UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

IN RE WALGREEN CO. STOCKHOLDER LITIGATION	:	Civil Action No. 1:14-cv-09786

STIPULATION OF SETTLEMENT

This Stipulation of Settlement is made and entered into by and among the following parties to the above-captioned consolidated putative shareholder class action (the "Action"): (i) plaintiffs James Hays ("Hays") and Richard C. Potocki ("Potocki," and together with Hays, "Plaintiffs"), each individually and on behalf of the Settlement Class (as defined *infra*), and (ii) defendants Janice M. Babiak, David J. Brailer, Steven A. Davis, William C. Foote, Mark P. Frissora, Ginger L. Graham, Alan G. McNally, Dominic Murphy, Stefano Pessina, Barry Rosenstein, Nancy M. Schlichting, Alejandro Silva, James A. Skinner, Gregory D. Wasson ("Wasson") (collectively, the "Individual Defendants"), Walgreen Co. ("Walgreen" or the "Company"), Walgreens Boots Alliance, Inc. ("WBA"), and Ontario Merger Sub (collectively, "Defendants," together with Plaintiffs, "Parties"), each by and through their respective counsel of record in the Action. The Stipulation is intended by the Parties to fully, finally, and forever resolve, discharge, and settle the Settled Claims (including Unknown Claims), as defined *infra* upon the terms and subject to the conditions set forth herein.

I. BACKGROUND TO THE LITIGATION

On August 2, 2012, Walgreen completed the acquisition of 45% of the issued and outstanding share capital of Alliance Boots GmbH ("Alliance Boots") in exchange for cash and Walgreen shares (the "Step 1 Acquisition"). The Step 1 Acquisition was made pursuant to a Purchase and Option Agreement dated June 18, 2012 (the "Purchase and Option Agreement") that

provided the Company with the option to acquire the remainder of Alliance Boots during the six-month period beginning two and a half years after the closing of the Step 1 Acquisition (the "Call Option").

On August 4, 2014, Walgreen announced the resignation of its then-Chief Financial Officer Wade Miquelon ("Miquelon").

On August 5, 2014, Walgreen and Alliance Boots amended the Purchase and Option Agreement to make the Call Option immediately exercisable (the "Amendment") and an indirect wholly-owned subsidiary of Walgreen exercised the Call Option. Walgreen publicly announced the Amendment on August 6, 2014.

On August 6, 2014, Walgreen announced that the Company intended to purchase the remainder of Alliance Boots that it did not already own in exchange for £3.133 billion in cash, payable in British pounds sterling, and 144,333,468 shares of Walgreen common stock, subject to certain potential specified adjustments (the "Step 2 Acquisition"). On the same day, Walgreen publicly announced that the Company would undergo a corporate reorganization (the "Reorganization") in connection with the Step 2 Acquisition pursuant to which Walgreen would become a whole-owned subsidiary of WBA, a new Delaware corporation, and Walgreen shareholders would have their existing shares of Company stock automatically converted into shares of WBA.

On September 5, 2014, Barry Rosenstein of hedge fund JANA Partners was appointed to the Walgreen board of directors (the "Board").

On September 16, 2014, WBA filed a registration on Form S-4 with the U.S. Securities and Exchange Commission (the "SEC") in connection with seeking the approval of Walgreen shareholders for the Reorganization and Step 2 Acquisition (the "S-4").

On October 16, 2014, Miquelon filed a complaint against the Company in the Circuit Court of Cook County, Illinois, captioned *Miquelon v. Walgreen Co.* (WAG), 14-ch-16825, Cook County, Illinois Circuit Court (Chicago).

On October 29, 2014 and November 18, 2014, WBA amended the S-4.

On November 24, 2014, Walgreen filed a definitive proxy statement on Schedule 14A with the SEC soliciting shareholder approval for the Reorganization and Step 2 Acquisition (the "Proxy"). The Proxy announced that the special meeting of Walgreen shareholders to vote on the Reorganization and Step 2 Transaction would be held on December 29, 2014.

II. THE LITIGATION

On December 5, 2014, Plaintiff Hays filed a complaint in the United States District Court for the Northern District of Illinois (the "Court") captioned *Hays v. Babiak, et al.*, Civil Action No. 14-cv-09786, alleging violations of Section 14(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 20(a) of the Exchange Act, and breaches of the Board's fiduciary duty of disclosure under Illinois state law (the "Hays Action").

On December 10, 2014, Walgreen announced that Wasson, the Company's then-President and Chief Executive Officer, had informed the Board that he would retire shortly after the closing of the Reorganization and Step 2 Acquisition.

Also on December 10, 2014, as a result of the pendency of the Hays Action, and the pending Walgreen shareholder vote on the Reorganization and Step 2 Acquisition, defense counsel and counsel to Plaintiff Hays commenced arms-length negotiations regarding a potential settlement of the Hays Action.

On December 12, 2014, Plaintiff Potocki filed an action in this Court captioned *Potocki v. Skinner, et al.*, Civil Action No. 14-cv-10006, containing substantially similar allegations and

claims as the Hays Action and also alleging that the Proxy fails to adequately disclose the facts and circumstances surrounding Wasson's retirement (the "Potocki Action," and together with the Hays Action, the "Actions").

On December 15, 2014, counsel for Plaintiffs conferred and determined to work together on behalf of Plaintiffs and the Settlement Class in connection with the Actions.

Between December 15, 2014 and December 22, 2014, Defendants' counsel and Plaintiffs' Counsel continued negotiations regarding a potential settlement of the Actions.

On December 23, 2014, the Parties reached an agreement in principle, set forth in the Memorandum of Understanding ("MOU") of the same date, providing for settlement of the Actions between and among the Parties, on behalf of themselves and the putative Settlement Class of persons on behalf of whom Plaintiffs have brought the Actions on the terms and subject to the conditions set forth therein.

Pursuant to the MOU, as a result of the pendency and prosecution of the Actions and the extensive arm's-length negotiations, Defendants agreed to, *inter alia*, file with the SEC a Current Report on Form 8-K (the "Form 8-K") containing the agreed-upon supplemental disclosures concerning the Reorganization and Step 2 Acquisition (the "Supplemental Disclosures").

On December 24, 2014, Walgreen filed with the SEC the Form 8-K which included, *inter alia*, the Supplemental Disclosures.

On December 29, 2014, Walgreen shareholders approved both the Reorganization and the Step 2 Acquisition.

On December 31, 2014, Walgreen completed the Reorganization and the Step 2 Acquisition, and became a wholly owned subsidiary of Walgreens Boots Alliance, Inc.

On or about January 20, 2015, Plaintiffs moved to consolidate the Actions.

On February 4, 2015, the Court granted Plaintiffs' motion to reassign and consolidate the Actions into the above-captioned action.

Further pursuant to the MOU, Defendants agreed to, *inter alia*, provide Plaintiffs with certain discovery to allow Plaintiffs to confirm the fairness, reasonableness and adequacy of the proposed Settlement (the "Confirmatory Discovery"). On April 13, 2015, Defendants produced nearly 900 pages of internal confidential Company documents as part of the Confirmatory Discovery.

On May 13, 2015, Plaintiffs' Counsel interviewed Mark Vainisi ("Vainisi"), Walgreen's Divisional Vice President of Mergers & Acquisitions as a part of the Confirmatory Discovery.

Following a careful and thorough review of the documents produced by Defendants, the Company's recent public filings and the information learned through Vainisi's interview, Plaintiffs' Counsel determined that the terms of the proposed Settlement (defined *infra*) are fair, reasonable, and adequate, and in the best interests of the members of the Settlement Class because, as a result of Defendants' public filing of the Supplemental Disclosures, Walgreen shareholders were able to make a fully informed decision with respect to their vote on the Reorganization and Step 2 Transaction.

Accordingly, the Parties determined to enter into this Stipulation, which sets forth the terms and conditions of the Settlement. The Settlement set forth herein reflects the results of the Parties' negotiations and the material terms of the MOU. The Settlement was only reached after vigorous arm's-length negotiations between the Parties, who were all represented by counsel with extensive experience and expertise in shareholder class action litigation. During the negotiations, all Parties had a clear view of the strengths and weaknesses of their respective claims and defenses.

Furthermore, at no time prior to the completion of Confirmatory Discovery and Plaintiffs' Counsel's determination that such discovery further confirmed the fairness, adequacy, and reasonableness of the proposed Settlement were there any discussions or agreements between the Parties regarding the reasonable amount of Plaintiffs' attorneys' fees or expenses ("Fee Petition").

III. PLAINTIFFS' CLAIMS AND THE BENEFITS OF SETTLEMENT

Plaintiffs' entry into this Stipulation is not an admission or concession as to the lack of merit of any claims in the Action. Plaintiffs and Plaintiffs' Counsel believe that they brought their claims in good faith and that the claims asserted in the Action have merit. Plaintiffs and Plaintiffs' Counsel also believe that the Settlement addresses a substantial majority of the disclosure claims asserted in the Action.

Plaintiffs' Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against Defendants through trial and through appeals. Plaintiffs' Counsel have also taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Action, as well as the difficulties and delays inherent in such litigation, and the difficulties associated with securing appropriate relief after consummation of the Reorganization and Step 2 Acquisition. Plaintiffs' Counsel are also mindful of the inherent problems of proof and possible defenses to the claims asserted in the Action. Plaintiffs' Counsel believe that the Settlement set forth in this Stipulation confers substantial benefits upon the Settlement Class. Based on their evaluation, Plaintiffs and Plaintiffs' Counsel have determined that the Settlement set forth in this Stipulation is fair, reasonable, and adequate, and in the best interests of the Settlement Class.

IV. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

Defendants have denied and continue to deny each and every claim and contention alleged by the Plaintiffs in the Action. Defendants have expressly denied and continue to deny all charges of wrongdoing or liability against them as alleged in the complaints in the Actions, and specifically deny that the Step 2 Acquisition and Reorganization materials provided to Walgreen shareholders were incomplete or in any way misleading or that any additional disclosure was required under the SEC rules or any applicable legal principle. Further, Defendants have denied and continue to deny that they have committed, threatened to commit, or aided and abetted in the commission of any wrongdoing, violation of law, or breach of duty in connection with the Settled Claims and the subject matter thereof, including with respect to the Proxy and the disclosures to Walgreen shareholders contained therein.

Nevertheless, Defendants are entering into the Settlement solely to eliminate the distraction, burden and expense of further litigation. Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases similar to the Action. Defendants have, therefore, determined that it is desirable and beneficial that the Action be settled in the manner and upon the terms and conditions set forth in this Stipulation. Without admitting any wrongdoing, Defendants acknowledge that the filing and prosecution of the Action and discussions with Plaintiffs' Counsel were the sole factor in the decision to make the Supplemental Disclosures.

V. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Plaintiffs (individually and on behalf of the Settlement Class) and Defendants, by and through their attorneys of record, subject to the approval of the Court, that the Action and the Settled Claims

(including Unknown Claims) shall be finally and fully compromised, settled, and released, and the Action shall be dismissed with prejudice, as to all Parties, upon and subject to the terms and conditions of the Stipulation as follows:

1. Definitions

As used in this Stipulation, the following terms have the meanings specified below:

1.1 "Action" means the consolidated class action lawsuit currently pending in the United States District Court for the Northern District of Illinois, captioned *In re Walgreen Co. Stockholder Litigation*, Civil Action No. 1:14-cv-09786.

