the

Exchange Act. Because transactions involving the Company's Stock may give rise to short-swing profit liability, all executive officers who are participants in the Plan must obtain pre-clearance of a transaction involving the sale of Company Stock from the Associate General Counsel and Secretary or from the Executive Vice President and General Counsel. A request for pre-clearance must be submitted at least two days in advance of the proposed transaction. See the previously distributed Section 16 Memorandum from the Executive Vice President and General Counsel.

27. Do Special Rules Apply to Me If I Am an Employee Located Outside of the United States?

Yes. Modifications and/or additions to the provisions of the Plan may be applicable to you based on the laws of the country in which you work or live. For example, the eligibility rules may be modified or your payroll deductions may be held in a separate account in your name until Stock is purchased for you under the Plan.

Also, before Stock is purchased for you, your payroll contributions will be converted into U.S. dollars. The currency exchange for the conversion will be based on the exchange rate as of the Purchase Date.

You will receive a supplement to this Prospectus that will outline the country specific changes that are applicable to you, including the tax consequences of your participation in the Plan. The tax discussion that follows here is applicable to you only if you are a U.S. taxpayer.

PART II

TAX ISSUES RELATING TO YOUR PARTICIPATION IN THE PLAN

The information in this Part II responds to questions you may have about the U.S. federal tax consequences of participating in the Plan. You should understand, however, that this tax information is not complete. For example, it does not address U.S. federal estate tax or state or local tax laws or the application of laws if you are subject to tax laws in other countries. Furthermore, because tax laws and regulations change frequently, and interpretations of these laws and regulations can change the way the laws and regulations apply to you, this information may be out of date at the time you purchase or sell shares under the Plan. Therefore, you should consult with a tax advisor if you have questions relating to the tax consequences of participation in, and the sale of shares received under, the Plan. Non-U.S. employees should refer to the tax information in their country supplement.

Offerings made under the 423 component of the Plan are intended to provide employees with the opportunity to receive the special tax treatment afforded by Section 423 of the Internal Revenue Code, but the Company does not guarantee that the Plan will qualify for such special tax treatment. This summary was prepared based on the assumption that the Plan will qualify for special tax treatment under Section 423.

28. Am I Taxed on the Money Withheld to Purchase Stock?

Yes. The money withheld from your wages to purchase Stock under the Plan is taxable income to you just as if you had actually received the money. The amount withheld under the Plan is subject to U.S. federal, state and local income taxes, as well as all employment (e.g. Social Security and Medicare taxes) and payroll taxes.

29. Do I Have to Pay Tax When Stock is Purchased by Me Under the Plan?

Even though you are buying the Stock at a price which is 15% below the fair market value of the Stock at the time of purchase, you do not have to pay federal income tax on this benefit to you at the time of purchase.

30. What Is My Tax When I Sell the Stock Purchased by Me Under the Plan?

Generally, you will include in income and pay tax on the difference between what you paid for the Stock and what you sold it for in the year in which you make a disposition of shares acquired under the Plan. The amount of tax will depend on your personal tax situation and the characterization of any profit or loss on the sale as ordinary income or capital gain or loss, or a combination of ordinary income and capital gain or loss. (See Questions 31 and 32.)

31. What Constitutes a Disposition of Stock for Tax Purposes?

A disposition generally includes any sale, exchange, gift or transfer of legal title. Certain transactions are excluded, including a pledge or a transfer by bequest or inheritance, or certain transfers to a spouse or former spouse incident to a divorce. As this is a complicated area, you should consult your tax advisor for the consequences of your disposition of Plan Stock.

32. Will My Profit or Loss Be Ordinary Income or Capital Gain or Loss?

The characterization of the income you recognize will vary and will depend on whether you sell the Stock in a "disqualifying disposition" or a "qualifying disposition." Whether a disposition is "disqualifying" or "qualifying" depends on how long you held the Stock before the disposition, as described below.

Disqualifying Disposition

Generally, a disqualifying disposition will occur if you "dispose" (see Question 31) of your Stock before you have held the shares for both of the following holding periods:

- more than two years after the Offering Date of the Offering Period in which you purchased the Stock; ***and***

- more than one year after the Purchase Date on which you purchased the Stock.

In the case of a "disqualifying disposition," you will recognize ordinary income equal to the difference between the fair market value of the Stock on the Purchase Date and the purchase price. You will be subject to income tax on this amount at your marginal tax rate.

