

MCKESSON CORPORATION
CORPORATE GOVERNANCE GUIDELINES

(As amended effective April 23, 2008)

The following Corporate Governance Guidelines (“Guidelines”) have been adopted by the Board of Directors (the "Board") of McKesson Corporation (the "Company") to assist the Board in the exercise of its responsibilities. These Guidelines reflect the Board's commitment to monitor the effectiveness of policy- and decision-making both at the Board and management level, and provide the framework for the governance of the Company. These Guidelines are subject to modification from time to time by the Board. In addition, the Company’s Code of Business Conduct and Ethics (the “Code”) governs the conduct of the members of the Board in connection with their activities relating to the Company. The Company’s management is responsible for, and the Board is committed to, ensuring that the Company operates in a legal and ethically responsible manner and in conformance with the Code.

THE BOARD

Role of Directors

The business and affairs of the Company shall be conducted under the direction and oversight of the Board. The members of the Board are elected by the stockholders to oversee management and to assure that the long-term interests of the stockholders are being served. Directors are expected to spend the time and effort necessary to properly discharge their responsibilities.

The Board's Goals

The Board's goal is to build long-term value for the Company's stockholders and to assure the vitality of the Company for its customers, employees and the other individuals and organizations who depend on the Company.

To achieve these goals the Board will monitor both the performance of the Company (in relation to its financial objectives, major goals, strategies and competitors) and the performance of the Chief Executive Officer (“CEO”), and offer him or her constructive advice and feedback. The Board is also responsible for assuring that the Company's management and employees operate in a legal and ethically responsible manner. The Board will participate in the selection, evaluation and, where appropriate or necessary, replacement of the CEO and provide input to the CEO with respect to the selection and evaluation of the Company's principal senior executives.

Board Membership Criteria/Qualifications

The Committee on Directors and Corporate Governance (the “Governance Committee”) shall be responsible for assessing the appropriate balance of criteria required of Board members.

Selection of New Directors

The Board shall be responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders. The Governance Committee is responsible for identifying, screening and recommending candidates to the Board for Board membership. When formulating its Board membership recommendations, the Committee shall also consider advice and recommendations from others as it deems appropriate.

The Committee on Directors and Corporate Governance periodically assesses the appropriate size and composition of the Board, and whether any vacancies are anticipated as a result of retirement or otherwise. To fulfill its responsibility to recruit and recommend to the full Board nominees for election as Directors, the Committee on Directors and Corporate Governance considers all qualified candidates who may be identified by any one of the following sources: current or former Board members, a professional search firm retained by the committee, Company executives and other stockholders.

In evaluating candidates for the Board of Directors, the Committee reviews each candidate's biographical information and credentials, and assesses each candidate's independence, skills, experience and expertise based on a variety of factors.

Members of the Board should have the highest professional and personal ethics, integrity and values, consistent with the Company's values. They should have broad experience at the policy-making level in business, technology, healthcare or public interest, or have achieved national prominence in a relevant field as a faculty member or senior government officer. The Committee will consider whether the candidate has had a successful career that demonstrates the ability to make the kind of important and sensitive judgments that the Board is called upon to make, and whether the nominees' skills are complementary to the existing Board members' skills. Board members must take into account and balance the legitimate interests and concerns of all of the Company's stockholders and other stakeholders; and must be able to devote sufficient time and energy to the performance of his or her duties as a director, as well as have a commitment to diversity. Insofar as a substantial majority of members is concerned, Directors must manifest independence as defined by the New York Stock Exchange.

Stockholders who wish to propose a director candidate for consideration by the Committee may do so by submitting the candidate's name, resume and biographical information and qualifications to the attention of the Secretary of the Company at One Post Street, San Francisco, CA 94104. All proposals for nomination received by the Secretary will be presented to the Committee for its consideration. The Committee and the Company's Chief Executive Officer will interview those candidates that meet the criteria, and the committee will select nominees that best suit the Board's needs.