1.2 "Court" means the United States District Court for the Northern District of Illinois.

1.3 "Defendants" means the Individual Defendants, Walgreen Co., Walgreen Boots Alliance, Inc. and Ontario Merger Sub, Inc.

1.4 "Defendants' Counsel" means Sidley Austin LLP, Wachtell Lipton Rosen & Katz, and any partners, principals, associates or employees of these firms.

1.5 "Effective Date" means the first date by which all of the events and conditions specified in paragraph 6.1 hereof have been met and have occurred.

1.6 "Final" means: (i) the date of final affirmance on any appeal of the Judgment (as defined, *infra*), the expiration of the time for a petition for or a denial of a writ of certiorari to review the Judgment and, if certiorari is granted, the date of final affirmance of the Judgment following review pursuant to that grant; or (ii) the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding on certiorari to review the Judgment; or (iii) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from the Court's Judgment, in all material respects in the form of Exhibit C attached hereto.

1.7 "Individual Defendants" means Janice M. Babiak, David J. Brailer, Steven A. Davis, William C. Foote, Mark P. Frissora, Ginger L. Graham, Alan G. McNally, Dominic Murphy, Stefano Pessina, Barry Rosenstein, Nancy M. Schlichting, Alejandro Silva, James A. Skinner and Gregory D. Wasson.

1.8 "Judgment" means the Order and Final Judgment to be rendered by the Court, in all material respects in the form attached hereto as Exhibit C.

1.9 "Notice" means the notice substantially in the form described in paragraph 3.2 herein.

1.10 "Parties" means each of the Defendants and the Plaintiffs, individually and on behalf of the Settlement Class.

1.11 "Person" means an individual, corporation (including all divisions, affiliates, joint ventures, parents, and subsidiaries), limited partnership, limited liability company, partnership, professional corporation, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their present and former spouses, heirs, executors, estates, predecessors, successors, personal or legal representatives, directors, officers, agents, servants, employees, affiliates, insurers, reinsurers, underwriters, controlling shareholders, accountants, advisors, or assignees.

1.12 "Plaintiffs" means James Hays and Richard C. Potocki.

1.13 "Plaintiffs' Counsel" means Pomerantz LLP ("Pomerantz"), Friedman Oster PLLC, Law Office of Alfred G. Yates, Jr., P.C., DiTommaso Lubin, P.C., Levi & Korsinsky LLP and any partners, principals, associates or employees of these firms.

1.14 "Released Persons" means Defendants and their respective families, predecessors, successors-in-interest, parents, subsidiaries, associates, affiliates and each and all of their respective past, present or future representatives, agents, officers, directors, trustees, executors, heirs, spouses, marital communities, assigns or transferees and any person or entity acting for on behalf of any of them, and each of their respective predecessors, successors-in-interest, parents, subsidiaries, affiliates, representatives, agents, officers, directors, employees, trustees, executors, heirs, spouses, marital communities, assigns or transferees or any person or entity acting for on behalf of any of them and each of them.

1.15 "Settled Claims" means all known and unknown claims, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, judgments, suits, fees, expenses, costs, penalties, sanctions, matters and issues of every nature and description whatsoever, whether legal, equitable, or any other type, whether or not concealed, hidden or undisclosed, matured or unmatured, that have been, could have been, or in the future can or might be, asserted by or on behalf of Plaintiffs, the Company (whether by the Company or any shareholder or other Person derivatively on behalf of the Company), or any Settlement Class members in their capacity as shareholders, including class, derivative, individual or other claims, in state or federal court, and, based upon, arising from, or related to the disclosure claims or disclosure allegations in, and the settlement of, the Actions including, but not limited to, disclosure claims or disclosure allegations based upon, arising from, or related to: (i) the contents of the Proxy or the S-4; (ii) solicitation of shareholder support for the Reorganization and Step 2 Acquisition; (iii) the fiduciary obligations, if any, of the Defendants or Released Persons in connection with the solicitation of shareholder support for the Reorganization and Step 2 Acquisition; and (iv) the fees, expenses, or costs incurred in prosecuting, defending, or settling the Actions, other than as provided in this Stipulation;

provided, however, that the Settled Claims shall not include any claims to enforce the Settlement or to enforce any award of attorneys' fees and reimbursement of expenses pursuant to the Settlement.

1.16 "Settlement" means the resolution of the Action as contemplated and set forth herein.

1.17 "Settlement Class" means a non-opt-out class defined as all record holders and beneficial holders of any shares of common stock of Walgreen and any and all of their successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any Person or entity acting for or on behalf of, or claiming under, any of them, and each of them, at any time between and including August 5, 2014 and December 31, 2014 (the date of the closing of the Reorganization and Step 2 Acquisition) (the "Class Period"), excluding Defendants, members of the immediate families of the Individual Defendants, and any Person, firm, trust, corporation or other entity related to, controlled by, or affiliated with, any Defendant, and the legal representatives, heirs, successors, and assigns of any such excluded persons.

1.18 "Stipulation" means this Stipulation of Settlement and the exhibits attached hereto and incorporated herein by reference.

1.19 "Unknown Claims" means any claim with respect to the subject matter of the Settled Claims that the Released Persons or Plaintiffs or members of the Settlement Class do not know or suspect exists in his, her, or its favor at the time of the release of the Settled Claims, including without limitation, those which, if known, might have affected the decision to enter into the Settlement or might have affected the decision not to object to the Settlement. With respect to any of the Settled Claims, the Parties stipulate and agree that upon the Effective Date, the Released

Persons and Plaintiffs shall expressly and each member of the Settlement Class shall be deemed to have, and by operation of the Judgment shall have, expressly waived, relinquished, and released any and all provisions, rights, and benefits conferred by or under California Civil Code section 1542 (or any similar, comparable, or equivalent law or provision), which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Released Persons and Plaintiffs acknowledge, and members of the Settlement Class shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Settled Claims, but that it is the intention of the Released Persons and Plaintiffs, and by operation of law the members of the Settlement Class, to completely, fully, finally, and forever extinguish and release any and all Settled Claims (including Unknown Claims as defined in this paragraph), without regard to the subsequent discovery of additional or different facts. The Released Persons and Plaintiffs acknowledge, and the members of the Settlement Class by operation of law shall be deemed to have acknowledged, that the inclusion of Unknown Claims in the definition of Settled Claims was separately bargained for and was a key element of the Settlement and was relied upon by each and all of the Parties in entering into the Stipulation.

2. Settlement Consideration

2.1 As a result of, among other things, negotiations between and among the Parties, it was agreed that, in consideration for the full settlement and release of all Settled Claims (including Unknown Claims), Walgreen included the Supplemental Disclosures in a Form 8-K filed with the SEC on December 24, 2014, a copy of which is attached hereto as Exhibit A.

2.2 The Parties agree and acknowledge that the Supplemental Disclosures conferred a substantial benefit on the Settlement Class. Defendants acknowledge that the pendency and prosecution of the Actions and the negotiations between Plaintiffs' Counsel and Defendants' Counsel were the sole factor in the decision to make the Supplemental Disclosures.

3. Preliminary Approval Order, Notice, and Settlement Hearing

3.1 As soon as reasonably practicable after execution of this Stipulation, Plaintiffs shall submit the Stipulation together with its exhibits to the Court and shall apply for entry of an order (the "Preliminary Approval Order"), in all material respects in the form of Exhibit B hereto, requesting: (i) preliminary approval of the Settlement; (ii) preliminary certification of the Settlement Class, for settlement purposes only; (iii) approval of the form, content, and mailing of the proposed Notice of the Settlement; and (iv) a date for a hearing on final approval of the Settlement (the "Settlement Hearing").

3.2 Notice to the Settlement Class shall consist of (i) the dissemination of a postcard, substantially in the form attached hereto as Exhibit B-1 (the "Summary Notice"), via United States mail, first class, postage pre-paid, to each Person who is shown on the records of Walgreen, its successors-in-interest or their respective transfer agents, to be a record holder of any share(s) of Walgreen common stock or who held any such share(s) during the Class Period at his, her or its last known address, and (ii) the establishment of a website containing additional information regarding the proposed Settlement, including, at a minimum, the operative complaints in this action, the long-form notice attached hereto as Exhibit B-2, this Stipulation and attached exhibits, and, when available, the Preliminary Approval Order and the Final Judgment. WBA shall be responsible for the administration and dissemination of the Notice to the Settlement Class, including the payment of all costs and expenses related thereto.

3.3 The Parties will present the Settlement to the Court for hearing and final approval as set forth in Exhibit B attached hereto, and will use their individual and collective best efforts to obtain final approval of the Settlement and the dismissal of the Action with prejudice without costs to any Party, except as expressly provided herein.

4. Releases

4.1 Upon entry of the Judgment, Plaintiffs and members of the Settlement Class shall be deemed to have fully, finally, and forever settled, released, discharged, extinguished, and dismissed with prejudice, completely, individually, and collectively, the Settled Claims (including Unknown Claims) against the Released Persons and shall forever be enjoined from prosecuting such claims; provided, however, that such release shall not affect any claims to enforce the terms of the Stipulation or the Settlement.

4.2 Upon entry of the Judgment, each of the Released Persons shall be deemed to have fully, finally, and forever settled, released, discharged, extinguished, and dismissed with prejudice, completely, individually, and collectively, all claims, including Unknown Claims, based upon or arising out of the commencement, prosecution, settlement or resolution of the Action or the Settled Claims against Plaintiffs, Plaintiffs' Counsel, and members of the Settlement Class and shall forever be enjoined from prosecuting such claims; provided, however, that such release shall not affect any claims to enforce the terms of the Stipulation or the Settlement.

5. Attorneys' Fees and Expenses

5.1 After negotiating the substantive terms of the Settlement, the Parties negotiated an amount of attorneys' fees and expenses that, subject to the terms and conditions of this Stipulation and approval by the Court, will be paid to Plaintiffs' Counsel. As a result of those negotiations, WBA will pay, or cause to be paid, on behalf of itself and for the benefit of Defendants, to

Plaintiffs' Counsel fees and expenses in the amount to be approved by the Court not to exceed $370,000 in fees and expenses (inclusive of costs, disbursements, and expert and consulting fees) (the "Fee Amount"). Any failure by the Court to approve the amount of such fees and expenses shall not affect the validity of the Settlement, the entry of the Judgment, or the occurrence of the Effective Date. The Fee Amount shall be transferred to Pomerantz as custodian for all of Plaintiffs' Counsel within twenty (20) business days after the later to occur of: (i) entry of the Judgment approving the proposed Settlement and dismissing the Action with prejudice; and (ii) an order awarding Plaintiffs' Counsel such reasonable attorneys' fees and expenses, pursuant to wiring instructions to be provided by Plaintiffs' Counsel. Plaintiffs' Counsel shall be solely responsible for the distribution of Plaintiffs' attorneys' fees and expenses. The Released Persons shall have no responsibility or liability whatsoever for the allocation of the fees and expenses award among Plaintiffs' Counsel in the Action. The Released Persons shall also have no responsibility or liability whatsoever with respect to the allocation of the fees and expenses award with respect to any other person, entity or firm who may assert some claim thereto, of any fees and expenses amount. Except as so specified in this Stipulation, the Released Persons shall bear no liability or responsibility for any expenses, costs, damages, or fees alleged or incurred by Plaintiffs, by any members of the Settlement Class, or by any of their attorneys, experts, advisors, agents or representatives.