In addition, if the fair market value of the Stock on the date of sale exceeds the fair market value on the Purchase Date, you will realize a capital gain. On the other hand, if the sum of the purchase price for the Stock plus any amount recognized as ordinary income, as described above, exceeds the fair market value on the date of sale, you will realize a capital loss. Any such capital gain or loss will be long-term capital gain or loss if the Stock is sold more than 12 months after the Purchase Date, but will be a short-term capital gain or loss if the Stock is sold within 12 months after the Purchase Date.

Thus, you may have ordinary income and a capital loss in the same year, and you may not be able to fully offset such income with such loss.

Qualifying Disposition

Generally, if you dispose of your Stock in a qualifying disposition (a disposition after both holding periods described above have been met), or if you die while owning the Stock, then you will recognize ordinary income equal to the lesser of (i) the difference between the fair market value of the Stock at grant and the purchase price, and (ii) the difference between the sales price and the purchase price. You will be subject to income tax on this amount at your marginal tax rate.

If you make a qualifying disposition that results in a loss, there will be no recognition of ordinary income, and you will have a long-term capital loss equal to the difference between the sale price and the purchase price.

33. What Is the Difference Between Ordinary Income and Capital Gain and Loss for Federal Income Tax Purposes?

Generally ordinary income is taxed at a higher rate than capital gain; however, ordinary income and capital gain tax rates vary with income level. Currently, the maximum marginal tax rate applicable to ordinary income and short-term capital gains is 35%. The maximum marginal tax rate is 15% for long-term capital gains. Additionally, capital gains and losses are subject to certain other provisions of the Internal Revenue Code not applicable to ordinary income. Consult your tax advisor for more information regarding the rates that apply to you.

34. Is There Any Tax Withholding at the Time Stock Is Purchased by Me or When I Sell the Stock?

The Company will not withhold tax at the time Stock is purchased or sold by you under the Plan. However, the Company will report the income that you recognize from a qualifying or disqualifying disposition on your annual Form W-2. Regardless of whether your employer reports the taxable income on your W-2, you are responsible for reporting and paying the tax that you owe when you sell shares of Stock purchased under the Plan. With regard to the money withheld from your wages to purchase Stock under the Plan, see Question 28.

APPENDIX A

FREQUENTLY USED TERMS

For purposes of the Plan and the Prospectus, the term **"compensation"** shall mean all compensation within the meaning of section 1.415-2(d)(11)(ii) of the Treasury Regulations paid to an Employee during the Plan Year for services provided to an Employer, reduced by reimbursements and other expense allowances, fringe benefits (cash and non cash), including, but not limited to, amounts realized from the exercise of stock options, moving expenses, welfare benefits, imputed interest from below-market-rate loans and any compensation previously deferred. The following payments shall also be excluded from the definition of compensation: payments made pursuant to the McKesson Corporation Long-Term Incentive Plan and extraordinary payments not made under the Company's regular bonus program, such as signing and retention bonus payments. Compensation shall also include any amounts that would have been paid during the Plan Year to an Employee but for an election to make Pre-Tax Deferrals or deferrals to a plan described in Sections 125, 132(f)(4), 401(k), 402(e)(3), 402(h) or 403(b) of the Code.

Any capitalized term used in the definition of compensation above shall have the same definition of such term as in the McKesson Corporation Profit-sharing Investment Plan. For purposes of the Prospectus, the term **"disposition"** shall mean any sale, exchange, gift or transfer of legal title. Certain transactions are excluded, including a pledge or a transfer by bequest or inheritance, or certain transfers to a spouse or former spouse incident to a divorce.

For purposes of the Prospectus, the term **"fair market value"** shall mean, as of any date, the composite closing price of the Stock on such day on the New York Stock Exchange as reported by such stock exchange (for example, on its official website www.nyse.com). If no transaction is reported for a particular date, the fair market value will be the closing price on the closest preceding date for which any transaction is reported. If the Stock is not traded on the NYSE, the fair market value will be determined using a method established by the Committee.

For purposes of the Prospectus, the term **"Offering Date"** shall mean the first day of an Offering Period.

For purposes of the Prospectus, the term **"Offering Period"** shall mean each three-month period beginning on each August 1, November 1, February 1 and May 1 during which an employee is enrolled in the Plan.

For purposes of the Prospectus, the term **"Purchase Date"** shall mean the last day of an Offering Period.