Size of the Board

The Company's By-laws provide that the number of directors shall be within a range of 3 to 15, with the exact number to be fixed by resolution of the Board. The Governance Committee periodically reviews the size of the Board, which could be increased or decreased if determined to be appropriate by the Board. For example, it may be desirable to increase the size of the Board in order to accommodate the availability of an outstanding candidate for director.

Director Resignation Policy Relating to Majority Voting

On January 4, 2007, the Board approved a “Resignation Policy Relating to Majority Voting” in connection with the implementation of a majority vote standard in uncontested director elections in place of the plurality vote standard. Such policy is attached as Exhibit A to, and constitutes a part of, these Guidelines.

Directors Who Change Their Present Job Responsibility

Directors shall tender their resignations for consideration by the Committee when they change employment or the major responsibilities they held when they joined the Board. The Committee will recommend to the Board the action, if any, to be taken with respect to the resignation. Directors who are officers of the Corporation also shall tender their resignations upon retirement or other termination of active employment with the Company.

Selection of the Chairman of the Board

The Board does not require the separation of the offices of the Chairman of the Board and the Chief Executive Officer. The Board shall be free to choose its Chairman of the Board in any way that it deems best for the Company at any given point in time.

Independence of the Board

The Board shall be comprised of a substantial majority of directors who, in the business judgment of the Board, qualify as independent directors ("Independent Directors") under the listing standards of the New York Stock Exchange. The Board shall review annually the relationships that each director has with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). Following such annual review, only those directors who the Board affirmatively determines have no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) will be considered Independent Directors. The Board may adopt and disclose categorical standards to assist it in determining director independence.

All members of the Board have a fiduciary responsibility to represent the best interests of the Corporation and all of its stockholders.

Financial Expert

The Board shall determine which, if any, of the members of the Audit Committee: (i) qualify as a “financial expert” and (ii) shall be designated in the Company’s annual report as an “audit committee financial expert”, based on whether such person or persons possess the appropriate degrees of knowledge, experience and independence to so qualify, as set forth in the applicable rules of the Securities and Exchange Commission.

Retirement Age

It is the general policy of the Company that no director having attained the age of 72 years shall be nominated for re-election or reappointment to the Board. However, the Board may determine to waive this policy in individual cases.

Director Tenures

In connection with each director nomination recommendation, the Governance Committee shall consider the issue of continuing director tenure and take steps as may be appropriate to ensure that the Board maintains an openness to new ideas and a willingness to critically re-examine the status quo. An individual director's renomination is dependent upon the Governance Committee's assessment and determination of the director's contribution and value to the Board.

Other Board Memberships

Ordinarily, Directors should not serve on more than four other boards of public companies in addition to the Company Board. Current positions in excess of these limits may be maintained unless the Board determines that doing so would impair the Director's service on the Company's Board.

Board Compensation

The Company believes that compensation for non-employee directors should be competitive. For their services, Directors receive an annual retainer as well as meeting fees. Committee chairs also receive an additional annual retainer. Directors also receive an annual grant of Restricted Stock Units, the number of which is determined by dividing \$150,000 by the closing price of McKesson common stock on the date of grant (with any fractional unit rounded up to the nearest whole unit); provided, however, that the number of units granted in any annual grant shall not in any event exceed 5,000 units, in accordance with the requirements of the Company's 2005 Stock Plan. The Governance Committee will annually review the level and form of the Company's director compensation and, if it deems appropriate, recommend to the Board changes in director compensation.

Director's fees (including any additional amounts paid to chairs of committees and to members of committees of the Board) are the only compensation a member of the Audit Committee may receive from the Company; provided, however, that a member of the Audit Committee may also receive pension or other forms of deferred compensation from the Company for prior service so long as such compensation is not contingent in any way on continued service.

A director who is also an officer of the Company shall not receive additional compensation for such service as a director.