5.2 In the event that the Effective Date does not occur, the Judgment is reversed or modified on appeal, or the order of the Court approving the Fee Amount is reversed or modified on appeal, then it shall be the joint and several obligation of Plaintiffs' Counsel to make appropriate refunds or repayments to Walgreen (or its insurer(s) or successor(s)) of any portion of the Fee Amount previously paid by Walgreen (or its insurer(s) or successor(s)) consistent with such

reversal or modification, within ten (10) business days from receiving notice from counsel for Defendants or from a court of appropriate jurisdiction. Plaintiffs' Counsel each submit themselves to the jurisdiction of the Court for the purpose of enforcement of this paragraph.

6. Conditions of Settlement, Effect of Disapproval, Cancellation, or Termination

6.1 The Effective Date of the Settlement shall be conditioned on the occurrence of all of the following events:

(a) the Court enters the Judgment, in all material respects in the form of Exhibit C attached hereto; and

(b) the Judgment, in all material respects in the form of Exhibit C attached hereto, becomes Final.

6.2 If either or both of the conditions specified in paragraph 6.1 above are not satisfied, then the Stipulation shall be canceled and terminated unless Plaintiffs' Counsel and Defendants' Counsel mutually agree in writing to proceed with the Settlement within fifteen (15) business days after receiving notice that either or both conditions are not satisfied.

6.3 The Settlement and the Stipulation shall be null and void and of no force and effect if the Effective Date does not occur for any reason. In such event, the Parties shall return to their respective litigation positions in the Action as of the time immediately prior to the date of the execution of the MOU, as though it were never executed or agreed to, and the MOU and the Stipulation shall not be deemed to prejudice in any way the positions of the Parties with respect to the Action, or to constitute an admission of fact by any Party, shall not entitle any Party to recover any costs or expenses incurred in connection with the implementation of the MOU, the Stipulation or the Settlement, and neither the existence of the MOU, the Stipulation nor their respective contents shall be admissible in evidence or be referred to for any purposes in the Action, or in any litigation or judicial proceeding, other than to enforce the terms hereof.

6.4 In the event that the Effective Date does not occur for any reason, Plaintiffs and Plaintiffs' Counsel reserve their right to file a motion seeking payment of their attorneys' fees and expenses based upon the benefits of the Supplemental Disclosures, and the Defendants reserve the right to oppose any such motion.

7. Miscellaneous Provisions

7.1 All proceedings in the Action, except for those proceedings related to the Settlement, shall be stayed until the resolution of all such Settlement-related proceedings.

7.2 The Parties: (i) acknowledge that it is their intent to consummate this agreement; and (ii) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the Stipulation.

7.3 The Parties intend this Settlement to be a final and complete resolution of all disputes between them with respect to the Action. The Parties agree that the Settlement was negotiated in good faith by the Parties, and reflects a settlement that was reached voluntarily after consultation with competent legal counsel.

7.4 The provisions contained in the Stipulation shall not be deemed a presumption, concession, or admission by any Defendant of any fault, liability, or wrongdoing as to any facts or claims that have been or might be alleged in the Action, or in any other action or proceeding.

7.5 Neither this Stipulation nor the Settlement contained therein, nor any act performed or document executed pursuant to or in furtherance of this Stipulation or the Settlement: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity or lack thereof of any Settled Claim, or of any wrongdoing or liability of the Defendants or any Released Person; or (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or

omission of any of the Defendants or any Released Person, in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. The Released Persons may file this Stipulation and/or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar, or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

7.6 Subject to the order of the Court, pending final determination of whether the Settlement provided for in the Stipulation should be approved, Plaintiffs and all members of the Settlement Class, or any of them, are barred and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement, prosecution, or instigation of any action asserting any Settled Claims (including Unknown Claims), either directly, representatively, derivatively, or in any other capacity, against any Released Person. If any Settled Claims (including Unknown Claims) are asserted against any Released Person in any court prior to Final Court approval of the Settlement, the Parties shall cooperate in obtaining the withdrawal or dismissal of such related litigation, including, where appropriate, joining in any motion to dismiss such litigation.

7.7 Each Party severally acknowledges that no promise, inducement, or agreement not expressed herein has been made to it or him or her, that the Stipulation contains the entire agreement between or among the Parties concerning the matters described in the Stipulation, and, except as expressly provided herein, that there are no third-party beneficiaries to the Stipulation.

7.8 The Stipulation may be executed in counterparts by any of the signatories hereto, including by e-mail in PDF format or by telecopier, and as so executed shall constitute one agreement.

7.9 The Stipulation and Settlement contemplated by it shall be governed by and construed in accordance with the laws of the State of Illinois without regard to conflict of laws principles. The Court shall have exclusive jurisdiction over any dispute arising out of or relating in any way to this Settlement Stipulation, and the Parties further waive any right to demand a jury trial as to any such dispute.

7.10 Should any part of the Stipulation be rendered or declared invalid by a court of competent jurisdiction, and except as expressly provided herein to the contrary, such invalidation of such part or portion of the Stipulation should not invalidate the remaining portions thereof, and they shall remain in full force and effect.

7.11 Plaintiffs represent and warrant that none of the claims or causes of action that are or could have been asserted in the Action have been assigned, encumbered, or in any manner transferred in whole or in part.

7.12 All of the Exhibits to this Stipulation are material and integral parts hereof and are fully incorporated herein by reference.

7.13 The Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Parties or their respective successors in interest.

7.14 Each counsel or other Person executing the Stipulation or any of its Exhibits on behalf of any party hereto warrants that such Person has the full authority to do so.

7.15 The Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the settlement embodied in this Stipulation.

7.16 This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.

7.17 All agreements made and orders entered during the course of the Action relating to the confidentiality of information shall survive this Stipulation.

IN WITNESS WHEREOF, the Parties hereto have caused the Stipulation to be executed, as indicated below, by their duly authorized attorneys.

EXECUTED AND AGREED on July 2, 2015:

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 19, 2014

WALGREEN CO.

(Exact name of registrant as specified in its charter)

Illinois	**1-604**	**36-1924025**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

108 Wilmot Road, Deerfield, Illinois	**60015**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (847) 315-2500

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

Revolving Credit Agreement

On December 19, 2014, Walgreen Co., an Illinois corporation (the “Company” or “Walgreens”), and Walgreens Boots Alliance, Inc., a Delaware corporation (“WBA” or “Walgreens Boots Alliance”) and direct, wholly owned subsidiary of Walgreens, entered into a Revolving Credit Agreement (the “Revolving Credit Agreement”) with the lenders party thereto and Mizuho Bank, Ltd., as administrative agent. The Revolving Credit Agreement is a 364-day unsecured, multicurrency revolving facility. The aggregate commitment of all lenders under the Revolving Credit Agreement will be equal to $750 million.

The Company will be the initial borrower under the Revolving Credit Agreement. To the extent that the Holdco Reorganization (as defined in the Revolving Credit Agreement) is consummated on or prior to the Alliance Boots Acquisition Closing Date (as defined in the Revolving Credit Agreement) (and subject to the satisfaction (or waiver) of certain other conditions set forth therein), WBA will also be a borrower under the Revolving Credit Agreement. Walgreens or, to the extent that the Holdco Reorganization is consummated on or prior to the Alliance Boots Acquisition Closing Date, WBA, as applicable, may also designate any wholly owned subsidiary as a borrower under the Revolving Credit Agreement subject to certain conditions set forth therein (each, a “Designated Borrower”).

To the extent the Holdco Reorganization is consummated on or prior to the Alliance Boots Acquisition Closing Date, Walgreens will guarantee (the “Walgreens Revolving Credit Agreement Guarantee”) the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all obligations of WBA under the Revolving Credit Agreement, which guarantee shall remain in full force and effect for so long as (A) the aggregate outstanding principal amount of Capital Markets Indebtedness, including the Existing Notes, and Commercial Bank Indebtedness (as those terms are defined in the Revolving Credit Agreement), in each case, of Walgreens is greater than or equal to $2.0 billion, (B) Walgreens guarantees any Capital Markets Indebtedness or Commercial Bank Indebtedness, in each case, of WBA, or (C) Walgreens guarantees any obligations of Walgreens Boots Alliance under either the Revolving Credit Agreement, dated as of November 10, 2014, among Walgreens, Walgreens Boots Alliance, Bank of America, N.A., as administrative agent, and the lenders from time to time party thereto (as it may be amended, restated, supplemented or otherwise modified and as in effect from time to time) or the Term Loan Credit Agreement, dated as of November 10, 2014, among Walgreens, Walgreens Boots Alliance, Bank of America, N.A., as administrative agent, and the lenders from time to time party thereto (as it may be amended, restated, supplemented or otherwise modified and as in effect from time to time). In addition, Walgreens or, to the extent that the Holdco Reorganization is consummated on or prior to the Alliance Boots Acquisition Closing Date, WBA, as applicable, will guarantee the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all obligations of each Designated Borrower under the Revolving Credit Agreement.

The ability of any borrower to request the making of revolving loans under the Revolving Credit Agreement is subject to the satisfaction (or waiver) of certain conditions set forth therein. Subject to the terms of the Revolving Credit Agreement, any borrower may borrow, repay and reborrow revolving loans at any time prior to the earlier of (a) the date that is the Business Day

(as defined in the Revolving Credit Agreement) immediately preceding the one year anniversary of the Alliance Boots Acquisition Closing Date, (b) the date that is 30 days after the one year anniversary of the Effective Date (as defined in the Revolving Credit Agreement), and (c) the date of termination in whole of the lenders' commitments under the Revolving Credit Agreement in accordance with the terms thereof. Revolving loans will be available, at the option of the applicable borrower, in Dollars, Sterling, Euros, Yen, Swiss Franc or any other currency approved in accordance with the terms of the Revolving Credit Agreement.

Borrowings under the Revolving Credit Agreement will bear interest at a fluctuating rate per annum equal to, at the applicable borrower's option, the alternate base rate or the reserve adjusted Eurocurrency rate, in each case, plus an applicable margin calculated based on Walgreens' or, to the extent that the Holdco Reorganization is consummated on or prior to the Alliance Boots Acquisition Closing Date, WBA's credit ratings. In addition, Walgreens or, to the extent that the Holdco Reorganization is consummated on or prior to the Alliance Boots Acquisition Closing Date, WBA will also pay to the lenders under the Revolving Credit Agreement certain customary fees, including a commitment fee on the daily actual excess of each lender's commitment over its outstanding credit exposure under the Revolving Credit Agreement, calculated based on Walgreens' or, to the extent that the Holdco Reorganization is consummated on or prior to the Alliance Boots Acquisition Closing Date, WBA's credit ratings.

Voluntary prepayments of the loans and voluntary reductions of the unutilized portion of the commitments under the Revolving Credit Agreement are permissible without penalty, subject to certain conditions pertaining to minimum notice and minimum reduction amounts as described in the Revolving Credit Agreement.

