

CVS HEALTH Corp
Form DEF 14A
April 05, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

CHECK THE APPROPRIATE BOX:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

CVS Health Corporation

(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- 1) Title of each class of securities to which transaction applies:
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- 1) Amount previously paid:
 - 2) Form, Schedule or Registration Statement No.:
 - 3) Filing Party:
 - 4) Date Filed:
-

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Notice of 2019
**Annual Meeting
of Stockholders
and Proxy Statement**
May 16, 2019; 8:00 a.m.

CVS Health Corporation
Customer Support Center
One CVS Drive
Woonsocket, Rhode Island 02895

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Message from Our Chair and Our Chief Executive Officer

DEAR FELLOW STOCKHOLDERS:

2018 was a year marked by tremendous change in the industry, and CVS Health was at the center of it all. In a health care landscape scarred by an overly complex system, which has been delivering inconsistent outcomes to patients for years, CVS Health's acquisition of Aetna (the Aetna Transaction) brings together two premier health-centric companies that are best positioned to reshape the health care landscape.

Creating the Front Door to Health Care

The combination of the nation's largest pharmacy retailer with one of the country's leading diversified health care benefits companies creates nearly limitless possibilities to transform the broken health care system. Aetna's "go local" approach is a perfect match with CVS Health's nearly 10,000 stores across the country. This winning combination creates a true front door to health care in local communities as we continue to develop innovative products and services to expand access to quality health care. CVS Health recently launched our first HealthHUBs, with the goal of bringing more health-centric services to CVS customers than ever before. These HealthHUBs will serve as the testing grounds for a variety of new products and services that will continue to grow and expand across the country over time. In addition to our new store concepts, CVS Health is investing in digital capabilities to bring health care to the palm of your hand. CVS already engages with one in three Americans on a daily basis and, through our digital expansion, we expect to grow that reach even more. Ultimately, between our nationwide store presence and through the growth of our electronic platforms, we expect to expand access to quality care across the country.

Corporate Social Responsibility

CVS Health is committed to helping people on their path to better health across the country, and this is evident in our commitment of \$100 million to the *Building Healthier Communities* initiative announced earlier this year. In collaboration with the CVS Health Foundation and the Aetna Foundation, we will invest \$20 million annually over five years to partner with local communities and to help support a wide range of initiatives and non-profit organizations. Under this initiative, CVS Health and its affiliates will join forces with organizations that have missions to improve local access to affordable quality care and to impact public health challenges. Through this new initiative, we will strengthen our local and community engagement and further improve the health of our neighborhoods. Some of the highlights of this program as well as other initiatives can be found inside the back cover of this proxy statement.

Corporate Governance

Following the Aetna Transaction, we added four of Aetna's directors to our Board and, in conjunction with our existing directors, we will leverage their guidance to help drive future

success at CVS Health. Over this past year we've proactively met with our stockholders to understand your needs and are actively working to position our company for future growth, and within this proxy statement you will find the details of the changes we have made in response to those conversations. We pride ourselves on our strong governance practices, thank you for your continued support and welcome your feedback regarding future improvements.

Overall 2018 Performance

CVS Health showed strong growth in 2018, with revenues increasing nearly \$10 billion year-over-year, bolstered by the Aetna Transaction and by continued script growth of 8.6% for the year. We delivered adjusted earnings per share of \$7.08,* at the top end of our previous guidance range. However, last year was not without its challenges: CVS Health took \$6.1 billion of goodwill impairment charges related to our Long-Term Care business, which was largely responsible for our 2018 GAAP loss per share of \$0.57. We are taking comprehensive actions to address the impact of certain headwinds we are facing, and we are confident that our actions will position us well in 2020 and beyond.

Annual Meeting of Stockholders

Our 2019 Annual Meeting of Stockholders will be held on Thursday, May 16, 2019, at 8:00 a.m., at the CVS Health Customer Support Center located at One CVS Drive in Woonsocket, Rhode Island. We invite you to attend, and ask you to please vote at your earliest convenience. Your vote is important.

Thank you for your interest and investment in CVS Health. We appreciate your continued support as we look to transform our health care system as we know it today.

Sincerely,

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David W. Dorman
Chair of the Board

Larry J. Merlo
President and Chief Executive Officer

* Adjusted earnings per share is a non-GAAP measure. See Annex A to the proxy statement.

cvshealthannualmeeting.com

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Notice of Annual Meeting of Stockholders

Date and Time

May 16, 2019, 8:00 a.m.

Place

CVS Health Corporation
Customer Support Center
One CVS Drive
Woonsocket, Rhode Island 02895

Items to be Voted

Elect 16 directors named in this proxy statement;
Ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for 2019;
Say on pay, an advisory vote to approve the Company's executive compensation;
Act on one stockholder proposal, if properly presented; and
Conduct any other business properly brought before the Annual Meeting.

Eligibility to Vote

Stockholders of record at the close of business on March 21, 2019 may vote at the Annual Meeting.

By Order of the Board of Directors,

Colleen M. McIntosh

Senior Vice President, Corporate Secretary and Chief Governance Officer

Your vote is important.

Whether or not you plan to attend the Annual Meeting, please vote your shares. In addition to voting in person or by mail, stockholders of record have the option of voting by telephone or via the Internet. If your shares are held in the name of a bank, broker or other holder of record (i.e., in "street name"), please read your voting instructions to see which of these options are available to you. Even if you are attending the Annual Meeting in person, we encourage you to vote in advance by mail, phone or Internet.

We began mailing and made available this proxy statement and proxy card on or about April 5, 2019 to all stockholders entitled to vote. Our 2018 Annual Report, which includes our financial statements, is being sent with this proxy statement.

HOW TO VOTE

Your vote is important to the future of CVS Health. You are eligible to vote if you were a stockholder of record at the close of business on March 21, 2019. Even if you plan to attend the Annual Meeting, please vote as soon as possible using one of the following methods. In all cases, you should have your proxy card in hand:

Use the Internet

www.proxyvote.com

Use a Mobile Device

Scan this QR Code

Call Toll-Free

1-800-690-6903

Mail Your Proxy Card

Follow the instructions on your voting form

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to Be Held on May 16, 2019:

The proxy statement and annual report to stockholders are available at www.cvshealthannualmeeting.com and at www.proxyvote.com/cvs.

cvshealthannualmeeting.com

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This summary highlights selected information in this Proxy Statement – please review the entire document before voting.

All of our Annual Meeting materials are available in one place at www.cvshealthannualmeeting.com. There, you can download electronic copies of our Annual Report and Proxy Statement, and use the link to vote.

Voting Items

	Board Recommendation		Further information
Item 1 Election of directors	FOR each director nominee	Our 16 directors are seasoned leaders who bring a mix of skills and qualifications to the Board	9-17
Item 2 Ratify the appointment of the Company's independent registered public accounting firm for 2019	FOR	Based on its recent evaluation, our Audit Committee believes that the retention of Ernst & Young LLP is in the best interests of the Company and its stockholders	33-34
Item 3 Say on pay - an advisory vote on the approval of the Company's executive compensation	FOR	Our executive compensation program reflects our unwavering commitment to paying for performance and reflects feedback received from stockholder outreach	35-36
Item 4 Stockholder proposal regarding exclusion of legal or compliance costs from financial performance adjustments for executive compensation	AGAINST	The proposal is overly restrictive and broad, preventing the Board from exercising discretion to consider important additional factors. Further, we believe that our approach to incentive compensation for our senior executives, which considers individual results, company performance and the values set forth in our <i>Code of Conduct</i> , is an appropriate way to align the interests of our senior executives with the long-term interests of our stockholders	76-78

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You are asked to vote on the election of the following 16 nominees to serve on the Board of Directors of CVS Health. All directors are elected by a majority of votes cast, and all presently serve on the CVS Health Board. The information reflected below is as of our Annual Meeting date, May 16, 2019.

Name, Primary Occupation	Director		Other Public Company Boards	CVS Health Committees
	Age	Since		
Fernando Aguirre Former Chairman, President and CEO of Chiquita Brands International, Inc.	61	2018	YES	1
Mark T. Bertolini Former Chairman and CEO of Aetna Inc.	62	2018	NO	1
Richard M. Bracken Former Chairman and CEO of HCA Holdings, Inc.	66	2015	YES	None
C. David Brown II Partner & Member of Executive Committee of Nelson Mullins Riley & Scarborough	67	2007	YES	1
Alecia A. DeCoudreaux President Emerita of Mills College and Former Executive at Eli Lilly and Company	64	2015	YES	None
Nancy-Ann M. DeParle¹ Co-Founding Partner of Consonance Capital Partners, LLC and Former Director of White House Office of Health Reform	62	2013	YES	1
David W. Dorman Chair of the Board of CVS Health Corporation and Former Chairman and CEO of AT&T Corporation	65	2006	YES	1
Roger N. Farah Chairman of Tiffany & Co. and Former Executive at Tory Burch and Ralph Lauren	66	2018	YES	3
Anne M. Finucane Vice Chairman and Member of the Executive Management Team of Bank of America Corporation	66	2011	YES	None
Edward J. Ludwig Former Chairman and CEO of Becton, Dickinson and Company	67	2018	YES	1
Larry J. Merlo President and CEO of CVS Health Corporation	63	2010	NO	None
Jean-Pierre Millon Former President and CEO of PCS Health Systems, Inc.	68	2007	YES	None
Mary L. Schapiro Vice Chair of Public Policy and Special Advisor to the Chairman of Bloomberg L.P.	63	2017	YES	1
Richard J. Swift² Former Chairman, President and CEO of Foster Wheeler Ltd.	74	2006	YES	2
William C. Weldon Former Chairman and CEO of Johnson & Johnson	70	2013	YES	2
Tony L. White Former Chairman, President and CEO of Applied Biosystems, Inc.	72	2011	YES	1
Member	A	Audit	MP&D	Medical
Committee Chair	I&F	Investment and Finance	N&CG	Nominating and Corporate Governance
				MA Affairs
				E Executive

Ms. DeParle will become Chair of the Nominating and Corporate Governance Committee and a member of the Executive Committee at the time of the Annual Meeting.