Director Stock Ownership

The Board has adopted Director Stock Ownership Guidelines pursuant to which Directors are expected to own shares or share equivalents of McKesson common stock equal to 4 times the annual board retainer, within 3 years of joining the Board.

Board Access to Management

Board members shall have access to the Company's management and, as appropriate, to the Company's outside advisors. Board members will use reasonable judgment to assure that this access is not distracting to the business operations of the Company.

Board Interaction with Institutional Investors, Analysts, Press and Customers

The Board believes that management generally should speak for the Company. It is suggested that each director shall refer all inquiries from institutional investors, analysts, the press or customers to the Chief Executive Officer or his or her designee.

Board Orientation and Continuing Education

The Company shall provide new directors with a director orientation program to familiarize such directors with, among other things, the Company's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, conflicts policies, code of business conduct and ethics, corporate governance guidelines, principle officers, internal auditor(s) and independent auditors. The Company will make appropriate opportunities for continuing education available to directors to enable them to maintain the necessary level of expertise to perform their responsibilities as Directors.

Self-Evaluation by the Board

The Governance Committee will prepare and review with the Board an annual performance evaluation of the Board, as well as the annual performance evaluation of each committee of the Board. The assessment should include a review of any areas in which the Board or management believes the Board can make a better contribution to the Company as well as compare the Board or committee's performance against previously adopted objectives.

Communications with the Board

Stockholders and other interested parties may communicate with the Presiding Director or any of the directors by addressing their correspondence to the board member or members, c/o the Corporate Secretary's Office, McKesson Corporation, One Post Street, 35th Floor, San Francisco, CA 94104, or via e-mail to the presidingdirector@mckesson.com or to the nonmanagementdirectors@mckesson.com. The Board has instructed the Corporate Secretary, prior to forwarding any correspondence, to review such correspondence and, in her discretion, not to forward certain items if they are not relevant to and consistent with the Company's operations, policies and philosophies, are deemed of a commercial or frivolous nature or otherwise inappropriate for the Board's consideration. The Corporate Secretary's office maintains a log of all correspondence received by the Company that is addressed to members of the Board. Directors may review the log at any time, and request copies of any correspondence received.

Separate Sessions of Independent Directors

The Independent Directors of the Company shall meet in executive session without management on a regularly scheduled basis. An Independent Director designated by the other directors on the Board (the "Presiding Director") shall preside at such executive sessions. The individual who serves as the Presiding Director at these executive sessions shall rotate annually among the chairs of the committees of the Board. Each such executive session includes a subsequent discussion with the Chief Executive Officer.

The Presiding Director establishes the agenda for each executive session meeting of independent directors, and also determines which, if any, other individuals, including members of management and independent advisors, should attend each such meeting.

Any interested parties desiring to communicate with the Presiding Director regarding the Company may directly contact such director by addressing the desired communication to the presiding_director@mckesson.com or to the Presiding Director in care of the Office of the Corporate Secretary at the Company's headquarters.

Selection of Agenda Items for Board Meetings

In preparation for meetings of the Board, the Chairman, with support from the Corporate Secretary, and in consultation with the Presiding Director, shall prepare and disseminate to directors on a timely basis a meeting agenda together with briefing materials regarding matters to be included on the meeting agenda, as well as minutes from prior meetings. Each Board member shall be free to suggest inclusion of items on the agenda as well as free to raise at any Board meeting subjects that are not specifically on the agenda for that meeting.

Meetings

The Board has 5 regularly scheduled meetings per year. Directors are expected to regularly attend meetings of the Board and committees on which they sit, and to review prior to meetings material distributed in advance for such meetings. Directors are also expected to attend the Annual Meeting of Stockholders. A director who is unable to attend a meeting (which it is understood will occur on occasion) is expected to notify the Chairman of the Board or the Chairman of the appropriate committee in advance of such meeting. Directors meet their responsibilities not only by attending Board and committee meetings, but also through communication with management on matters affecting the Company.