The Revolving Credit Agreement contains representations and warranties and affirmative and negative covenants customary for unsecured financings of this type, as well as a financial covenant requiring that, as of the last day of each fiscal quarter, commencing with the first quarter-end after the Effective Date, the ratio of Consolidated Debt to Total Capitalization (as those terms are defined in the Revolving Credit Agreement and giving effect to the Alliance Boots Acquisition (as defined in the Revolving Credit Agreement) (and the repayment or refinancing of indebtedness of the Company, Alliance Boots GmbH ("Alliance Boots") and their respective subsidiaries in connection therewith)) shall not be greater than 0.60:1.00.

The Revolving Credit Agreement also contains various events of default (subject to grace periods, as applicable) including among others: nonpayment of principal, interest or fees when due; breach of covenant; payment default on, or acceleration under, certain other material indebtedness; inaccuracy of the representations or warranties in any material respect; bankruptcy or insolvency; certain unfunded liabilities under employee benefit plans; certain unsatisfied judgments; certain ERISA violations; and the invalidity or unenforceability of the Walgreens Revolving Credit Agreement Guarantee (so long as the Holdco Reorganization is consummated on or prior to the Alliance Boots Acquisition Closing Date), the Revolving Credit Agreement or any note issued in accordance therewith.

The foregoing description of the Revolving Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Revolving Credit Agreement, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Some of the lenders under the Revolving Credit Agreement and/or their affiliates have in the past performed, and may in the future from time to time perform, investment banking, financial advisory, lending and/or commercial banking services, or other services for Walgreens, Walgreens Boots Alliance and their respective subsidiaries, for which they have received, and may in the future receive, customary compensation and expense reimbursement.

Amendment to Agreement and Plan of Merger

On December 23, 2014, Walgreens entered into Amendment No. 1 (the "Amendment") to the Agreement and Plan of Merger, dated as of October 17, 2014 (the "Reorganization Merger Agreement"), by and among the Company, Walgreens Boots Alliance, and Ontario Merger Sub, Inc., ("Merger Sub"), pursuant to which Merger Sub will merge with and into Walgreens (the "Reorg Merger") and Walgreens will survive the Reorg Merger as a wholly owned subsidiary of Walgreens Boots Alliance. The Amendment modified the definition of "Effective Time" to provide that the Reorg Merger will become effective at 12:01 a.m. Central Standard Time on December 31, 2014, subject to the due filing of the Articles of Merger with the Secretary of State of Illinois. The Amendment also clarified that each fraction of a share of Walgreens common stock, par value $0.078125 per share, issued and outstanding immediately prior to the Reorg Merger will be converted into and exchanged for an equivalent fraction of a share of Walgreens Boots Alliance common stock, par value $0.01 per share ("Walgreens Boots Alliance Common Stock") in the Reorg Merger. The Amendment also provided that the articles of incorporation and bylaws of Walgreens, as in effect immediately prior to the Effective Time, will remain in effect as the articles of incorporation and bylaws of the Surviving Company (as defined in the Reorganization Merger Agreement) until thereafter amended in accordance with applicable law and the applicable provisions of the articles of incorporation and bylaws.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment, which is attached hereto as Exhibit 2.1 and is incorporated herein by reference.

Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

In connection with the Reorg Merger, on December 19, 2014, Walgreens issued a press release announcing that it had notified the New York Stock Exchange ("NYSE") and the Chicago Stock Exchange ("CHX") of its intention to voluntarily withdraw its common stock from listing on both the NYSE and the CHX and from registration under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") solely in respect of such exchanges upon the closing of the Reorg Merger. Walgreens' proposed delisting is contingent upon the closing of the Reorg Merger, which is subject to, among other conditions, the receipt of shareholder approval.

Walgreens also announced on December 19, 2014 that it intends to apply to list the shares of Walgreens Boots Alliance Common Stock to be issued in the Reorg Merger on The Nasdaq Stock Market LLC ("Nasdaq") under the ticker symbol "WBA" following the closing of the

Reorg Merger. The new CUSIP number for Walgreens Boots Alliance Common Stock will be 931427 108. Listing will be subject to the closing of the Reorg Merger and to Walgreens Boots Alliance satisfying the listing requirements of Nasdaq.

A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 8.01. Other Events.

Memorandum of Understanding

On December 5, 2014, a Walgreens shareholder brought a putative class action in the U.S. District Court for the Northern District of Illinois against Walgreens, Walgreens Boots Alliance, and the members of the Walgreens Board of Directors (the "Board") alleging violations of Section 14(a) and Section 20(a) of the Exchange Act, and breaches of the Board's fiduciary duty of disclosure under Illinois state law (*Hays v. Babiak, et al.*, Civil Action No. 1:14-cv-09786). On December 12, 2014, another Walgreens shareholder brought a substantially similar complaint, also in the U.S. District Court for the Northern District of Illinois (*Potocki v. Skinner, et al.*, Civil Action No. 14-cv-10006) (collectively, the "Litigation"). These actions allege that the definitive proxy statement/prospectus filed with the Securities and Exchange Commission (the "SEC") in connection with the special meeting of Walgreens shareholders scheduled for December 29, 2014 are false or misleading in various respects. Plaintiffs seek injunctive and other relief. Defendants believe that the allegations asserted in the two actions are without merit.

On December 23, 2014, solely to avoid the costs, risks and uncertainties inherent in litigation, and without admitting any liability or wrongdoing, Walgreens entered into a memorandum of understanding with the plaintiffs in both actions (the "Memorandum of Understanding") to settle the Litigation. Pursuant to the Memorandum of Understanding, Walgreens has agreed to make certain supplemental disclosures to the definitive proxy statement/prospectus (the "Proxy Statement") filed by Walgreens and Walgreens Boots Alliance with the SEC and first mailed to Walgreens shareholders on or about November 24, 2014. The proposed settlement is subject to, among other things, approval of the U.S. District Court for the Northern District of Illinois (the "Court").

Under the terms of the proposed settlement, following final Court approval, the two cases will be dismissed with prejudice. There can be no assurances, however, that the parties will ultimately enter into a stipulation of settlement or that Court approval of the settlement will be obtained. In such event, the proposed settlement as contemplated by the Memorandum of Understanding may be terminated.

Supplemental Disclosures

The following information supplements the Proxy Statement and should be read in conjunction with the Proxy Statement, which should be read in its entirety. All page references in the information below are to pages in the Proxy Statement, and terms used below have the meanings set forth in the Proxy Statement, unless otherwise defined below. Without admitting in any way that the disclosures below are material or otherwise required by law, Walgreens makes the following supplemental disclosures. Additional disclosures are underlined and italicized for convenience.

The following disclosure is added as a new paragraph following the first full paragraph on page 6 under the heading "Questions and Answers About the Walgreens Special Meeting".

Prior to the appointment of Mr. Rosenstein to the Board, Mr. Rosenstein and senior management of Walgreens had engaged in preliminary discussions during which Mr. Rosenstein expressed his views regarding Walgreens and its strategic direction and prospects. In connection with these preliminary discussions, on August 5, 2014, Walgreens entered into a confidentiality agreement with JANA. Thereafter, senior management of Walgreens engaged in further discussions with Mr. Rosenstein and extended the term of the original confidentiality agreement with JANA. Also during this period, representatives of Walgreens and Wachtell Lipton negotiated the terms of the Nomination and Support Agreement with representatives of JANA. In connection with these discussions, and following further consultation with management and Walgreens' financial and legal advisors, the Walgreens Board determined that Mr. Rosenstein would be a valuable addition to the Board, and Walgreens and JANA entered into the Nomination and Support Agreement on September 5, 2014.

The following disclosure supplements and restates the last paragraph on page 30 continuing onto the first paragraph on page 31 under the heading "Risk Factors—Risks Related to the Step 2 Acquisition".

Currently, the SP Investors collectively own approximately 7.7% of the outstanding shares of Walgreens common stock and the KKR Investors collectively own approximately 0.7% of the outstanding shares of Walgreens common stock. While the final allocation between cash and shares to be received by each of the SP Investors, the KKR Investors, and other investors in AB Acquisitions (the "Other Investors") has not yet been determined, *and will be determined by the Sellers, the SP Investors, the KKR Investors and the Other Investors, and not by Walgreens or Walgreens Boots Alliance,* the beneficial ownership of each of the SP Investors, the KKR Investors and the Other Investors is expected to significantly increase following completion of the Step 2 Acquisition. *Assuming that the SP Investors and the KKR Investors each receive shares of Walgreens Boots Alliance (or Walgreens, as applicable) based on their current pro rata ownership of AB Acquisitions, and after giving effect to the MEP Restructuring described elsewhere in this proxy statement/prospectus, the SP Investors are expected to hold approximately 11.3% of the pro forma total outstanding shares of the combined company and the KKR Investors are expected to hold approximately 4.6% of the pro forma total outstanding shares of the combined company (in each case, based on the number of shares of Walgreens common stock outstanding as of November 17, 2014, assuming completion of the Step 2 Acquisition and the issuance of 144,333,468 shares as of that date) and assuming, for purposes of calculating the interests of the MEP, a share price of $72.32.* AB Acquisitions may not distribute any of the shares of Walgreens Boots Alliance (or Walgreens, as applicable) common stock it will receive on completion of the Step 2 Acquisition to its investors until the date that is nine months after the completion of the Step 2 Acquisition and, unless the SP Investors and the KKR Investors have elected to put certain guarantees in place, may not distribute more than 10% of such shares until the date that is twelve months after the completion of the Step 2 Acquisition. See "The Purchase and Option Agreement – Indemnification". Accordingly, because the SP

Investors and the KKR Investors control 100% of the voting stock of AB Acquisitions, until the date that AB Acquisitions distributes to its investors the shares of Walgreens Boots Alliance (or Walgreens, as applicable) to be received on the completion of the Step 2 Acquisition, the SP Investors and the KKR Investors may control the voting power of all such shares.

The following disclosure supplements and restates the last paragraph on page 35 continuing onto the first paragraph on page 36 under the heading "Risk Factors—Risks Related to the Step 2 Acquisition".