²At the time of the Annual Meeting, Mr. Swift will be retired from two of the four other public company boards of directors on which he currently sits.

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Proxy Statement Highlights [The CVS Health Board](#)

SELECTING OUR DIRECTORS

Director Independence

14 Independent
2 Not Independent
14 directors, including our Chair, are independent of the Company and management. Mr. Merlo, our President and CEO, and Mr. Bertolini, former Chairman and CEO of Aetna, are our only non-independent directors.

Director Tenure

7 0-3 years
4 4-7 years
5 >7 years
Our directors bring a balance of experience and fresh perspective to our boardroom. The average tenure of our directors is 5.7 years.

Financial Expertise

12 Financial Experts
4 Financially Literate
Five members of our Audit Committee are designated Audit Committee Financial Experts. Seven other board members have qualifications to be financial experts, and the remainder are financially literate.

Born Outside of the U.S.

3 Born Outside U.S.
13 U.S. Born
Our directors come from varied backgrounds, including 10 different states and three foreign countries.

Director Gender

4 Female
12 Male
25% of our directors are women.

DIRECTOR SKILLS AND EXPERIENCE

Our directors possess relevant experience, skills and qualifications that contribute to a well-functioning Board to effectively oversee the Company's strategy and management. Our directors' principal areas of expertise include:

11/16	13/16	8/16
Business Development and Corporate Transactions	Health Care and Regulated Industries	Public Company Board Service
8/16	8/16	7/16
Business Operations	International Business Operations	Public Policy and Government Affairs
8/16	12/16	10/16
Corporate Governance	Leadership (Current or Former CEOs)	Risk Management
13/16	4/16	5/16
Finance	Legal and Regulatory Compliance	Technology and Innovation

Table of ContentsProxy Statement Highlights [The CVS Health Board](#)**BOARD AND CORPORATE GOVERNANCE HIGHLIGHTS**

The CVS Health Board continues to evaluate the Company's corporate governance policies and practices to ensure that the right mix of individuals are present in our boardroom and to best serve the stockholders we represent by ensuring effective oversight of our strategy and management. We are committed to maintaining the highest standards of corporate governance, and have established a strong and effective framework by which the Company is governed and reviewed.

	Further Information
2018-2019 Board and Corporate Governance Developments	
In November 2018, Fernando Aguirre, Mark T. Bertolini, Roger N. Farah and Edward J. Ludwig were elected to our Board of Directors, providing our Board with additional depth from their knowledge of Aetna's business and their complementary expertise, which will be essential to the combined company as we transform the way health care is delivered in America	pages 10, 13 and 14
In connection with the Aetna Transaction, we changed the name of the Patient Safety and Clinical Quality Committee to the Medical Affairs Committee, to reflect the expanded work of the Committee regarding medical-related strategies, policies and practices that relate to promoting member health, enhancing access to cost-effective quality health care, and advancing safety and efficacy of care	page 30
We formed the Investment and Finance Committee to assist the Board in reviewing the Company's policies, strategies, transactions and performance regarding its investment portfolio, and to oversee the Company's capital and financial resources	page 26
Board Communication and Stockholder Rights	
Our Board supports our stockholder outreach program and has responded to stockholder input with changes in our compensation program and other areas	pages 8 and 22
Majority voting in director elections	page 19
Proxy access by-law	page 19
Annual election of all directors	pages 9-17
Annual "say-on-pay" vote	page 35
Right to act by written consent and to call special meetings	See our Certificate of Incorporation and By-laws at https://investors.cvshealth.com under "Governance Documents"
Pursuant to a 2018 management proposal that our stockholders approved, we amended our Certificate of Incorporation to lower the threshold required for stockholders to call a special meeting from 25% to 15% of the voting power of the Company's outstanding capital stock	pages 31-32
Director Alignment with Stockholder Interests	
At least 75% of our directors' annual retainer mix is paid in shares of CVS Health common stock	page 80
Directors must own at least 10,000 shares of CVS Health common stock	page 31
Directors had excellent meeting attendance, averaging 99%	
Board Oversight of Risk	
Full Board and individual Committees focus on understanding and assessing Company risks	page 21
Our independent Chair and our CEO are focused on the Company's and the Board's risk management efforts and ensure that enterprise risks are appropriately brought to the Board and/or its Committees for review	page 21
At least annually, the Audit Committee reviews our policies and practices with respect to risk assessment and risk management, including discussing with management our major risks and the steps that have been taken to monitor and mitigate such risks	page 25
The Management Planning and Development Committee is responsible for reviewing and assessing potential risks arising from the Company's compensation policies and practices	page 28
Beginning in 2019 the Nominating and Corporate Governance Committee is responsible for oversight of our policies, practices and risks related to cybersecurity and data and information security governance, a responsibility shifted from the Audit Committee	page 27

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Following our 2018 Annual Meeting of Stockholders, the Management Planning and Development Committee reviewed the results of the stockholder advisory vote on executive compensation. Due to changes we made to our compensation programs in response to stockholder feedback after the 2017 Annual Meeting, approximately 91% of votes were cast in favor of the proposal, an increase from 61% in 2017. In the latter part of 2018 and early 2019, we reached out to holders of approximately 41% of our outstanding common stock and spoke with holders of nearly 19% of our outstanding shares, as well as one of the leading proxy advisory firms. We discussed with them a number of topics, including our strategy in the evolving health care industry, our Board composition and practices, our initiatives around corporate social responsibility, including enhanced initiatives to help fight the national opioid abuse crisis, and our executive compensation programs. In response to these meetings, we have made a number of changes to our governance structure, practices and programs for which we have received positive feedback from our stockholders. Below are some of the actions we took.

What we heard

How has the skill set of the Board been supplemented following the Aetna Transaction?

How have the responsibilities of your Board Committees changed in light of operational and industry changes?

How is CVS Health addressing the opioid abuse crisis that is facing the U.S.?

How have you improved your executive compensation program?

Our response

We added four members of the Aetna board to our Board of Directors, supplementing the depth of our Board's knowledge of the health care industry, consumer products and brand management, international business operations and medical technology with their deep knowledge of Aetna's business and complementary expertise and new perspectives. Please see their biographies on pages 10-17.

We added a new Investment and Finance Committee to oversee our investment portfolio, changed the name of the Patient Safety and Clinical Quality Committee to the Medical Affairs Committee to reflect the expanded work of the Committee, and shifted responsibilities among the various Committees, including delegating oversight of our policies, practices and risks related to cybersecurity and data and information security governance to the Nominating and Corporate Governance Committee, whose members possess expertise in those subjects. Please see the Committee descriptions on pages 24-31.

We believe we are part of the solution to the opioid abuse crisis. CVS Health is dedicated to helping communities address and prevent opioid abuse. The Company has a range of programs aimed at addressing various aspects of the issues regarding opioids, including safe medication disposal units, pharmacist counseling, enhanced utilization management through our PBM, our youth education program, *Pharmacists Teach*, and making opioid overdose reversal medication widely and more easily available. Please see the new opioid response page on our website at <http://www.cvshealth.com/OpioidResponse>.

We made a number of changes to simplify our program and improve transparency, and we received positive feedback from our stockholders. We have denominated the long-term incentive program in performance stock units (PSUs) that are subject to a two-year holding period after settlement, and replaced time-vested restricted stock units with PSUs, increasing the performance-based component of our long-term incentive programs as well as the portion of our equity grants that is subject to a holding period. Please see the Compensation Discussion and Analysis on pages 38-62.

For more information on changes to our compensation programs, see the letter from the Management Planning and Development Committee on page 37 and the Compensation Discussion and Analysis beginning on page 38. For more information on corporate governance at CVS Health, please refer to pages 9-32 of this proxy statement and to our website at <http://investors.cvshealth.com/corporate-governance>.

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Corporate Governance and Related Matters

Item 1: Election of Directors

Our Board of Directors has nominated 16 candidates for election as directors at the Annual Meeting. All 16 nominees currently serve as directors. If elected, each nominee will hold office until the next annual meeting.

The Nominating and Corporate Governance Committee believes that the Board is well-balanced and that it fully and effectively addresses the Company's needs. All of our nominees are seasoned leaders, the majority of whom are or were chief executive officers or other senior executives, who bring to the Board skills, qualifications and perspectives gained during their tenure at a vast array of public companies, private companies, non-profits, governmental and regulatory agencies and other organizations. We have indicated below for each nominee certain of the experience, qualifications, attributes or skills that led the Committee and the Board to conclude that the nominee should continue to serve as a director.

Please note that for each director we have only listed the core attributes that the Board considered to be most relevant to each nominee. Each director nominee possesses qualifications in addition to those listed under his or her name.

The Board of Directors unanimously recommends a vote **FOR** the election of all director nominees.