The Board encourages the Chief Executive Officer to bring members of management from time to time into Board meetings to (i) provide management insight into items being discussed by the Board because of management involvement in these areas; (ii) make presentations to the Board; and (iii) bring managers with significant potential into contact with the Board. Attendance of such management personnel at Board meetings is at the discretion of the Board.

Information and materials that are important to the Board's understanding of the agenda items and other topics to be considered at a Board meeting should, to the extent practicable, be distributed sufficiently in

advance of the meeting to permit prior review by the directors. Sensitive matters may be discussed at the meeting without written materials being distributed in advance or at the meeting. Similarly, matters may be discussed at a meeting called on short notice or in the event of a pressing need without written material being made available. The Company makes all Committee meeting agendas – including minutes of meetings held – available to all members of the Board.

COMMITTEE MATTERS

Board Committees: Composition

The Company currently has four standing committees: Audit, Compensation, Finance and the Governance Committee. The purpose and responsibilities for each of these committees shall be delineated in committee charters approved and adopted by the Board. The Board may want, from time to time, to form a new committee, to re-allocate responsibilities of one committee to another committee or to disband a current committee depending on circumstances. In addition, the Board may determine to form ad hoc committees from time to time, and determine the composition and areas of competence of such committees.

Each of the Audit Committee, the Governance Committee and the Compensation Committee shall be composed entirely of Independent Directors satisfying applicable legal, regulatory and stock exchange requirements necessary for an assignment to any such committee. All other standing Board committees formed by the Board shall be chaired by Independent Directors, except where the Board, pursuant to the recommendation of the Governance Committee, determines otherwise.

The Governance Committee recommends the assignment of Board members to serve on or chair Board committees. Board judgment and individual Board member preferences will be the final guidelines in the Governance Committee's annual review of Board committee structure.

Committee assignments for directors will include no more than three standing committees at any one time.

LEADERSHIP DEVELOPMENT

Selection of the Chief Executive Officer

The Board shall be responsible for identifying potential candidates for, and selecting, the Company's CEO. In identifying potential candidates for, and selecting, the Company's CEO, the Board shall consider, among other things, a candidate's experience, understanding of the Company's business environment, leadership qualities, knowledge, skills, expertise, integrity, and reputation in the business community.

Evaluation of Chief Executive Officer

The CEO develops and provides to the Board of Directors an annual self-evaluation against previously established goals and objectives. The Compensation Committee incorporates the Board's review of the CEO's performance in connection with that Committee's annual review and setting of CEO compensation.

Succession Planning; Management Development

The Board shall approve and maintain a succession plan for the CEO and other executive officers. To assist the Board with succession planning, the CEO shall prepare and review with the Board an annual report on succession planning for all senior officers of the Company with an assessment of senior managers including their potential to assume greater responsibilities within the organization. The Board shall determine that a satisfactory system is in effect for education, development, and orderly succession of senior and managers throughout the Company.

OTHER

Outside Advisors

The Board may, in its sole discretion, when it shall determine to be necessary or appropriate to the functions of the Board, at the expense of the Company, retain consultants, legal counsel and other advisors of its choosing to assist the Board in connection with its functions. The Board shall approve the fees and other retention terms of such advisors. The Company shall provide for appropriate funding, as determined by the Board, for payment of compensation to any such advisors employed by the Board.

Indemnification

The Company provides reasonable directors' and officers' liability insurance for the Directors and shall indemnify the Directors to the fullest extent permitted by law and the Company's certificate of incorporation and by-laws.

EXHIBIT A

RESIGNATION POLICY RELATING TO MAJORITY VOTING

The Amended and Restated By-Laws (the "By-Laws") of McKesson Corporation (the "Corporation") provide that with respect to elections that are not Contested Elections, directors are elected by a Majority Vote. The By-Laws further provide that in order for any person to become a nominee of the Board of Directors for service on the Board of Directors, such person must submit an irrevocable resignation, contingent (A) on that person not receiving the required vote for re-election, and (B) acceptance of that resignation by the Board of Directors in accordance with policies and procedures adopted by the Board of Directors for such purposes. A "Majority Vote" means that the number of votes cast in favor of a nominee must exceed the number of votes cast against that nominee's election. A "Contested Election" means an election of directors (i) for which the Secretary of the Corporation has received a notice that a stockholder has nominated a person for election to the Board of Directors in compliance with Article II, Section 10 of the By-Laws, and (ii) such nomination has not been withdrawn five days prior to the date the Corporation first mails the notice of meeting for such meeting to stockholders.