Currently, the SP Investors collectively own approximately 7.7% of the outstanding shares of Walgreens common stock and the KKR Investors collectively own approximately 0.7% of the outstanding shares of Walgreens common stock. While the final allocation between cash and shares to be received by each of the SP Investors, the KKR Investors, and the Other Investors has not yet been determined, *and will be determined by the Sellers, the SP Investors, the KKR Investors and the Other Investors, and not by Walgreens or Walgreens Boots Alliance,* the beneficial ownership of each of the SP Investors, the KKR Investors and the Other Investors is expected to significantly increase following completion of the Step 2 Acquisition. *Assuming that the SP Investors and the KKR Investors each receive shares of Walgreens Boots Alliance (or Walgreens, as applicable) based on their current pro rata ownership of AB Acquisitions, and after giving effect to the MEP Restructuring described elsewhere in this proxy statement/prospectus, the SP Investors are expected to hold approximately 11.3% of the pro forma total outstanding shares of the combined company and the KKR Investors are expected to hold approximately 4.6% of the pro forma total outstanding shares of the combined company (in each case, based on the number of shares of Walgreens common stock outstanding as of November 17, 2014, assuming completion of the Step 2 Acquisition and the issuance of 144,333,468 shares as of that date) and assuming, for purposes of calculating the interests of the MEP, a share price of $72.32.* AB Acquisitions may not distribute any of the shares of Walgreens Boots Alliance (or Walgreens, as applicable) common stock it will receive on completion of the Step 2 Acquisition to its investors until the date that is nine months after the completion of the Step 2 Acquisition and, unless the SP Investors and the KKR Investors have elected to put certain guarantees in place, may not distribute more than 10% of such shares until the date that is twelve months after the completion of the Step 2 Acquisition. See "The Purchase and Option Agreement – Indemnification". Accordingly, because the SP Investors and the KKR Investors control 100% of the voting stock of AB Acquisitions, until the date that AB Acquisitions distributes to its investors the shares of Walgreens Boots Alliance (or Walgreens, as applicable) to be received on the completion of the Step 2 Acquisition, the SP Investors and the KKR Investors may control the voting power of all such shares. Under the Shareholders Agreement, the SP Investors and the KKR Investors have agreed to, for so long as the SP Investors have the right to designate the SP Investor Designee (or Mr. Pessina continues to serve as Executive Chairperson or Chief Executive Officer of Alliance Boots) and for so long as the KKR Investors have the right to designate the KKR Investor Designee, respectively, vote all of their shares of common stock in accordance with the Walgreens Boots Alliance Board of Directors' recommendation on matters submitted to a vote of our shareholders (including with respect to the election of directors). See "Walgreens Shareholders Agreement."

The following disclosure is added as a new paragraph following the first full paragraph on page 45 under the heading "The Walgreens Special Meeting—Nomination and Support Agreement".

Prior to the appointment of Mr. Rosenstein to the Board, Mr. Rosenstein and senior management of Walgreens had engaged in preliminary discussions during which Mr. Rosenstein expressed his views regarding Walgreens and its strategic direction and prospects. In connection with these preliminary discussions, on August 5, 2014, Walgreens entered into a confidentiality agreement with JANA. Thereafter, senior management of Walgreens engaged in further discussions with Mr. Rosenstein and extended the term of the original confidentiality agreement with JANA. Also during this period, representatives of Walgreens and Wachtell Lipton negotiated the terms of the Nomination and Support Agreement with representatives of JANA. In connection with these discussions, and following further consultation with management and Walgreens' financial and legal advisors, the Walgreens Board determined that Mr. Rosenstein would be a valuable addition to the Board, and Walgreens and JANA entered into the Nomination and Support Agreement on September 5, 2014.

The following disclosure supplements and restates the first full paragraph on page 53 under the heading "The Transactions—Background of the Transactions".

On July 30, 2014, the Walgreens Board again met to discuss the timing, structure and other aspects of the potential Step 2 Acquisition. Present at the meeting were Messrs. Wasson, Miquelon and Sabatino, *who, along with Mr. Vainisi, and with the support of Walgreens' outside advisors at Wachtell Lipton and Goldman Sachs, led the negotiation process with the Sellers on behalf of Walgreens with respect to the terms of the Amendment, the acceleration of the option exercise period and the structure of the combined company,* and other members of the Walgreens management team, as well as representatives of Wachtell Lipton, Goldman Sachs and Lazard, also engaged as financial advisor to Walgreens. During the meeting, management and the Board discussed the conclusions and recommendation of the Transaction Committee and that, despite significant and good faith efforts on all sides, involving various specific revised transaction structures and terms, the parties were unable to reach consensus with respect to an inversion structure that provided Walgreens with the requisite level of confidence of withstanding potentially extensive IRS review and scrutiny. Accordingly, management reviewed for the Board its continued recommendation that the optimal structure under the Purchase and Option Agreement involved a newly formed U.S. holding company. Management also discussed with the Board the transaction process to date, including the due diligence process and results, the extensive analysis regarding the benefits and risks associated with an acceleration of the option exercise period, and the continued expected compelling value to Walgreens and its shareholders from completing the Step 2 Acquisition, including the strategic and financial rationale supporting a full combination, and the ability to build on value already recognized and to benefit from complementary capabilities, business model and profit pool diversification, and procurement and other synergy potential. Walgreens management also described for the Board the current negotiations with Alliance Boots regarding the proposed amendment to the Purchase and Option Agreement to provide for an accelerated exercise of the Call Option but otherwise on the existing terms of the Purchase and Option Agreement.

The following disclosure is added as a new paragraph following the last full paragraph on page 53 under the heading "The Transactions—Background of the Transactions".

On August 4, 2014, Wade D. Miquelon resigned his position as Walgreens Executive Vice President, Chief Financial Officer and President, International. On that date, Mr. Miquelon also entered into a Transition and Separation Agreement with Walgreens. On October 16, 2014, Mr. Miquelon filed a lawsuit against Walgreens in Illinois state court captioned Miquelon v. Walgreen Co., No. 14-ch-16825, Cook County, Illinois Circuit Court (the "Lawsuit"). The Lawsuit alleges, among other things, that, shortly after Mr. Miquelon's termination, certain Walgreens executives met with investors and made disparaging and defamatory comments about Mr. Miquelon. The Lawsuit asserts claims against Walgreens for Declaratory Judgment, Breach of the Transition and Separation Agreement, Defamation Per Se, and Tortious Interference with Prospective Economic Advantage, and seeks damages and injunctive relief. Walgreens believes these claims are without merit and intends to vigorously defend these claims.

The following disclosure supplements and restates the second full paragraph on page 54 under the heading "The Transactions—Background of the Transactions".

At the conclusion of the meeting, the Walgreens Board (excluding Messrs. Pessina and Murphy, *who, as a result of their interest in the proposed transaction, recused themselves from the Board's decision to exercise the Call Option*) unanimously approved the amendment to the Purchase and Option Agreement and the exercise of the Call Option and recommended that the Walgreens shareholders approve the Share Issuance and Reorganization.

The following disclosure is added as new bullets to the list of bullets beginning on the end of page 57 under the heading "The Transactions—Recommendation of the Board; Reasons for the Recommendation to Walgreens Shareholders by the Board".

- *the fact that Walgreens has not previously completed a transaction comparable in size or scope;*
- *the potential challenges and uncertainties surrounding whether Walgreens' and Alliance Boots' unique corporate cultures will work collaboratively in an efficient and effective manner;*
- *the potential challenges and uncertainties related to the coordination of geographically separate organizations; and*
- *the risk that the Transactions will increase Walgreens' exposure to certain joint ventures and investments of Alliance Boots over which Walgreens may not have sole control and may operate in sectors that differ from Walgreens' or Alliance Boots' current operations.*

The following disclosure supplements and restates the first full paragraph on page 87 under the heading "Walgreens' Directors and Executive Officers May Have Financial Interests in the Transactions".

Currently, the SP Investors collectively own approximately 7.7% of the outstanding shares of Walgreens common stock and the KKR Investors collectively own approximately 0.7%

of the outstanding shares of Walgreens common stock. While the final allocation between cash and shares to be received by each of the SP Investors, the KKR Investors, and the Other Investors has not yet been determined, *and will be determined by the Sellers, the SP Investors, the KKR Investors and the Other Investors, and not by Walgreens or Walgreens Boots Alliance,* the beneficial ownership of each of the SP Investors, the KKR Investors and the Other Investors is expected to significantly increase following completion of the Step 2 Acquisition. *Assuming that the SP Investors and the KKR Investors each receive shares of Walgreens Boots Alliance (or Walgreens, as applicable) based on their current pro rata ownership of AB Acquisitions, and after giving effect to the MEP Restructuring described elsewhere in this proxy statement/prospectus, the SP Investors are expected to hold approximately 11.3% of the pro forma total outstanding shares of the combined company and the KKR Investors are expected to hold approximately 4.6% of the pro forma total outstanding shares of the combined company (in each case, based on the number of shares of Walgreens common stock outstanding as of November 17, 2014, assuming completion of the Step 2 Acquisition and the issuance of 144,333,468 shares as of that date) and assuming, for purposes of calculating the interests of the MEP, a share price of $72.32.* AB Acquisitions may not distribute any of the shares of Walgreens Boots Alliance (or Walgreens, as applicable) common stock it will receive on completion of the Step 2 Acquisition to its investors until the date that is nine months after the completion of the Step 2 Acquisition and, unless the SP Investors and the KKR Investors have elected to put certain guarantees in place, may not distribute more than 10% of such shares until the date that is twelve months after the completion of the Step 2 Acquisition. See "The Purchase and Option Agreement – Indemnification". Accordingly, because the SP Investors and the KKR Investors control 100% of the voting stock of AB Acquisitions, until the date that AB Acquisitions distributes to its investors the shares of Walgreens Boots Alliance (or Walgreens, as applicable) to be received on the completion of the Step 2 Acquisition, the SP Investors and the KKR Investors may control the voting power of all such shares. As of November 17, 2014, Mr. Murphy also owns directly 798 shares of Walgreens common stock and 6,997 deferred stock units in respect of 6,997 shares of Walgreens common stock, awarded to Mr. Murphy in his capacity as a member of the Board under the Walgreen Co. 2013 Omnibus Incentive Plan. The deferred stock units settle in cash in two installments, the first of which occurs within thirty days following his termination of service as a director and the second of which occurs one year after the first settlement date. The ownership of Walgreens Boots Alliance (or Walgreens, as applicable) common stock by each of the SP Investors and KKR Investors will remain subject to the terms of Shareholders Agreement. The Shareholders Agreement provides certain rights to the SP Investors and the KKR Investors including, among other things, that for so long as the SP Investors and the KKR Investors continue to meet certain beneficial ownership thresholds and subject to certain other conditions, the SP Investors and the KKR Investors, respectively, will each be entitled to designate one nominee to the Board for inclusion in the Board's slate of directors. Mr. Pessina currently serves as the SP Investor Designee and Mr. Dominic Murphy currently serves as the KKR Investor Designee. See "Walgreens Shareholders Agreement."

As previously disclosed on December 10, 2014, Walgreens announced that Mr. Gregory D. Wasson informed the Board of Walgreens that he will retire as President and Chief Executive Officer, and as a member of the Board of Walgreens (or, assuming the completion of the Reorganization, the Board of Walgreens Boots Alliance, as applicable), effective shortly after the completion of the Step 2 Acquisition (such effective time, the "Transition Time"). The following disclosures supplement that disclosure.

Mr. Pessina was selected to serve as Acting Chief Executive Officer as of the Transition Time based on a number of factors considered by the Board of Walgreens. These included Mr. Pessina's considerable knowledge of the industries in which both Walgreens and Alliance Boots operate, his familiarity with both Walgreens' and Alliance Boots' respective businesses and leadership teams and his international experience and background in managing global businesses.

Additional Supplemental Disclosures in Connection with the Amendment

The following disclosure is added to the end of the first paragraph on page 219 under the heading "Reorganization Merger Agreement—Description of the Reorganization and the Reorganization Merger Agreement".

The Reorg Merger will become effective at 12:01 a.m. Central Standard Time on December 31, 2014, subject to the due filing of Articles of Merger with the Secretary of State of Illinois.