2019 Board of Directors

1 Richard Swift	2 Jean-Pierre Millon	3 Fernando Aguirre	4 Alecia DeCoudreaux	5 Edward Ludwig	6 Tony White
7 Roger Farah	8 Larry Merlo	9 David Dorman	10 Anne Finucane	11 David Brown	12 Mary Schapiro
13 Mark Bertolini	14 Nancy-Ann DeParle	15 William Weldon	16 Richard Bracken		

For more information about our directors, please refer to pages 10-17 of this proxy statement.

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Corporate Governance and Related Matters **Item 1**

BIOGRAPHIES OF OUR INCUMBENT BOARD NOMINEES

Fernando Aguirre

Former Chairman, President and CEO of Chiquita Brands International, Inc.

Age 61

Independent Director

CVS Health Board Committees

Audit; Nominating and Corporate Governance

Director since

November 2018

Other Public Boards

Barry Callebaut AG

Director Qualification Highlights

Leadership – Former CEO

Business Operations; Consumer Products and Services

International Business Operations

Corporate Governance

Business Development and Corporate Transactions

Finance

Health Care/Regulated Industry

Education B.S., Southern Illinois University

Biography Mr. Aguirre was formerly a member of the board of directors of Aetna from 2011 until the closing of the Aetna Transaction, when he became a director of CVS Health. Mr. Aguirre is the former Chairman, President and Chief Executive Officer of Chiquita Brands International, Inc. (Chiquita) (a global distributor of consumer products), having served as Chiquita's President and Chief Executive Officer from January 2004 to October 2012 and its Chairman from May 2004 to October 2012. Prior to joining Chiquita, Mr. Aguirre worked for more than 23 years in brand management, general management and turnarounds at The Procter & Gamble Company (P&G) (a manufacturer and distributor of consumer products). Mr. Aguirre began his P&G career in 1980, serving in various capacities including President and General Manager of P&G Brazil, President of P&G Mexico, Vice President of P&G's global snacks and U.S. food products, and President of global feminine care. He served as a director of Coveris (packaging) from 2014 to 2015, Levi Strauss (manufacturer of clothing) from 2010 until August 2014, and Coca-Cola Enterprises Inc. (manufacturer and distributor of consumer products) from 2005 to 2010. Mr. Aguirre also serves as a director on the board of directors of Barry Callebaut AG (a manufacturer of high-quality chocolate and cocoa products).

Skills and Qualifications of Particular Relevance to CVS Health Mr. Aguirre brings to the Board extensive consumer products, global business and executive leadership experience. As a former Chairman and CEO of a large public company that produces and distributes consumer products worldwide, he has significant brand management and international experience that is valuable to the Board's strategic and operational understanding of global markets. Mr. Aguirre's experience and service on other large public company boards, where he chaired various committees, positions him well as a member of our Audit and Nominating and Corporate Governance Committees.

Mark T. Bertolini

Former Chairman and CEO of Aetna Inc.

Age 62

Non-Independent Director

CVS Health Board Committees

None

Director since

November 2018

Other Public Boards

Verizon Communications Inc.

Director Qualification Highlights

Leadership – Former CEO

Business Operations

Business Development, Corporate Strategy and Transactions

Finance

Health Care/Regulated Industry

Public Policy and Government Affairs
International Business Operations

Education B.S., Wayne State University; M.B.A., Cornell University

Biography Mr. Bertolini was formerly a member of the board of directors of Aetna from 2010 until the closing of the Aetna Transaction, when he became a director of CVS Health. Mr. Bertolini was also the Chairman and Chief Executive Officer of Aetna until that time. He assumed the roles of Chairman of Aetna's board of directors on April 8, 2011 and Chief Executive Officer of Aetna on November 29, 2010. From July 2007 to December 2014, he served as President, responsible for all of Aetna's businesses and operations. Mr. Bertolini joined Aetna in 2003 as head of Aetna's Specialty Products, and subsequently served as Executive Vice President and head of Aetna's regional businesses. Before joining Aetna, Mr. Bertolini held executive positions at Cigna, NYLCare Health Plans, and SelectCare, Inc., where he was President and Chief Executive Officer. Mr. Bertolini also serves as a director of Verizon Communications, Inc. (communications, information and entertainment products and services), Massachusetts Mutual Life Insurance Company (insurance and investment products and services), Fidelco Guide Dog Foundation, Peterson Institute for International Economics, Thrive Global and the Mind & Life Institute.

Skills and Qualifications of Particular Relevance to CVS Health Mr. Bertolini brings to the Board extensive health care industry expertise, with over 30 years in the health care business. He has particularly strong leadership skills and business experience, as he has demonstrated as the former Chairman and Chief Executive Officer of Aetna and in several prior executive-level positions. He is a well-recognized leader in the health care industry and possesses deep insights into health care issues as well as broad knowledge and appreciation of public policy issues affecting the Company.

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Corporate Governance and Related Matters **Item 1**

Richard M. Bracken

Former Chairman and CEO of HCA Holdings, Inc.

Age 66

Independent Director

CVS Health Board Committees

Medical Affairs (Chair); Investment and Finance; Executive

Director since

January 2015

Other Public Boards

None

Director Qualification Highlights

Leadership – Former CEO

Business Operations; Consumer Products and Services

Finance

Health Care/Regulated Industry

Risk Management

Corporate Governance

Education B.A., San Diego State University; M.H.A., Medical College of Virginia, Virginia Commonwealth University

Biography Mr. Bracken is the former Chairman and Chief Executive Officer of HCA Holdings, Inc., one of the nation's leading providers of health care services. At the time of Mr. Bracken's retirement, HCA's facilities included approximately 165 hospitals and 115 freestanding surgery centers in 20 states and the U.K. Mr. Bracken served in a number of executive roles in his 33-year career at HCA, including President of HCA's Pacific Division in 1995, Western Group President in 1997, Chief Operating Officer of HCA in July 2001, and President and Chief Operating Officer in January 2002. He was elected to the HCA Board of Directors in November 2002, became President and Chief Executive Officer in January 2009, and Chairman and Chief Executive Officer in December, 2009. He retired as CEO in December 2013, and as Chairman in December 2014.

Skills and Qualifications of Particular Relevance to CVS Health Mr. Bracken's experience in leading a large, publicly traded health care company lends expertise and perspective greatly valued by the Board. In addition, his experience operating in the highly-regulated health care industry with significant experience in enterprise clinical quality is also a complementary skill set for the Board. That experience led the Board to appoint Mr. Bracken as Chair of the Patient Safety and Clinical Quality Committee (now known as the Medical Affairs Committee) when it was formed in March 2016.

C. David Brown II

Partner and Member of the Executive Committee of Nelson Mullins Riley & Scarborough LLP

Age 67

Independent Director

CVS Health Board Committees

Management Planning and Development (Chair); Nominating and Corporate Governance; Executive

Director since

March 2007

Other Public Boards

Rayonier Advanced Materials Inc.

Director Qualification Highlights

Business Operations; Real Estate

Business Development, Corporate Strategy and Transactions

Finance

Legal and Regulatory Compliance

Health Care/Regulated Industry

Risk Management

Public Company Board Service

Education B.S.B.A., University of Florida; J.D., University of Florida College of Law

Biography Mr. Brown has been a partner and a member of the Executive Committee of Nelson Mullins Riley & Scarborough LLP (Nelson Mullins), a national law firm, since the August 2018 merger of Nelson Mullins and the Florida-based Broad and Cassel, of which Mr. Brown was Chairman

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from March 2000 through the time of the merger. He is also the lead director of Rayonier Advanced Materials Inc. (RYAM), a leading specialty cellulose production company. Mr. Brown previously served on the board of directors and as lead director of Rayonier Inc., a real estate development and timberland management company, prior to the spin-off of RYAM in June 2014. He also served as a director of ITT Educational Services, Inc., a national provider of technology-oriented degree programs, from April 2015 until September 2016. Mr. Brown previously served on the board of Caremark Rx, Inc. from March 2001 until the closing of the merger transaction involving CVS Health and Caremark, when he became a director of CVS Health.

Skills and Qualifications of Particular Relevance to CVS Health Mr. Brown's legal expertise and health care experience are highly valued by the Board, as is his ability to analyze and interpret complex issues and facilitate Board engagement. Mr. Brown has significant health care experience, including through his oversight of UF Health while serving as Chairman of the Board of Trustees for the University of Florida and as a former member of the Board of Directors and Executive Committee of Orlando Health, a not-for-profit health care network. The Board believes that Mr. Brown's experience adds knowledge and leadership depth to the Board.

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Corporate Governance and Related Matters **Item 1**

Alecia A. DeCoudreaux

President Emerita of Mills College and Former Executive at Eli Lilly and Company

Age 64

Independent Director

CVS Health Board Committees

Audit; Medical Affairs

Director since

March 2015

Other Public Boards

None

Director Qualification Highlights

Business Development, Corporate Strategy and Transactions
 Legal and Regulatory Compliance
 Health Care/Regulated Industry
 Corporate Governance
 Risk Management
 Public Policy and Government Affairs

Education B.A., Wellesley College; J.D., Indiana University School of Law

Biography Ms. DeCoudreaux is President Emerita of Mills College, a liberal arts college for women with graduate programs for women and men, having served a five-year term as President from July 2011 through June 2016. Previously, Ms. DeCoudreaux served in a number of leadership roles at Eli Lilly and Company, a global pharmaceutical manufacturer, including as Vice President and Deputy General Counsel, Specialty Legal Team, from 2010-2011, Vice President and General Counsel, Lilly USA, from 2005-2009, and Secretary and Deputy General Counsel of Eli Lilly from 1999-2005. During her 30-year career with Eli Lilly Ms. DeCoudreaux also previously served as Executive Director of Lilly Research Laboratories, Director of Federal Government Relations, Director of State Government Relations and Director of Community Relations. In addition, Ms. DeCoudreaux has served on a number of charitable, educational, for profit and nonprofit boards, including as both a trustee and board chair at Wellesley College.