After receipt of the certified results of the stockholder vote pertaining to such election, the Committee on Directors and Corporate Governance (the "Committee") will consider the tendered resignation(s) in light of the best interests of the Corporation and its stockholders and will make a recommendation to the Board of Directors concerning the acceptance or rejection of such resignation. In considering whether to

accept or reject the tendered resignation, the Committee will consider all factors deemed relevant by the members of the Committee, including, without limitation, (i) the impact of the acceptance of the resignation on stock exchange listing or other regulatory requirements, (ii) the financial impact of the acceptance of the resignation (including, for example, amounts that may become payable under executive compensation or other agreements), (iii) the unique qualifications of the director whose resignation has been tendered (including, for example, whether the director serves on the audit committee of the Board as an "audit committee financial expert" and whether there are one or more other directors qualified, eligible and available to serve on the audit committee in such capacity), (iv) the reasons that the Committee believes are the reasons that stockholders cast votes against the election of such director (including, for example, whether the director was the target of a "vote no" campaign on an illegitimate or wrongful basis), and (v) any alternatives for addressing the reasons for the "against" votes (including, for example, rejection of the resignation coupled with a commitment to seek to address and cure such underlying reasons).

The Board of Directors will take formal action on the Committee's recommendation no later than 90 days following the receipt of the certified results of the stockholder vote pertaining to such election. In considering the Committee's recommendation, the Board of Directors will consider the information, factors and alternatives considered by the Committee and such additional information, factors and alternatives as the Board of Directors deems relevant.

If the Board of Directors determines to accept the resignation of an unsuccessful incumbent, the Committee will recommend a candidate to the Board of Directors to fill the office formerly held by the unsuccessful incumbent. The Committee, in making this recommendation, and the Board of Directors, in acting on such recommendation, may consider any factors or other information that they determine appropriate and relevant.

The Board of Directors expects an unsuccessful incumbent to exercise voluntary recusal from participation in considering and acting upon the recommendation of the Committee on Directors and Corporate Governance or the decision of the Board of Directors with regard to these matters.

If a majority of the members of the Committee are unsuccessful incumbents, then the independent directors then serving on the Board of Directors who were elected by a Majority Vote will appoint an ad hoc committee of the Board of Directors from amongst themselves (the "Ad Hoc Committee"), consisting of such number of directors as they may determine to be appropriate, solely for the purpose of considering and making a recommendation to the Board of Directors with respect to the tendered resignations. The Ad Hoc Committee shall serve in place of the Committee and perform the Committee's duties for purposes of this Policy. Notwithstanding the foregoing, if an Ad Hoc Committee would have been created but fewer than three directors would be eligible to serve on it, the entire Board of Directors (other than the director whose resignation is being considered) will make the determination to accept or reject the tendered resignation without any recommendation from the Committee and without the creation of an Ad Hoc Committee.

If all directors are unsuccessful incumbents, the incumbent Board of Directors will nominate a new slate of directors and, within 180 days after the certification of the results of the stockholder vote, hold a special meeting for the purpose of electing a board of directors. In such circumstances, the incumbent Board of Directors will continue to serve until new directors are elected and qualified.

Within four business days following acceptance or rejection of the resignation, the Corporation will file a report with the U.S. Securities Exchange Commission on Form 8-K in which it will publicly disclose its decision, together with an explanation of the process by which the decision was made and, if applicable, the Board of Directors' reason or reasons for rejecting the tendered resignation.