The following disclosure supplements and restates the last sentence on page 220 under the heading "Reorganization Merger Agreement".

Fractional Shares. Each outstanding fraction of a share of Walgreens common stock will be converted into an equivalent fraction of a share of Walgreens Boots Alliance common stock in the Reorg Merger.

As previously disclosed on December 10, 2014, the Board of Walgreens formed a Search Committee to identify a permanent Chief Executive Officer following Mr. Wasson's retirement. The following disclosures supersede that disclosure.

The Board has determined that James A. Skinner, the current Chairman of the Board, will serve as Chairman of the Search Committee of the Board (the "Search Committee"). The other members of the Search Committee will be David J. Brailer, William C. Foote, Stefano Pessina, Barry Rosenstein and Nancy M. Schlichting.

Transition Awards

On December 17, 2014, the Compensation Committee of the Board approved an amendment to the restricted stock unit award agreements for the special transition awards granted on September 15, 2014 to certain executive officers of the Company, including Mark A. Wagner, President, Business Operations, and Thomas J. Sabatino, Jr., Executive Vice President, Chief Legal and Administrative Officer and Corporate Secretary, and for the special transition awards granted on October 7, 2014 to Timothy R. McLevish, Executive Vice President and Chief Financial Officer. The amendment modifies the original terms of the special transition awards, which are described in the Proxy Statement under the heading "Walgreens' Directors and Executive Officers May Have Financial Interests in the Transactions," to provide that, in the event the executive officer is terminated without cause prior to the end of the vesting period, any remaining unvested restricted stock units subject to the award will become fully vested as of the later of the date of termination of employment and the date of the completion of the Company's pending acquisition of the remaining 55% of Alliance Boots that it does not currently own pursuant to the Purchase and Option Agreement, dated as of June 18, 2012, as amended, by and among the Company, Alliance Boots, and AB Acquisitions Holdings Limited.

The foregoing description of the amendment to the special transition awards does not purport to be complete and is qualified in its entirety by reference to the full text of the Form of Restricted Stock Unit Agreements, as amended (Special Transition Awards), which is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

Targeted Completion Date of the Reorg Merger and Step 2 Acquisition

As previously disclosed, Walgreens will hold a special meeting of shareholders on December 29, 2014 relating to, among other things, the Reorg Merger and the issuance of shares of common stock in connection with the acquisition of the remaining 55% of Alliance Boots that Walgreens does not currently own (the "Step 2 Acquisition"). Subject to the receipt of shareholder approval of the Reorg Merger and the share issuance in connection with the Step 2 Acquisition, and the satisfaction of other closing conditions, Walgreens expects to complete the Reorg Merger and the Step 2 Acquisition on December 31, 2014.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are provided as part of this Form 8-K:

Exhibit	Description
2.1	Amendment No. 1 dated December 23, 2014, to the Agreement and Plan of Merger, dated October 17, 2014, by and among Walgreen Co., Walgreens Boots Alliance, Inc., and Ontario Merger Sub, Inc.
10.1	Revolving Credit Agreement, dated as of December 19, 2014, among Walgreen Co., Walgreens Boots Alliance, Inc., the lenders from time to time party thereto and Mizuho Bank, Ltd., as administrative agent
10.2	Form of Restricted Stock Unit Agreement, as amended (Special Transition Awards)
99.1	Walgreen Co. press release issued on December 19, 2014

Cautionary Note Regarding Forward-Looking Statements

Statements in this communication that are not historical are forward-looking statements for purposes of applicable securities laws. Words such as "expect," "likely," "outlook," "forecast," "would," "could," "should," "can," "will," "project," "intend," "plan," "goal," "target," "continue," "sustain," "synergy," "on track," "believe," "seek," "estimate," "anticipate," "may," "possible," "assume," variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are not guarantees of future performance and involve risks, assumptions and uncertainties, including: the risks that one or more closing conditions to the transactions may not be satisfied or waived, on a timely basis or otherwise, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the transactions or that the required approvals by the Company's shareholders may not be obtained; the risk of a material adverse change that the

Company or Alliance Boots or either of their respective businesses may suffer as a result of disruption or uncertainty relating to the transactions; risks associated with changes in economic and business conditions generally or in the markets in which we or Alliance Boots participate; risks associated with new business areas and activities; risks associated with acquisitions, joint ventures, strategic investments and divestitures, including those associated with cross-border transactions; risks associated with governance and control matters; risks associated with the Company's ability to timely arrange for and consummate financing for the contemplated transactions on acceptable terms; risks relating to the Company and Alliance Boots' ability to successfully integrate our operations, systems and employees, realize anticipated synergies and achieve anticipated financial results, tax and operating results in the amounts and at the times anticipated; the potential impact of announcement of the transactions or consummation of the transactions on relationships and terms, including with employees, vendors, payers, customers and competitors; the amounts and timing of costs and charges associated with our optimization initiatives; our ability to realize expected savings and benefits in the amounts and at the times anticipated; changes in management's assumptions; the risks associated with transitions in supply arrangements; risks that legal proceedings may be initiated related to the transactions; the amount of costs, fees, expenses and charges incurred by Walgreens and Alliance Boots related to the transactions; the ability to retain key personnel; changes in financial markets, interest rates and foreign currency exchange rates; the risks associated with international business operations; the risk of unexpected costs, liabilities or delays; changes in network participation and reimbursement and other terms; risks associated with the operation and growth of our customer loyalty program; risks associated with outcomes of legal and regulatory matters, and changes in legislation, regulations or interpretations thereof; and other factors described in Item 1A (Risk Factors) of our most recent Form 10-K, as amended, which is incorporated herein by reference, and in other documents that we file or furnish with the SEC. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Except to the extent required by law, Walgreens does not undertake, and expressly disclaims, any duty or obligation to update publicly any forward-looking statement after the date of this communication, whether as a result of new information, future events, changes in assumptions or otherwise.

Important Information for Investors and Shareholders

In connection with the proposed transactions between Walgreens and Alliance Boots GmbH, WBA has filed with the SEC a registration statement on Form S-4 and two amendments thereto, as well as a definitive prospectus of WBA and a definitive proxy statement of Walgreens in connection with the proposed transactions. The registration statement, as amended, was declared effective by the SEC on November 24, 2014, and the definitive proxy statement/prospectus was mailed to Walgreens' shareholders on or about November 24, 2014. **INVESTORS AND SECURITY HOLDERS OF WALGREENS ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT/PROSPECTUS (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) AND OTHER DOCUMENTS RELATING TO THE TRANSACTIONS THAT HAVE BEEN OR WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY**

CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTIONS. Investors and security holders will be able to obtain free copies of the registration statement and the definitive proxy statement/prospectus and other documents filed with the SEC by Walgreens or WBA through the website maintained by the SEC at www.sec.gov. Copies of the documents filed with the SEC by Walgreens or WBA will be available free of charge on Walgreens' internet website at www.walgreens.com under the heading "Investor Relations" and then under the heading "SEC Filings" or by contacting Walgreens' Investor Relations Department at (847) 315-2361.

Participants in the Solicitation

Walgreens, Alliance Boots GmbH, WBA and their respective directors, executive officers and certain other members of management and employees may be deemed to be participants in the solicitation of proxies from the holders of Walgreens common stock in respect of the proposed transactions. You can find information about Walgreens' directors and executive officers in Walgreens' Annual Report on Form 10-K for the year ended August 31, 2014, as amended. Additional information regarding the persons who are, under the rules of the SEC, participants in the solicitation of proxies in favor of the proposed transactions is set forth in the definitive proxy statement/prospectus. You can obtain free copies of these documents, which are filed with the SEC, from Walgreens using the contact information above.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WALGREEN CO.

Date: December 23, 2014

By: /s/ Thomas J. Sabatino, Jr.
Name: Thomas J. Sabatino, Jr.
Title: Executive Vice President, Chief Legal and Administrative Officer and Corporate Secretary

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

IN RE WALGREEN CO. STOCKHOLDER LITIGATION	:	Civil Action No. 1:14-cv-09786

[PROPOSED] ORDER ON PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT AND CLASS CERTIFICATION

WHEREAS, the Parties, by and through their respective counsel, to the above-captioned putative shareholder class action (the "Action") have agreed to settle the Action; and

WHEREAS, the Parties in the Action have applied, pursuant to Rule 23 of the Federal Rules of Civil Procedure ("Rule 23"), for an Order approving the proposed Settlement of the Action and determining certain matters in accordance with the Stipulation of Settlement entered into by and among the Parties, dated July 2, 2015 (the "Stipulation"), and for the dismissal of the Action upon the terms and conditions set forth in the Stipulation;[1]

NOW, after review and consideration of the Stipulation filed with the Court and the Exhibits annexed thereto, and after due deliberation,

IT IS HEREBY ORDERED AND ADJUDGED this ___ day of __________, 2015, that:

1. Conditional Certification of Class. In accordance with Rules 23(a), 23(b)(1), and 23(b)(2) of the Federal Rules of Civil Procedure, and for purposes of settlement only, the Action shall be maintained as a class action on behalf of the following non-opt-out class (the "Settlement Class"):

> all record holders and beneficial holders of any shares of common stock of Walgreen Co. ("Walgreen") and any and all of their successors in interest,

[1] Capitalized terms (other than proper nouns) that are not defined herein shall have the meanings set forth in the Stipulation.

> predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any Person or entity acting for or on behalf of, or claiming under, any of them, and each of them, at any time between and including August 5, 2014 and December 31, 2014 (the date of the closing of the Reorganization and Step 2 Acquisition) (the "Class Period"), excluding Defendants, members of the immediate families of the Individual Defendants, and any Person, firm, trust, corporation or other entity related to, controlled by, or affiliated with, any Defendant, and the legal representatives, heirs, successors, and assigns of any such excluded persons.

The Court preliminarily finds that, for settlement purposes only, all elements of Rules 23(a) and 23(b)(1) and/or (b)(2) are met and conditional certification of the Action as a class action is appropriate.

2. Conditional Designation of Class Representatives and Class Counsel. The Court preliminarily finds that Plaintiffs James Hays ("Hays") and Richard C. Potocki ("Potocki") and their counsel, Pomerantz LLP (the "Pomerantz Firm"), Friedman Oster PLLC ("Friedman Oster"), and Levi & Korsinsky LLP ("Levi & Korsinsky") fairly and adequately represent the interests of Settlement Class members – *i.e.*, similarly situated Walgreen shareholders – for the sole purpose of seeking settlement of the Action, and conditionally designates Plaintiffs Hays and Potocki as Class Representatives and the Pomerantz Firm, Friedman Oster and Levi & Korsinsky as Class Counsel.