Skills and Qualifications of Particular Relevance to CVS Health Ms. DeCoudreaux has more than 30 years of experience in the pharmaceutical industry, and her experience as an attorney in that field and in the area of corporate governance makes her a great asset to our Board.

Nancy-Ann M. DeParle

Co-Founding Partner of Consonance Capital Partners, LLC and Former Director of the White House Office of Health Reform

Age 62

Independent Director

CVS Health Board Committees

Nominating and Corporate Governance (pending Chair); Medical Affairs; Executive (pending)

Director since

September 2013

Other Public Boards

HCA Holdings, Inc.

Director Qualification Highlights

Business Development, Corporate Strategy and Transactions
 Finance
 Legal and Regulatory Compliance
 Health Care/Regulated Industry
 Public Policy and Government Affairs
 Public Company Board Service

Education B.A., University of Tennessee; B.A. and M.A., Balliol College, Oxford University; J.D., Harvard Law School

Biography Ms. DeParle has been a Co-Founding Partner of Consonance Capital Partners, LLC, a private equity firm focused on investing in small and mid-size health care companies, since August 2013. From March 2009 to January 2013, Ms. DeParle served in the White House, first as Counselor to the President and Director of the White House Office of Health Reform, and later as Assistant to the President and Deputy Chief of Staff for Policy. In addition, from 1993 to 2000, Ms. DeParle served as the Associate Director for Health and Personnel for the White House Office

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of Management and Budget, and later as the Administrator of the Centers for Medicare and Medicaid Services (then known as the Health Care Financing Administration). From 2001 to March 2009, Ms. DeParle served as a Senior Advisor with JPMorgan Partners and as a Managing Director of its successor entity, CCMP Capital, L.L.C., focusing on private equity investments in health care companies. Ms. DeParle is also a director of HCA Holdings, Inc., a health care services company that owns, manages or operates hospitals and various other health care facilities.

Skills and Qualifications of Particular Relevance to CVS Health Ms. DeParle has more than 25 years of experience in the health care arena, and is widely considered to be one of the nation's leading experts in health care policy, management and financing, which makes her an excellent fit for our Board.

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Corporate Governance and Related Matters [Item 1](#)

David W. Dorman

Chair of the Board of CVS Health Corporation, Former Chairman and CEO of AT&T Corporation, and Founding Partner of Centerview Capital Technology Fund

Age 65

Independent Director

Director since

CVS Health Board Committees

Management Planning and Development; Nominating and Corporate Governance; Executive

March 2006

Other Public Boards

PayPal Holdings, Inc.

Director Qualification Highlights

Leadership – Former CEO

Finance

International Business Operations; Consumer Products or Services

Technology and Innovation

Risk Management

Corporate Governance

Business Development, Corporate Strategy and Transactions

Education B.S., Georgia Institute of Technology

Biography Mr. Dorman has been the Chair of the Board of CVS Health Corporation since May 2011. He has also been a Founding Partner of Centerview Capital Technology Fund, a private investment firm, since July 2013. He also served as Lead Director of Motorola Solutions, Inc. (formerly Motorola, Inc.), a communications products company, until his retirement from that board in May 2015, and was Non-Executive Chairman of the Board of Motorola from May 2008 through May 2011. From October 2006 through April 2008, he was a Managing Director and Senior Advisor with Warburg Pincus LLC, a global private equity firm. From November 2005 until January 2006, Mr. Dorman served as President and a director of AT&T Inc., a telecommunications company (formerly known as SBC Communications). From November 2002 until November 2005, Mr. Dorman was Chairman of the Board and Chief Executive Officer of AT&T Corporation. Mr. Dorman is also a director of PayPal Holdings, Inc., a leading digital and mobile payments company, as well as Dell Technologies Inc., the world's largest privately controlled technology company. He was a director of Yum! Brands, Inc., a global quick service restaurant company, from 2005 until his retirement from that board in May 2017.

Skills and Qualifications of Particular Relevance to CVS Health Mr. Dorman's experience in leading large companies, beginning with Sprint and later Pacific Bell and AT&T, lends a perspective and skill set that is greatly valued by the Board. His business background of growing companies is in line with and useful to our business strategy. The Board believes that Mr. Dorman's experience leading the boards of AT&T and Motorola make him well-suited to serve as its independent Chair.

Roger N. Farah

Chairman of Tiffany & Co. and Former Executive at Tory Burch and Ralph Lauren

Age 66

Independent Director

Director since
November 2018

CVS Health Board Committees

Medical Affairs; Management Planning and Development

Other Public Boards

The Progressive Corporation; Metro Bank PLC; Tiffany & Co.

Director Qualification Highlights

Leadership – Former CEO

Business Operations

Business Development, Corporate Strategy and Transactions

Health Care/Regulated Industry

Public Policy and Government Affairs

Public Company Board Service

International Business Operations

Education B.S., University of Pennsylvania

Biography Mr. Farah was formerly a member of the board of directors of Aetna from 2007 until the closing of the Aetna Transaction, when he became a director of CVS Health. Mr. Farah is the Chairman of the Board and a director of Tiffany & Co. (jewelry and specialty products), and also serves as a director of The Progressive Corporation (auto insurance), and Metro Bank PLC (financial services). He served as Executive Director of Tory Burch LLC (lifestyle products) from March 2017 to September 2017, having previously served as Co-Chief Executive Officer and director from September 2014 to February 2017. He is former Executive Vice Chairman of Ralph Lauren Corporation (lifestyle products) having served in that position from November 2013 to May 2014, and previously served as President and Chief Operating Officer from April 2000 to October 2013, and Director from April 2000 to August 2014. During his 40-plus year career in retailing, Mr. Farah also held director and/or executive positions with Venator Group, Inc. (now Foot Locker, Inc.), R.H. Macy & Co., Inc., Federated Merchandising Services, the central buying and product development arm of Federated Department Stores, Inc., Rich's/Goldsmith's Department Stores, and Saks Fifth Avenue, Inc.

Skills and Qualifications of Particular Relevance to CVS Health Mr. Farah brings extensive business and leadership experience to the Board. He has strong marketing, brand management and consumer insights developed in his over 40 years of experience in the retail industry. His former positions as Executive Vice Chairman, President and COO of Ralph Lauren and Executive Director and Co-CEO of Tory Burch give Mr. Farah important perspectives on the complex financial and operational issues facing the Company.

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Corporate Governance and Related Matters **Item 1**

Anne M. Finucane

Vice Chairman and Member of Executive Management Team of Bank of America Corporation

Age 66

Independent Director

CVS Health Board Committees

Investment and Finance; Management Planning and Development

Director since

January 2011

Other Public Boards

None

Director Qualification Highlights

Business Operations; Consumer Products or Services
Business Development, Corporate Strategy and Transactions
Public Policy and Government Affairs
Regulated Industry
Finance
Corporate Governance
Risk Management

Education B.A., University of New Hampshire

Biography Ms. Finucane has been Vice Chairman of Bank of America Corporation, an international financial services company, since July 2015 and is a member of its executive management team. From 2006 through July 2015 Ms. Finucane served as Global Chief Strategy and Marketing Officer for Bank of America and served as Northeast Market President from 2004 through July 2015. During her 20-plus years as a senior leader at Bank of America and its legacy firms, Ms. Finucane has served as senior advisor to four chief executive officers and the Board of Directors. Ms. Finucane is responsible for the strategic positioning of Bank of America and oversees the public policy, customer research and analytics, global marketing, communications and corporate social responsibility efforts for the company. She is chair of Bank of America's Environmental, Social and Governance Committee, and is also chair of the Bank of America Charitable Foundation.

Skills and Qualifications of Particular Relevance to CVS Health Ms. Finucane's experience in the financial services industry, consumer policy, strategy, marketing, corporate social responsibility and government affairs provides the Board with valuable insight in those key areas.

Edward J. Ludwig

Former Chairman and Chief Executive Officer of Becton, Dickinson and Company

Age 67

Independent Director

CVS Health Board Committees

Audit; Investment and Finance (Chair); Executive

Director since

November 2018

Other Public Boards

Boston Scientific Corporation

Director Qualification Highlights

Leadership – Former CEO
Business Operations
Business Development, Corporate Strategy and Transactions
Finance
Health Care/Regulated Industry
Technology and Innovation
Risk Management
International Business Operations

Education B.A., College of the Holy Cross; M.B.A., Columbia University

Biography Mr. Ludwig was formerly lead director of the board of directors of Aetna from 2003 until the closing of the Aetna Transaction, when he became a director of CVS Health. Mr. Ludwig is the former Chairman of the board of directors of Becton, Dickinson and Company (BD) (a global medical technology company), having served in this position from February 2002 through June 2012. He also served as Chief Executive Officer of BD from January 2000 to September 2011, President of BD from May 1999 to December 2008, and Chief Financial Officer of BD from January 1995 to May 1999. Mr. Ludwig joined BD as a Senior Financial Analyst in 1979. Prior to joining BD, Mr. Ludwig was a senior auditor with Coopers and Lybrand (now PricewaterhouseCoopers) where he earned his CPA. Mr. Ludwig also served as director of Xylem, Inc. (a water technology company) from 2011 to 2017, and Chairman of Advanced Medical Technology Association, or AdvaMed (a medical device trade association), from 2006 to 2008. He serves as the lead independent director of Boston Scientific Corporation (medical devices) and as a director of POCARED Diagnostics Ltd. (a diagnostics technology manufacturer based in Israel).