3. Settlement Hearing. A hearing (the "Settlement Hearing") will be held on ___________, 2015 at _________, in Courtroom __ of the United States District Court for the Northern District of Illinois, ____________, in order to: (1) consider whether the Settlement Class should be certified permanently, for purposes of settlement only, and determine whether Plaintiffs Hays and Potocki should be finally appointed as Class Representatives, and their counsel, the Pomerantz Firm, Friedman Oster and Levi & Korsinsky should be finally appointed as Class Counsel; (2) determine whether the Court should finally approve the Settlement as fair, reasonable,

and adequate and in the best interests of the Settlement Class, and whether the Order and Final Judgment, substantially in the form attached as Exhibit C to the Stipulation, should be entered; (3) determine that the Notice (as defined below) was disseminated in accordance with Paragraph 6 of this Order and that notice was given in full compliance with each of the requirements of Rule 23(e) and due process; (4) rule on the application of Plaintiffs' counsel for an award of attorneys' fees and expenses (the "Fee and Expense Application"); (5) hear and determine any objections to the Settlement and to final certification of the Settlement Class; and (6) consider other matters that the Court deems appropriate. The Court reserves the right to adjourn and reconvene the Settlement Hearing, including with respect to the consideration of Plaintiffs' Fee and Expense Application, without further notice to Settlement Class members other than by oral announcement at the Settlement Hearing or any adjournment thereof.

4. Preliminary Approval of the Settlement. The Court preliminarily approves the Stipulation and the Settlement set forth therein as fair, reasonable, adequate, and in the best interests of the Settlement Class, subject to further consideration at the Settlement Hearing.

5. Approval of Notice. The Court approves, in form and substance, the notice substantially in the form described in Paragraph 6 of this Order (the "Notice"). The Court finds the dissemination of the Notice in substantially the manner set forth in Paragraph 6 of this Order constitutes the appropriate and reasonable notice to all persons entitled to notice of the Settlement Hearing and the proposed Settlement, and meets the requirements of Rule 23 and due process.

6. Notice Procedures. Within twenty (20) business days after entry of this Order, Walgreens Boots Alliance, Inc. ("WBA") shall cause a postcard, substantially in the form attached hereto as Exhibit 1 (the "Summary Notice"), to be mailed by United States mail, first-class, postage pre-paid, to all Settlement Class members can be identified with reasonable effort – *i.e.*, at their

last known addresses appearing in the transfer records maintained by or on behalf of Walgreen or WBA. WBA shall additionally cause a website to be established, which shall include further information regarding the proposed Settlement, including, at a minimum, the long-form notice attached hereto as Exhibit 2, the Stipulation and attached exhibits, and, when available, the Preliminary Approval Order and the Final Judgment. All record holders during the Class Period who were not also the beneficial owners of the Walgreen common stock shall be requested in the Summary Notice to forward the Summary Notice to the beneficial owners of such common stock, or, alternatively, to provide Walgreen with a list of the names and addresses of such beneficial owners promptly after receipt of the Summary Notice. Walgreen and/or its successor(s)-in-interest shall use reasonable efforts to give notice to such beneficial owners by causing the Notice to be disseminated (1) to any record holder who, prior to the Settlement Hearing, requests the same for distribution to beneficial owners, or (2) to beneficial owners whose names and addresses are provided by the record holders.

7. Proof of Notice. At least seven (7) calendar days before the Settlement Hearing, counsel for WBA shall file with the Court proof, by affidavit, of dissemination of the Notice.

8. Proof of Compliance with Class Action Fairness Act. At least seven (7) calendar days before the Settlement Hearing, counsel for Defendants shall file with the Court proof, by affidavit, of notice to relevant public officials in accordance with the Class Action Fairness Act (the "CAFA Notice"), 28 U.S.C. § 1715(b).

9. Final Approval of Settlement and Fee and Expense Application. At least twenty-one (21) calendar days before the date of the Settlement Hearing, Plaintiffs' counsel shall file with the Court papers in support of final approval of the Settlement and the Fee and Expense Application. All papers in further support of the Settlement and Fee and Expense Application

and/or responding to objections or oppositions, if any, shall be filed with the Court and served on any objecting party at least seven (7) calendar days before the Settlement Hearing. Neither Defendants nor their Related Parties shall have any responsibility to respond to any application for attorneys' fees or expenses by Plaintiffs and/or Counsel for Plaintiffs, and such matters will be considered separately from the fairness, reasonableness, and adequacy of the Settlement.

10. Appearance at Settlement Hearing and Objections to Settlement and/or Plaintiffs' Fee and Expense Application. At the Settlement Hearing, any member of the Settlement Class who desires to do so may appear personally or by counsel, at their own expense, and show cause, if any, why the Settlement Class should not be permanently certified for settlement purposes; why the settlement of the Action in accordance with and as set forth in the Stipulation should not be approved as fair, reasonable, and adequate and in the best interests of the Settlement Class; why the Final Judgment should not be entered in accordance with and as set forth in the Stipulation; or why the Court should not grant an award of reasonable attorneys' fees and expenses to Plaintiffs' counsel for their services and actual expenses incurred in the Action; *provided, however*, that unless the Court in its discretion otherwise directs, no Settlement Class member, or any other person, shall be entitled to contest the approval of the terms and conditions of the Settlement or (if approved) the Final Judgment to be entered thereon, or the allowance of fees and expenses to Plaintiffs' counsel, and no papers, briefs, pleadings, or other documents submitted by any member of the Settlement Class or any other person (excluding a Party to the Stipulation) shall be received or considered, except by order of the Court for good cause shown, unless, no later than fourteen (14) calendar days prior to the Settlement Hearing, which shall be no earlier than forty-five (45) calendar days after commencement of the dissemination of the Notice and ninety (90) calendar days after the service of the CAFA Notice on all appropriate state and federal officials, such person

files with the Court, and serves upon the attorneys listed below: (a) a written notice of intention to appear; (b) proof of membership in the Settlement Class, by way of brokerage statement, account statement, or other document evidencing ownership of shares of Walgreen stock during the Class Period; (c) a statement of objections to any matter before the Court; and (d) the grounds therefor or the reasons for wanting to appear and be heard, as well as all documents or writings the Court shall be asked to consider. These writings must be served upon the following attorneys by hand delivery, overnight mail, or U.S. first-class mail:

Counsel for Defendants:	**Counsel for Plaintiffs:**
James Ducayet Kristen Seeger SIDLEY AUSTIN LLP One South Dearborn Chicago, IL 60603 -and- Stephen DiPrima Benjamin Klein WACHTELL, LIPTON, ROSEN & KATZ 51 West 52nd Street New York, NY 10019	Gustavo F. Bruckner POMERANTZ LLP 600 Third Avenue, 20th Floor New York, New York 10016

11. Failure to Appear or Object. Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this or any other action or proceeding. Settlement Class members who do not object need not appear at the Settlement Hearing or take any other action to indicate their approval.

12. Stay of Proceedings. All proceedings in the Action, other than proceedings as may be incident to carry out the terms and conditions of the Stipulation, the Settlement, or Plaintiffs' Fee and Expense Application, are hereby stayed and suspended until further order of this Court.

Further, pending final determination whether the Settlement should be approved, Plaintiffs, Plaintiffs' counsel, and all members of the Settlement Class are barred and enjoined from commencing or prosecuting, either directly, representatively, or in any other capacity, any action or proceeding in any court or tribunal asserting any claims that are, or relate in any way to, Released Claims against Released Parties (as defined in the Stipulation).

13. No Admissions by the Parties. The provisions contained in the Stipulation shall not be deemed or constitute a presumption, concession, or an admission by any Party in the Action of any fault, liability, or wrongdoing or lack of any fault, liability, or wrongdoing, as to any facts or claims alleged or asserted in the Action, or any other actions or proceedings, and shall not be interpreted, construed, deemed, involved, offered, or received in evidence or otherwise used by any Party in the Action, or in any other action or proceeding, whether civil, criminal, or administrative, except in connection with any proceeding to enforce the terms of the Stipulation.

14. Any person falling within the definition of the Settlement Class shall be bound by all determinations and judgments in the Action concerning the Settlement, including, but not limited to, the releases provided for therein, whether favorable or unfavorable to the Settlement Class.

15. If any specified condition to the Settlement set forth in the Stipulation is not satisfied and counsel for Plaintiffs or Defendants elects to terminate the Settlement as provided for in the Stipulation, then, in any such event, the Stipulation, including any amendment(s) thereto, and this Order shall be null and void, of no further force or effect, and without prejudice to any party, and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity, and each party shall be restored to his, her, or its respective position as it existed prior to the execution of the Stipulation.

16. Retention of Exclusive Jurisdiction by the Court. The Court retains exclusive jurisdiction over the Action to consider all further applications arising out of or connected with the Settlement.

IT IS SO ORDERED this _______ day of _________________, 2015.

____

HONORABLE UNITED STATES DISTRICT JUDGE

TO: ALL PERSONS OR ENTITIES WHO HELD SHARES OF WALGREEN CO. ("WALGREEN" OR THE "COMPANY") COMMON STOCK (OR ANY INTEREST THEREIN), EITHER OF RECORD OR BENEFICIALLY, AND THEIR SUCCESSORS IN INTEREST AT ANY TIME BETWEEN AND INCLUDING AUGUST 5, 2014 AND DECEMBER 31, 2014 (THE "CLASS PERIOD").

IF YOU HOLD WALGREEN COMMON STOCK FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH BENEFICIAL OWNER. ALTERNATELY, YOU MAY PROVIDE A LIST OF THE NAMES AND ADDRESSES OF SUCH BENEFICIAL OWNERS TO THE NOTICE ADMINISTRATOR. MORE INFORMATION REGARDING THE NOTICE ADMINISTRATOR IS AVAILABLE AT WWW.___________.COM.

A settlement has been reached in a class action related to Step 2 of Walgreen's acquisition of Alliance Boots, GmbH. Among other things, the Plaintiffs sought to enjoin the Defendants from proceeding with the acquisition unless and until they remedied certain alleged disclosure violations. The Defendants contend that the Plaintiffs' allegations are without merit and deny any wrongdoing. However, the Defendants agreed to make certain supplemental disclosures and to settle the Plaintiffs' actions.

What Does The Settlement Provide?

Pursuant to a Memorandum of Understanding providing for the settlement of the action, the Defendants made supplemental disclosures prior to Walgreen shareholders' vote on the acquisition. The information contained in the supplemental disclosures had not been included in the Proxy filed with the SEC and Plaintiffs considered such information to be material and important for Walgreen shareholders to make a fully informed decision with respect to whether or not to vote their shares in favor of the acquisition.

What Are Your Rights?

Record holders and beneficial owners of Walgreens common stock during the Class Period and certain other individuals are members of the Settlement Class, and their rights may be affected

by this action and the settlement thereof. You are hereby notified that pursuant to an Order of the United States District Court for the Northern District of Illinois, a hearing will be held on __________, 2015, at _____, in Courtroom _____ of the United States District Court for the Northern District of Illinois, 219 South Dearborn Street, Chicago, Illinois 60604 (the "Settlement Hearing") to consider whether to approve the settlement and the requested attorneys' fees. As described in the notice available at www.__________.com, if you are a member of the Settlement Class, you may:

DO NOTHING	You will be bound by the judgment entered by the Court if it approves the settlement, including releasing the settled claims.
OBJECT	You may write to the Court **by _________, 2015** if you wish to object to the Settlement, the judgment to be entered in the action, certification of the Settlement Class, and/or Plaintiffs' attorneys' fee petition.
GO TO THE SETTLEMENT HEARING	You may attend and, subject to certain requirements, speak at the Settlement Hearing.

Do You Have an Attorney in this Action?