Skills and Qualifications of Particular Relevance to CVS Health Mr. Ludwig's more than 30 years of experience in the field of medical technology gives him a unique perspective on the Company's strategy. As the former Chairman and CEO of BD, Mr. Ludwig brings a thorough appreciation of the strategic and operational issues facing a large public company in the health care industry. As a former CFO and a CPA Mr. Ludwig offers the Board a deep understanding of financial, accounting and audit-related issues. Mr. Ludwig's experience positions him well to serve as Chair of our new Investment and Finance Committee.

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Corporate Governance and Related Matters **Item 1**

Larry J. Merlo

President and Chief Executive Officer of CVS Health Corporation

Age 63

Non-Independent Director
CVS Health Board Committees
Executive

Director since
May 2010

Other Public Boards
None

Director Qualification Highlights

Leadership – Current CEO
Business Operations; Consumer Products or Services
Business Development, Corporate Strategy and Transactions
Health Care/Regulated Industry
Technology and Innovation
Public Policy and Government Affairs
Pharmacy Benefit Management
Real Estate

Education B.S., Pharmacy, University of Pittsburgh

Biography Mr. Merlo has been Chief Executive Officer of CVS Health Corporation since March 2011 and President of CVS Health Corporation since May 2010. Mr. Merlo formerly served as Chief Operating Officer of CVS Health Corporation from May 2010 through March 2011 and was President of CVS Pharmacy from January 2007 through May 2010, and Executive Vice President – Stores from April 2000 to January 2007.

Skills and Qualifications of Particular Relevance to CVS Health Mr. Merlo has been with CVS Health and its subsidiaries for nearly 40 years, and provides the Board with invaluable experience and insight into the retail drugstore and health care industries.

Jean-Pierre Millon

Former President and Chief Executive Officer of PCS Health Systems, Inc.

Age 68

Independent Director
CVS Health Board Committees
Audit; Medical Affairs

Director since
March 2007

Other Public Boards
None

Director Qualification Highlights

Leadership – Former CEO
Finance
Business Development, Corporate Strategy and Transactions
Health Care/Regulated Industry
International Business Operations
Pharmacy Benefit Management
Public Company Board Service

Education B.S., Ecole Centrale de Lyon (France); B.A., Université de Lyon (France); M.B.A., Kellogg School of Business, Northwestern University

Biography Mr. Millon is the former President and Chief Executive Officer of PCS Health Systems, Inc. Mr. Millon joined PCS in 1995, where he served as President and Chief Executive Officer from June 1996 until his retirement in September 2000. Prior to that, Mr. Millon served as an executive and held several global leadership positions with Eli Lilly and Company. Mr. Millon previously served on the board of Caremark from March 2004, upon Caremark's acquisition of AdvancePCS, and as a director of AdvancePCS (which resulted from the merger of PCS and Advance Paradigm, Inc.) beginning in October 2000. He became a director of CVS Health upon the closing of the merger transaction involving CVS Health

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and Caremark. Mr. Millon has over ten years of financial management experience and 15 years of general functional management experience, including strategic planning experience specific to pharmacy benefit management companies as the former head of PCS. He also has extensive venture capital and public and private company board experience.

Skills and Qualifications of Particular Relevance to CVS Health Mr. Millon's extensive background and experience in the pharmacy benefit management, pharmaceutical and life sciences businesses, combined with his financial expertise, provide the Board with additional perspective across the enterprise.

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Corporate Governance and Related Matters **Item 1**

Mary L. Schapiro

Vice Chair for Public Policy and Special Advisor to the Founder and Chairman of Bloomberg L.P. and former Chairman of the U.S. Securities and Exchange Commission

Age 63

Independent Nominee

Director since **CVS Health Board Committees**

Audit; Investment and Finance

May 2017

Other Public Boards

Morgan Stanley

Director Qualification Highlights

Leadership – Former CEO
 Public Policy and Government Affairs
 Finance
 Risk Management
 Legal and Regulatory Compliance
 Public Company Board Service

Education B.A., Franklin and Marshall College; J.D., George Washington University

Biography Since October 2018 Ms. Schapiro has been Vice Chair for Public Policy and Special Advisor to the Founder and Chairman of Bloomberg, LP, a privately held financial, software, data and media company. Since January 2014, Ms. Schapiro has also served as Vice Chair of Promontory Advisory Board, part of Promontory Financial Group, a leading strategy, risk management and regulatory compliance firm. From January 2009 through December 2012, Ms. Schapiro was Chairman of the U.S. Securities and Exchange Commission, becoming the first woman to serve as that agency’s Chairman. Prior to becoming SEC Chairman, Ms. Schapiro was Chairman and CEO of the Financial Industry Regulatory Authority (FINRA) from 2006 through 2008, and held a number of key executive positions at FINRA and its predecessor from 1996 through 2006. She also served as Chairman of the Commodity Futures Trading Commission (CFTC) from 1994 to 1996. Ms. Schapiro is also a director of Morgan Stanley, a financial services company. Ms. Schapiro was a director of General Electric Company and of the London Stock Exchange Group PLC, until her retirement from those boards in April 2018 and October 2018, respectively.

Skills and Qualifications of Particular Relevance to CVS Health Ms. Schapiro’s experience in leading the SEC, FINRA and the CFTC makes her extremely well qualified to serve on our Board. Ms. Schapiro’s leadership of the SEC during the turbulent period that followed the 2008 financial crisis, one of the busiest rulemaking periods in the agency’s history, demonstrates her ability to navigate through a difficult and complex regulatory and political environment. The Board believes that her skills fill important needs in the areas of legal and regulatory compliance, finance, risk management, and public policy and government affairs.

Richard J. Swift

Former Chairman of the Board, President and Chief Executive Officer of Foster Wheeler Ltd.

Age 74

Independent Director

CVS Health Board Committees

Audit (Chair); Executive

Director since

September

2006

Other Public Boards

Ingersoll-Rand plc; Kaman Corporation (retiring April 2019); Hubbell Incorporated (retiring May 2019); Public Service Enterprise Group Incorporated

Director Qualification Highlights

Leadership – Former CEO
 Finance
 International Business Operations
 Technology and Innovation
 Risk Management
 Corporate Governance
 Public Company Board Service

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Education B.S., U.S. Military Academy at West Point; M.S., Purdue University; M.B.A., Fairleigh Dickinson University

Biography Mr. Swift is the former Chairman of the Board, President and Chief Executive Officer of Foster Wheeler Ltd., an international engineering and construction firm, having served in those positions from April 1994 until his retirement in October 2001. Mr. Swift also served as a member and as Chairman of the Financial Accounting Standards Advisory Council (FASAC) from 2002 until his retirement from FASAC in December 2006. Mr. Swift is also lead director of Ingersoll-Rand plc, a diversified industrial company, and a director of Kaman Corporation (Kaman), a diversified manufacturer and distributor, Hubbell Incorporated (Hubbell), an electrical and electronic products company, and Public Service Enterprise Group Incorporated, an energy company. Mr. Swift intends to retire from the boards of Kaman and Hubbell in April and May of 2019, respectively.

Skills and Qualifications of Particular Relevance to CVS Health The Board greatly values Mr. Swift's financial expertise, including his experience at FASAC and with various public company boards and audit committees for over 35 years of combined service. Mr. Swift is an audit committee financial expert and his accounting and financial skills are important to the oversight of our financial reporting, enterprise and operational risk management.

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Corporate Governance and Related Matters **Item 1**

William C. Weldon

Former Chairman of the Board and Chief Executive Officer of Johnson & Johnson

Age 70

Independent Director

CVS Health Board Committees

Management Planning and Development, Nominating and Corporate Governance

Director since

March 2013

Other Public Boards

JPMorgan Chase & Co., Exxon Mobil Corporation

Director Qualification Highlights

Leadership – Former CEO

Finance

Health Care/Regulated Industry

International Business Operations; Consumer Products or Services

Risk Management

Corporate Governance

Public Company Board Service

Education B.S., Quinnipiac University

Biography Mr. Weldon is the former Chairman of the Board and Chief Executive Officer of Johnson & Johnson, a global developer and manufacturer of health care products, having served in those positions from 2002 until his retirement as Chief Executive Officer in April 2012 and his retirement from the board in December 2012. Mr. Weldon previously served in a variety of senior executive positions during his 41-year career with Johnson & Johnson. Mr. Weldon is also a director of JPMorgan Chase & Co., a global financial services company, and Exxon Mobil Corporation, an international oil and gas company. He was formerly a director of The Chubb Corporation, an international insurance company, until it was acquired by ACE Limited in January 2016.

Skills and Qualifications of Particular Relevance to CVS Health Mr. Weldon's experience in managing a complex global health care company and his deep knowledge of the worldwide health care market across multiple sectors makes him extremely well suited to serve on our Board. His background in international business management and operating in the highly-regulated health care industry is also greatly valued by the Board.

Tony L. White

Former Chairman of the Board, President and Chief Executive Officer of Applied Biosystems, Inc.

Age 72

Independent Director

CVS Health Board Committees

Management Planning and Development; Medical Affairs

Director since

March 2011

Other Public Boards

Ingersoll-Rand plc

Director Qualification Highlights

Leadership – Former CEO

Finance

Health Care/Regulated Industry

Technology and Innovation

Risk Management

Corporate Governance

Public Company Board Service

Education B.A., Western Carolina University

Biography Mr. White is the former Chairman of the Board, President and Chief Executive Officer of Applied Biosystems, Inc. (formerly Applera Corporation), a developer, manufacturer and marketer of life science systems and genomic information products, having served in those positions

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from September 1995 until his retirement in November 2008. Mr. White is also a director of Ingersoll-Rand plc, a diversified industrial company. He was a director of C.R. Bard, Inc. (Bard), a company that designs, manufactures and sells medical, surgical, diagnostic and patient care devices, from 1996 until Bard was acquired by Becton Dickinson and Company in December 2017.

Skills and Qualifications of Particular Relevance to CVS Health Mr. White's wealth of management experience in the life sciences and health care industries, including over 13 years as Chairman and CEO of an advanced-technology life sciences company and 26 years in various management positions at Baxter International, Inc., a provider of medical products and services, makes him well qualified to serve as a director of CVS Health.

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Corporate Governance and Related Matters [Item 1](#)

Director Qualification Criteria; Diversity

Recognizing that the selection of qualified directors is complex and crucial to the long-term success of the Company, the Nominating and Corporate Governance Committee has established in its charter guidelines for the identification and evaluation of candidates for membership on the Board. Under its charter, the Committee recommends to the Board criteria for Board membership and recommends individuals for membership on our Board. The criteria used by the Committee in nominating directors are found in the Committee's charter and provide that candidates should be distinguished individuals who are prominent in their fields or otherwise possess exemplary qualities that will enable them to effectively function as directors. While the Committee does not believe it appropriate to establish any specific minimum qualifications for candidates, it focuses on the following qualities in identifying and evaluating candidates for Board membership:

Background, experience and skills

Character, reputation and personal integrity

Judgment

Independence

Diversity

Viewpoint

Commitment to the Company and service on the Board

Any other factors that the Committee may determine to be relevant and appropriate

The Committee makes these determinations in the context of the existing composition of the Board so as to achieve an appropriate mix of characteristics. Consistent with this philosophy, the Committee is committed to including in each search qualified candidates who reflect diverse backgrounds, including diversity of gender and race. The Committee also takes into account all applicable legal, regulatory and stock exchange requirements concerning the composition of the Board and its committees. The Committee reviews these guidelines from time to time as appropriate (and in any event at least annually) and modifies them as it deems appropriate.

The Committee also reviews the composition of the Board in light of the current challenges and needs of the Board and the Company, and determines whether it may be appropriate to add or remove individuals after considering, among other things, the need for audit committee expertise and issues of independence, diversity, judgment, character, viewpoint, reputation, age, skills, background and experience.

The Committee values diversity, which it broadly views in terms of, among other things, gender, race, background and experience, as a factor in selecting members to serve on the Board. Our nominees reflect that diversity, including in terms of race, gender and ethnic background. In addition, to ensure that it has access to a broad range of qualified, experienced and diverse candidates, the Committee may use the services of an independent search firm to help identify and assist in the evaluation of candidates.

Board Evaluation Process

When considering current directors for re-nomination to the Board, the Committee takes into account the performance of each director, which is part of the Committee's annual Board evaluation process. That process includes individual interviews of each director by our General Counsel, followed by a report summarizing his findings. The Committee then recommends actions for the Board to consider and adopt as it sees fit.

Board Refreshment; Retirement Age

The Committee and the Board believe that setting a retirement age for CVS Health directors is advisable to facilitate the addition of new directors. Accordingly, our Corporate Governance Guidelines provide that no director who is or would be over the age of 74 at the expiration of his or her current term may be nominated to a new term, unless the Board waives the retirement age for a specific director in exceptional circumstances. In the event any waiver is provided, the Board will disclose the rationale for its decision.

In March 2019, the Board approved a waiver of the retirement age for Mr. Swift, who is currently 74. The Board believes that Mr. Swift's continued leadership as Chair of the Audit Committee is critically important during the first full year following the closing of the Aetna Transaction. Oversight of the Company's financial statements, and its internal audit and risk management functions, during the post-merger period will benefit from Mr. Swift's extensive experience. In making its decision, the Board also considered

Mr. Swift's impending retirement from two of the other boards on which he currently sits.

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Corporate Governance and Related Matters **Item 1**

Majority Voting

As discussed elsewhere in this proxy statement, directors are elected by a majority of the votes cast at the Annual Meeting (assuming that the election is uncontested). Under our by-laws, each nominee who is a current director is required to submit an irrevocable resignation, which resignation would become effective upon (1) that person not receiving a majority of the votes cast in an uncontested election, and (2) acceptance by the Board of that resignation in accordance with the policies and procedures adopted by the Board. The Board, acting on the recommendation of the Committee, will no later than at its first regularly scheduled meeting following certification of the stockholder vote, determine whether to accept the resignation of the unsuccessful incumbent. Absent a determination by the Board that a compelling reason exists for concluding that it is in the best interests of the Company for an unsuccessful incumbent to remain as a director, the Board will accept that person's resignation. In the event any resignation is not accepted, the Board will disclose the rationale for its determination.

Compensation Committee Interlocks and Insider Participation

As of March 21, 2019, the members of the Management Planning and Development Committee are Mr. Brown (Chair), Mr. Dorman, Mr. Farah, Ms. Finucane, Mr. Weldon and Mr. White. None of the members of the Management Planning and Development Committee has ever been an officer or employee of the Company. There are no interlocking relationships between any of our executive officers and any Management Planning and Development Committee member.

Stockholder Submission of Nominees

The Committee will consider any director candidates proposed by stockholders who submit a written request to our Corporate Secretary (including via our proxy access by-law, described below). All candidates should meet the Director Qualification Criteria, discussed above. The Committee evaluates all director candidates and nominees in the same manner regardless of the source. If a stockholder would like to nominate a person for election or re-election to the Board, he or she must provide notice to the Company as provided in our by-laws and described in this proxy statement. The notice must include a written consent indicating that the candidate is willing to be named in the proxy statement as a nominee and to serve as a director if elected and any other information that the SEC would require to be included in a proxy statement when a stockholder submits a proposal. See "Other Information – Stockholder Proposals and Other Business for Our Annual Meeting in 2020" for additional information related to proposals, including any nominations, for our 2020 Annual Meeting.

Proxy Access

CVS Health has had a proxy access by-law since January 2016. The key terms of its proxy access by-law are:

A stockholder, or a group of up to 20 stockholders, owning at least 3% of the Company's outstanding common stock continuously for at least 3 years	May nominate and include in the Company's proxy materials director nominees constituting up to the greater of 2 nominees or 20% of the Board specified in the Company's by-laws	Provided that the stockholders and the nominees satisfy the requirements
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Independence Determinations for Directors

Under our Corporate Governance Guidelines, a substantial majority of our Board must be comprised of directors who meet the director independence requirements set forth in the Corporate Governance Rules of the New York Stock Exchange (NYSE) Listed Company Manual. Under NYSE Rules, no director qualifies as "independent" unless the Board affirmatively determines that the director has no material relationship with the Company.

Our Board has adopted categorical standards to assist in making director independence determinations. Any relationship that falls within the following standards or relationships will not, in itself, preclude a determination of independence. These categorical standards are set forth in Annex A to the Company's Corporate Governance Guidelines, which are available on our website at <http://investors.cvshealth.com/corporate-governance/documents> or upon request to our Corporate Secretary.

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Corporate Governance and Related Matters The Board's Role and Activities in 2018

2019 Determinations

The Nominating and Corporate Governance Committee of the Board undertook its annual review of director and nominee independence in March 2019. The Committee recommended and the Board determined that each of Mmes. DeCoudreaux, DeParle, Finucane and Schapiro, and each of Messrs. Aguirre, Bracken, Brown, Dorman, Farah, Ludwig, Millon, Swift, Weldon and White, is independent. The Committee recommended and the Board determined that Mr. Bertolini is not independent due to his leadership of Aetna until the closing of the merger in November 2018. Mr. Merlo is not an independent director because of his employment as President and CEO of the Company.

The Board's Role and Activities in 2018

The Board acts as the ultimate decision-making body of the Company and advises and oversees management, which is responsible for the day-to-day operations and management of the Company. In carrying out its responsibilities, the Board reviews and assesses CVS Health's long-term strategy and its strategic, competitive and financial performance.

The Board oversaw the transformational Aetna Transaction, which closed on November 28, 2018. The Board believes that the Aetna Transaction is a key aspect of the Company's strategy to create an innovative health care model that addresses many of the issues facing the nation's health care system and furthers the Company's purpose of helping people on their path to better health. CVS Health's revenues in 2018 increased by 5.3 percent to a record \$194.6 billion, and the Company continued to generate significant cash flow in 2018, with cash flow from operations totaling \$8.9 billion. The Board returned over \$2 billion to stockholders in 2018 based on a cash dividend of \$2.00 per share. The Company has a clear line of sight to deliver more than \$750 million of synergies in year two following the Aetna Transaction, and the Board is monitoring progress toward that goal.

THE BOARD'S ROLE IN STRATEGY AND SUCCESSION PLANNING

The Board reviews the Company's financial performance on a regular basis at Board meetings and through periodic updates, with a particular focus on peer and competitive comparisons. The Board also periodically reviews the Company's long-term strategy, and assesses its strategic, competitive and financial performance, on both an absolute basis and in relation to the performance, practices and policies of its peers and competitors. While the Board receives updates regarding strategic matters throughout the year, at least one Board meeting per year is focused almost entirely on the Company's short- and long-term strategic direction. The Board receives reports from management and expert speakers are often invited to present to the Board. At this meeting the Board provides input and oversight on short-term strategic goals and sets the long-term strategic direction of the Company.

The Board also reviews the Company's succession planning, including succession planning in the case of the incapacitation, retirement or removal of the CEO. In that regard, the CEO provides an annual report to the Board recommending and evaluating potential successors, along with a review of any development plans recommended for such individuals. The CEO also provides to the Board, on an ongoing basis, his recommendation as to a successor in the event of an unexpected emergency. The Board also reviews succession planning with respect to the Company's other key executive officers.

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THE BOARD'S ROLE IN RISK OVERSIGHT

The Board's role in risk oversight involves both the full Board and its Committees, as well as members of management.

Risk Oversight Framework

Management

Each major business unit is responsible for identifying risks, assessing the likelihood and potential impact of significant risks, and reporting to management's Executive Risk Steering Committee on actions to monitor, manage and mitigate significant risks.

The CFO, Treasurer, Chief Compliance Officer, Chief Audit Executive and General Counsel periodically report on the Company's risk management policies and practices, including risk assessments and evaluation of compliance and legal risks, to relevant Board Committees and to the full Board.

Board Committees

Each of our principal Board Committees is responsible for oversight of risk management practices for categories of risks relevant to their functions.

Audit Committee

Primary committee charged with carrying out risk oversight responsibilities on behalf of the Board, including reviewing financial, operational, compliance, reputational and strategic risks.

**Management Planning and
Development Committee**

**Investment and Finance
Committee**

**Nominating and Corporate
Governance Committee**

**Medical Affairs
Committee**

Board of Directors

Focuses on understanding Company-wide risks and ensuring that risk matters are appropriately brought to the Board and/or its Committees for review.

Ensures that the Corporate Governance Guidelines, the Board's leadership structure and the Board's practices facilitate the effective oversight of risk and communication with management.

The CFO, Treasurer, Chief Compliance Officer, Chief Audit Executive and General Counsel periodically report on the Company's risk management policies and practices, including risk assessments and evaluation of compliance and legal risks to relevant Board Committees and to the full Board. The Board is regularly updated on specific risks in the course of its review of corporate strategy, business plans and reports to the Board by its respective Committees. As part of CVS Health's ongoing Enterprise Risk Management process, each of our major business units is responsible for identifying risks that could affect achievement of business goals and strategies, assessing the likelihood and potential impact of significant risks, prioritizing risks and actions to be taken in mitigation and/or response, and reporting to management's Executive Risk Steering Committee on actions to monitor, manage and mitigate significant risks.

The Audit Committee is charged with the primary role in carrying out risk oversight responsibilities on behalf of the Board. Pursuant to its charter, the Audit Committee annually reviews our policies and practices with respect to risk assessment and risk management, including discussing with management the Company's major risk exposures and the steps that have been taken to monitor and mitigate such exposures. The Audit Committee also reviews CVS Health's major financial risk exposures as well as major operational, compliance, reputational and strategic risks, including developing steps to monitor, manage and mitigate those risks. In 2019 responsibility for oversight of risks related to cybersecurity and data and information security governance was transferred from the Audit Committee to the Nominating and Corporate Governance Committee, whose members possess expertise regarding those subjects.

Each of our other Board Committees is responsible for oversight of risk management practices for categories of risks relevant to their functions. For example, the Management Planning and Development Committee has oversight responsibility for our overall compensation structure, including review of its compensation practices, with a view to assessing associated risk.

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See "Compensation Risk Assessment" on page 29 for additional information. The Medical Affairs Committee reviews and assesses risks arising from the Company's provision of health care services across the enterprise, including safety issues related to opioid abuse, and the steps taken to monitor and mitigate those risks. The Investment and Finance Committee reviews risks related to the Company's investment portfolio and its capital and financial resources. The Board considers its role in risk oversight when evaluating our Corporate Governance Guidelines and its leadership structure. Both the Corporate Governance Guidelines and the Board's leadership structure facilitate the Board's oversight of risk and communication with management. Our independent Chairman and our CEO are focused on CVS Health's and the Board's risk management efforts and ensure that risk matters are appropriately brought to the Board and/or its Committees for their review.

THE BOARD'S ROLE IN CORPORATE SOCIAL RESPONSIBILITY OVERSIGHT

The Nominating and Corporate Governance Committee of the Board of Directors, pursuant to its charter, is formally charged with oversight of the Company's Corporate Social Responsibility (CSR) strategy and performance. The Company's Senior Vice President of CSR and Philanthropy regularly updates the Committee on CSR risks and opportunities, and the Committee provides feedback and direction on the Company's approach to key issues. The Committee also reviews the annual CSR Report, refreshed for 2018 as *Better Health, Better Community, Better World*, prior to its publication. It is available on the Company's website at <https://cvshealth.com/social-responsibility>.

STOCKHOLDER OUTREACH

The Company values each of its stockholders and their opinions, and we regularly interact with our stockholders on a variety of matters. In the latter part of 2018 and early 2019, at the direction of the Board, the Company engaged in a stockholder outreach effort to best understand and address any concerns stockholders might have. Additional details regarding our outreach effort and the actions taken are found on pages 8, 35 and 39 of this proxy statement.

Much of our dialogue with stockholders was focused on corporate governance, financial results, social responsibility issues such as the Company's response to the opioid abuse crisis, and executive compensation matters. Matters related to the Aetna Transaction were also discussed with our stockholders during the outreach process following the closing of that transaction.

CONTACT WITH THE BOARD, THE CHAIR AND OTHER INDEPENDENT DIRECTORS

Stockholders and other parties interested in communicating directly with the Board, the independent Chair of the Board or with the independent directors as a group may do so by writing to CVS Health Corporation, One CVS Drive, MC 1160, Woonsocket, RI 02895. The Nominating and Corporate Governance Committee has approved a process for handling letters received by the Company and addressed to the Board, the independent Chair of the Board or to independent members of the Board. Under that process, our Corporate Secretary reviews all such correspondence and regularly forwards to the Board copies of all correspondence that, in her opinion, deals with the functions of the Board or its Committees or that she otherwise determines requires their attention.

CODE OF CONDUCT

CVS Health has adopted a Code of Conduct that applies to all of our directors, officers and employees, including our CEO, CFO and Chief Accounting Officer. Our Code of Conduct is available on our website at <http://investors.cvshealth.com> and will be provided to stockholders without charge upon request to our Corporate Secretary. We intend to post amendments to, or waivers of, our Code of Conduct (to the extent applicable to our executive officers or directors) at that location on our website within the timeframe required by SEC rules.

RELATED PERSON TRANSACTION POLICY

In accordance with SEC rules, the Board has adopted a written Related Person Transaction Policy. The Nominating and Corporate Governance Committee has been designated as the Committee responsible for reviewing, approving or ratifying any related person transactions under the Policy, since it already has responsibility for evaluating the impact of conflicts involving directors on

independence. The Nominating and Corporate Governance Committee will review the Policy on an annual basis and will amend the Policy as it deems appropriate.

Pursuant to the Policy, all executive officers, directors and director nominees are required to notify our General Counsel or Corporate Secretary of any financial transaction, arrangement or relationship, or series of similar transactions, arrangements or relationships, involving the Company in which an executive officer, director, director nominee, five percent beneficial owner or any immediate family member of such a person has a direct or indirect material interest.

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The General Counsel or the Corporate Secretary presents any reported new related person transactions, and proposed transactions involving related persons that might be deemed to be related person transactions, to the Nominating and Corporate Governance Committee at its next regular meeting, or earlier if appropriate. The General Counsel or Corporate Secretary provides the Nominating and Corporate Governance Committee with an analysis and recommendation regarding each reported transaction. The Committee reviews these transactions, including the analysis and recommendation. The Nominating and Corporate Governance Committee may conclude, upon review of all relevant information, that the transaction does not constitute a related person transaction, and thus that no further review is required under the Policy. If after its review, the Nominating and Corporate Governance Committee determines not to approve or ratify a related person transaction, the transaction will not be entered into or continued, as the Committee shall direct. The Nominating and Corporate Governance Committee may ratify or approve a related person transaction if, upon consideration of all relevant information, the transaction is in, or not inconsistent with, the best interests of the Company and its stockholders.

In March 2019, the Nominating and Corporate Governance Committee reviewed certain transactions reported under the Policy and determined that no transactions constituted reportable related person transactions under the Policy.

CORPORATE GOVERNANCE GUIDELINES

The Board has adopted Corporate Governance Guidelines, which are available on our investor relations website at <http://investors.cvshealth.com/corporate-governance/documents> and are also available to stockholders at no charge upon request to our Corporate Secretary. These Guidelines meet the listing standards adopted by the NYSE, on which our common stock is listed.

Board Structure and Processes

THE BOARD'S LEADERSHIP STRUCTURE

David W. Dorman is our independent Chair of the Board. The independent Chair presides at all meetings of the Board, and works with our CEO to set Board meeting agendas and the schedule of Board meetings. In addition, the independent Chair has the following duties and responsibilities:

- the authority to call, and to lead, independent director sessions;
- the ability to retain independent legal, accounting or other advisors in connection with these sessions;
- the responsibility to facilitate communication and serve as a liaison between the CEO and the other independent directors; and
- the duty to advise the CEO of the informational needs of the Board.

The Board believes that Board independence and oversight of management will be maintained effectively through the independent Chair, the Board's composition and its Committee system.

DIRECTOR EDUCATION

CVS Health's Corporate Governance Guidelines establishes recommendations for director education.

All new members of the Board are encouraged to participate in the Company's orientation program for directors. Other directors may also attend the orientation program. As newly elected directors following the Aetna Transaction, each of Messrs. Aguirre, Bertolini, Farah and Ludwig took part in an orientation program to familiarize them with the CVS Health businesses and board processes.

In addition, during the September/October Board meeting, the directors participate in an in-depth review of the strategy of the Company and have the opportunity to meet with senior management and gain detailed insights into the business. At these meetings, external speakers are often invited to share insights, best practices and emerging trends with the Board.

All directors are encouraged to participate in continuing education programs, with any associated expenses to be reimbursed by the Company, in order to stay current and knowledgeable about the business of the Company.

Such orientation and continuing education programs are overseen by the Nominating and Corporate Governance Committee of the Board.

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CVS Health's Board oversees and guides the Company's management and its business. Committees support the role of the Board on issues that are better addressed by smaller, more focused subsets of Directors.

For most of 2018, the Board utilized five standing committees. The Investment and Finance Committee was added in November 2018 upon the closing of the Aetna Transaction, and that Committee held its first meeting in January 2019. The table below presents, as of May 16, 2019, the standing Committees of the Board, the membership of such Committees and the number of times each such Committee met in 2018. For further details regarding Committee membership and activities see pages 25-31.

Name	Audit Committee	Investment and Finance Committee	Management Planning and Development Committee	Nominating and Corporate Governance Committee	Medical Affairs Committee	Executive Committee
Fernando Aguirre						
Mark T. Bertolini						
Richard M. Bracken						
C. David Brown II						
Alecia A. DeCoudreaux						
Nancy-Ann M. DeParle						
David W. Dorman						
Roger N. Farah						
Anne M. Finucane						
Edward J. Ludwig						
Larry J. Merlo						
Jean-Pierre Millon						
Mary L. Schapiro						
Richard J. Swift						
William C. Weldon						
Tony L. White						
2018 Meetings	10	0	6	4	4	2

Committee Chair

* Audit Committee Financial Expert

† Mr. Aguirre joined the Audit and Nominating and Corporate Governance Committees in November 2018.

‡ Ms. DeParle will become Chair of the Nominating and Corporate Governance Committee and a member of the Executive Committee at the time of the 2019 Annual Meeting.

** Mr. Farah joined the Management Planning and Development and Medical Affairs Committees in November 2018.

Mr. Ludwig joined the Audit, Investment and Finance and Executive Committees and assumed the role of Chair of the Investment and Finance Committee in November 2018.

Table of ContentsCorporate Governance and Related Matters [Committees of the Board as of the Annual Meeting](#)**Audit Committee**

Each member of the Audit Committee is financially literate and independent of the Company and management under the standards set forth in applicable SEC rules and the Corporate Governance Rules of the NYSE. The Board designated each of Messrs. Swift, Aguirre, Ludwig and Millon and Ms. Schapiro as an audit committee financial expert, as defined under applicable SEC rules. The Board has approved a charter for the Committee, which can be viewed on our website at <http://investors.cvshealth.com> and also is available to stockholders without charge upon request to our Corporate Secretary.

2018 Committee Members (independent)	Rotated in	2019 Committee Members (independent)
Alecia DeCoudreaux	Fernando Aguirre (Nov. 2018)	1 Edward Ludwig*
Nancy-Ann DeParle	Edward Ludwig (Nov. 2018)	2 Jean-Pierre Millon*
Jean-Pierre Millon*	Rotated out	3 Richard Swift (Chair)*
Mary Schapiro*	Nancy-Ann DeParle (Nov. 2018)	4 Alecia DeCoudreaux
Richard Swift (Chair)*		5 Fernando Aguirre*
		6 Mary Schapiro*

*Audit Committee Financial Expert

Meetings in 2018: 10**Primary Responsibilities**

Pursuant to its charter, the Committee assists the Board in its oversight of:

the integrity of our financial statements;
 the qualifications, independence and performance of our independent registered public accounting firm, for whose appointment the Committee bears principal responsibility;
 the performance of our internal audit function;
 our policies and practices with respect to risk assessment and risk management, including discussing with management the Company's major financial risk exposures and the steps that have been taken to monitor and control such exposures;
 compliance with, and approval of, our Code of Conduct;
 the review of our business continuity and disaster recovery program;
 the review of our environmental, health and safety program; and
 our compliance with legal and regulatory requirements, including the review and oversight of matters related to compliance with Federal health care program requirements.

Audit Committee Activities in 2018

The Audit Committee met ten times in 2018 and except for one absence each for two members of the Committee due to unavoidable conflicts, each member of the Committee attended all of its meetings while he or she was a member. Four of the Committee's meetings were focused primarily on our quarterly financial reports, including our Form 10-K, Forms 10-Q and our related earnings releases. At each of these meetings the Committee reviewed the documents in depth with our CFO and our Chief Accounting Officer, as well as our Chief Compliance Officer (CCO), Chief Audit Executive, General Counsel and other key members of management. The Committee also received reports from our internal audit department and our independent outside audit firm, Ernst & Young LLP. The Committee regularly meets with Ernst & Young outside the presence of management, and also meets individually with members of management, including the CCO, the Chief Compliance Officer for Omnicare and the Chief Audit Executive. In addition to its responsibilities related to our financial statements, the Committee plays a primary role in risk oversight, including reviews of our enterprise risk management program, cybersecurity efforts, business continuity and disaster recovery program, privacy programs, and environmental, health and safety program. For 2019, in order to balance Committee workloads and take advantage of member expertise, responsibility for oversight of cybersecurity and data and information security governance has been transferred to the Nominating and Corporate Governance Committee. The Audit Committee also reviews our legal and regulatory compliance program on a quarterly basis, including oversight of the Company's compliance with its Corporate Integrity Agreements, or CIAs. During 2018, the Committee provided the required annual certification of compliance with the Company's 2014 CIA related to PBM operations, and the 2016 CIA related to our institutional pharmacy services (long-term care) operations. The Committee also provided the report found on page 33 of this proxy statement, recommending the inclusion of the

Company's audited financial statements in its Form 10-K.

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Corporate Governance and Related Matters [Committees of the Board as of the Annual Meeting](#)

Investment and Finance Committee

Each member of the Investment and Finance Committee is independent of the Company and management under the standards set forth in applicable SEC rules and the Corporate Governance Rules of the NYSE. The Board has approved a charter for the Committee, which can be viewed on our website at <http://investors.cvshealth.com> and also is available to stockholders without charge upon request to our Corporate Secretary.

Current Committee Members (all independent)

1Richard Bracken

2Anne Finucane

3Edward Ludwig (Chair)

4Mary Schapiro

Meetings in 2018: 0 (newly formed and first met in January 2019)

Primary Responsibilities

Pursuant to its charter, the Committee assists the Board in its oversight of:

the investment policies, strategies, and programs of the Company and its subsidiaries;
the approval of investment transactions on behalf of the Company that exceed any delegated authority;
investment transactions made on behalf of the Company and its subsidiaries;
the performance of the investment portfolios of the Company and its subsidiaries;
the Company's processes for managing the finances of its employee pension and defined contribution benefit plans;
the Company's capital plan, including the review of significant financial policies and matters of corporate finance, such as the Company's dividend policy and the issuance or retirement of debt and other securities;
significant multi-year strategic capital project expenditures and management;
the review and approval of the Company's decision to enter into swap transactions that are not cleared and are not traded on a designated contract market or swap execution facility, including establishing policies governing the use of such swaps; and
the Company's stock repurchase programs, including assessing whether to recommend modification to such programs to the Board.

Investment and Finance Committee Activities in 2018

The Investment and Finance Committee was newly formed in November 2018 upon the closing of the Aetna Transaction, and did not meet during 2018.

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Corporate Governance and Related Matters [Committees of the Board as of the Annual Meeting](#)

Nominating and Corporate Governance Committee

Each member of the Nominating and Corporate Governance Committee is independent of the Company and management under the standards set forth in the Corporate Governance Rules of the NYSE. The Board has approved a charter for the Committee, which can be viewed on our website at <http://investors.cvshealth.com> and also is available to stockholders without charge upon request to our Corporate Secretary. At its meetings, various members of management provide the Committee with updates on areas of its responsibility, including the General Counsel, the Chief Governance Officer, the Senior Vice President of Government Affairs, the Senior Vice President of CSR and Philanthropy and the Executive Vice President and Chief Information Officer.

Rotated in

2018 Committee Members (independent)

Richard Bracken
David Brown
Anne Finucane
William Weldon
David Dorman (Chair)

Fernando Aguirre
(Nov. 2018)
Nancy-Ann DeParle
(Nov. 2018)

Rotated out

Richard Bracken
(Nov. 2018)
Anne Finucane
(Nov. 2018)

2019 Committee Members (independent)

1David Brown
2William Weldon
3Nancy-Ann DeParle (Chair)
4Fernando Aguirre
5David Dorman

Meetings in 2018: 4

Primary Responsibilities

Pursuant to its charter, the Committee has responsibility for:

- identifying individuals qualified to become Board members consistent with criteria approved by the Board;
- recommending to the Board director nominees for election at the next annual or special meeting of stockholders at which directors are to be elected or to fill any vacancies or newly-created directorships that may occur between such meetings;
- recommending directors for appointment to Board Committees;
- making recommendations to the Board as to determinations of director independence;
- evaluating Board and Committee performance;
- effective in January 2019, the oversight of our information governance framework, including our privacy and information security programs, as well as the cybersecurity aspects of the information security program and cybersecurity risk exposures;
- effective in January 2019, the review and ratification of any related person transactions in accordance with our policy on such matters;