Pomerantz LLP, Friedman Oster PLLC, Levi & Korsinsky LLP, the Law Office of Alfred G. Yates, Jr., P.C., and DiTommaso Lubin, P.C., represent you and other members of the Settlement Class in the action. You will not be charged for these Plaintiffs' Counsel. Instead, any award of attorney's fees to Plaintiff's Counsel will be paid by Walgreen. Plaintiffs' Counsel intend to petition the Court for an award of attorneys' fees and expenses not to exceed $370,000 for their efforts in litigating this case.

If you want to be represented by your own lawyer, you may hire one at your own expense.

How Do You Get More Information?

For more information about the Settlement, visit **www.__________.com** , or contact

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

IN RE WALGREEN CO. STOCKHOLDER LITIGATION	Civil Action No. 1:14-cv-09786

NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENT OF CLASS ACTION, SETTLEMENT HEARING, AND RIGHT TO APPEAR

TO: ALL PERSONS OR ENTITIES WHO HELD SHARES OF WALGREEN CO. COMMON STOCK (OR ANY INTEREST THEREIN), EITHER OF RECORD OR BENEFICIALLY, AND THEIR SUCCESSORS IN INTEREST AT ANY TIME BETWEEN AND INCLUDING AUGUST 5, 2014 AND DECEMBER 31, 2014.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS LAWSUIT. IF THE COURT APPROVES THE PROPOSED SETTLEMENT OF THIS LAWSUIT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS, REASONABLENESS AND ADEQUACY OF THE PROPOSED SETTLEMENT AND RELATED MATTERS AND FROM PURSUING THE RELEASED CLAIMS (AS DEFINED HEREIN).

I. THE PURPOSE OF THIS NOTICE

The purpose of this Notice is to inform you of the existence of the above-captioned consolidated action (the "Action") brought by Plaintiffs James Hays and Richard C. Potocki ("Plaintiffs") and its proposed settlement (the "Settlement").

This Notice also informs you of the Court's conditional certification of a Class (as defined below) for purposes of the Settlement, and of your right to participate in a hearing to be held on ____________, 2015 at _________, in Courtroom ___ of the United States

District Court for the Northern District of Illinois, 219 South Dearborn Street, Chicago, Illinois 60604 (the "Settlement Hearing") to:

- determine whether to approve the Settlement as fair, reasonable, adequate, and in the best interests of the Settlement Class (as defined below in Section IV, paragraph 4) and direct consummation of the Settlement in accordance with its terms and conditions;

- determine whether to certify the Settlement Class as a non-opt out class for purposes of the settlement pursuant to Federal Rule of Civil Procedure 23(a), 23(b)(1), and 23(b)(2);

- determine whether to dismiss Plaintiffs' claims with prejudice as against the Defendants and the Released Persons;

- determine whether to permanently bar and enjoin the members of the Settlement Class from instituting, commencing, prosecuting, participating in, or continuing any action or other proceeding in any court or tribunal of this or any other jurisdiction, either directly, representatively, derivatively or in any other capacity, asserting any claims that are, arise out of, or in any way relate to, the Settled Claims as defined in the Stipulation of Settlement executed by the Parties on July 2, 2015;

- rule on the application of Plaintiffs' Counsel for an award of attorneys' fees and expenses;

- hear and determine any objections to the Settlement and to final certification of the Class; and

- hear such other matters as the Court may deem appropriate.

The Court has conditionally determined that the Action shall be maintained as a class action pursuant to Federal Rule of Civil Procedure 23(a), 23(b)(1), and 23(b)(2), pursued by Plaintiffs, as representatives of and on behalf of the members of the Class (as defined below). The Defendants are Walgreen Co. ("Walgreen" or the "Company") and Walgreens Boots Alliance, Inc. ("WBA"); Ontario Merger Sub, Inc., Janice M. Babiak, David J. Brailer, Steven A. Davis, William C. Foote, Mark P. Frissora, Ginger L. Graham, Alan G. McNally, Dominic Murphy, Stefano Pessina, Barry Rosenstein, Nancy M.

Schlichting, Alejandro Silva, James A. Skinner, and Gregory D. Wasson (collectively, the "Defendants", and, together with Plaintiffs, the "Parties").

This Notice describes the rights you may have under the Settlement and what steps you may, but are not required to, take in relation to the Settlement.

If the Court approves the Settlement, the Parties to the Action will ask the Court to enter an Order and Final Judgment (as defined in Section IX, below) dismissing the Action with prejudice on the merits.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

II. BACKGROUND OF THE ACTION

On August 2, 2012, Walgreen completed the acquisition of 45% of the issued and outstanding share capital of Alliance Boots GmbH ("Alliance Boots") in exchange for cash and Walgreen shares (the "Step 1 Acquisition"). The Step 1 Acquisition was made pursuant to a Purchase and Option Agreement dated June 18, 2012 (the "Purchase and Option Agreement") that provided the Company with the option to acquire the remainder of Alliance Boots during the six-month period beginning two and a half years after the closing of the Step 1 Acquisition (the "Call Option").

On August 4, 2014, Walgreen announced the resignation of its then-Chief Financial Officer Wade Miquelon ("Miquelon").

On August 5, 2014, Walgreen and Alliance Boots amended the Purchase and Option Agreement to make the Call Option immediately exercisable (the "Amendment") and an indirect wholly-owned subsidiary of Walgreen exercised the Call Option. Walgreen publicly announced the Amendment on August 6, 2014.

On August 6, 2014, Walgreen announced that the Company intended to purchase the remainder of Alliance Boots that it did not already own in exchange for £3.133 billion in cash, payable in British pounds sterling, and 144.3 million shares of Walgreen common stock, subject to certain potential specified adjustments (the "Step 2 Acquisition"). On the same day, Walgreen publicly announced that the Company would undergo a corporate reorganization (the "Reorganization") in connection with the Step 2 Acquisition pursuant to which Walgreen would become a wholly-owned subsidiary of WBA, a new Delaware corporation, and Walgreen shareholders would have their existing shares of Company stock automatically converted into shares of WBA.

On September 5, 2014, Barry Rosenstein of hedge fund JANA Partners LLC was appointed to the Walgreen board of directors (the "Board").

On September 16, 2014, WBA filed a registration on Form S-4 with the U.S. Securities and Exchange Commission (the "SEC") in connection with seeking the approval of Walgreen shareholders for the Reorganization and Step 2 Acquisition (the "S-4").

On October 16, 2014, Miquelon filed a complaint against the Company in the Circuit Court of Cook County, Illinois, captioned *Miquelon v. Walgreen Co.*, 14-ch-16825, Cook County, Illinois Circuit Court (Chicago).

On October 29, 2014 and again on November 18, 2014, WBA amended the S-4.

On November 24, 2014, Walgreen filed a definitive proxy statement on Schedule 14A with the SEC soliciting shareholder approval for the Reorganization and Step 2 Acquisition (the "Proxy"). The Proxy announced that the special meeting of Walgreen shareholders to vote on the Reorganization and Step 2 Transaction would be held on December 29, 2014.

On December 5, 2014, Plaintiff Hays filed a complaint in the United States District Court for the Northern District of Illinois (the "Court") captioned *Hays v. Babiak, et al.*, Civil Action No. 14-cv-09786, alleging violations of Section 14(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 20(a) of the Exchange Act, and breaches of the Board's fiduciary duty of disclosure under Illinois state law (the "Hays Action").

On December 10, 2014, Walgreen announced that Wasson, the Company's then-President and Chief Executive Officer, had informed the Board that he would retire shortly after the closing of the Reorganization and Step 2 Acquisition.

Also on December 10, 2014, as a result of the pendency of the Hays Action, and the pending Walgreen shareholder vote on the Reorganization and Step 2 Acquisition, defense counsel and counsel to Plaintiff Hays commenced arm's-length negotiations regarding a potential settlement of the Hays Action.

On December 12, 2014, Plaintiff Potocki filed an action in this Court captioned *Potocki v. Skinner, et al.*, Civil Action No. 14-cv-10006, containing substantially similar allegations and claims as the Hays Action and also alleging that the Proxy fails to adequately disclose the facts and circumstances surrounding Wasson's retirement (the "Potocki Action," and together with the Hays Action, the "Actions").

On December 15, 2014, counsel for Plaintiffs conferred and determined to work together on behalf of Plaintiffs and the Settlement Class in connection with the Actions.

Between December 15, 2014 and December 22, 2014, Defendants' counsel and Plaintiffs' Counsel continued negotiations regarding a potential settlement of the Actions.

On December 23, 2014, the Parties reached an agreement in principle, set forth in the Memorandum of Understanding ("MOU") of the same date, providing for settlement of the Actions between and among the Parties, on behalf of themselves and the Settlement Class of persons on behalf of whom Plaintiffs have brought the Actions on the terms and subject to the conditions set forth therein.

Pursuant to the MOU, as a result of the pendency and prosecution of the Actions and the extensive arm's-length negotiations, Defendants agreed to, *inter alia*, file with the SEC a Current Report on Form 8-K (the "Form 8-K") containing the agreed-upon supplemental disclosures concerning the Reorganization and Step 2 Acquisition (the "Supplemental Disclosures").

On December 24, 2014, Walgreen filed with the SEC the Form 8-K which included, *inter alia*, the Supplemental Disclosures.

On December 29, 2014, Walgreen shareholders approved both the Reorganization and the Step 2 Acquisition.

On December 31, 2014, Walgreen completed the Reorganization and the Step 2 Acquisition, and became a wholly-owned subsidiary of Walgreens Boots Alliance, Inc.

On or about January 20, 2015, Plaintiffs moved to consolidate the Actions.

On February 4, 2015, the Court granted Plaintiffs' motion to reassign and consolidate the Actions into the above-captioned action.

Further, pursuant to the MOU, Defendants agreed to, *inter alia*, provide Plaintiffs with certain discovery to allow Plaintiffs to confirm the fairness, reasonableness and adequacy of the proposed Settlement (the "Confirmatory Discovery"). On April 13, 2015,

Defendants produced nearly 900 pages of internal confidential Company documents as Confirmatory Discovery.

On May 13, 2015, Plaintiffs' Counsel interviewed Mark Vainisi ("Vainisi"), Walgreen's Divisional Vice President of Mergers & Acquisitions, as a part of the Confirmatory Discovery.

Following a careful and thorough review of the documents produced by Defendants, the Company's recent public filings and the information learned through Vainisi's interview, Plaintiffs' Counsel determined that the terms of the proposed Settlement are fair, reasonable, and adequate, and in the best interests of the members of the Settlement Class because, as a result of Defendants' public disclosure of the Supplemental Disclosures, Walgreen shareholders were able to make a fully informed decision with respect to their vote on the Reorganization and Step 2 Transaction.

Accordingly, the Parties determined to enter into the Stipulation of Settlement dated July 2, 2015, which sets forth the terms and conditions of the Settlement. The Settlement set forth herein reflects the results of the Parties' negotiations and the material terms of the MOU. The Settlement was only reached after vigorous arm's-length negotiations between the Parties, who were all represented by counsel with extensive experience and expertise in shareholder class action litigation. During the negotiations, all Parties had a clear view of the strengths and weaknesses of their respective claims and defenses.

Furthermore, at no time prior to the completion of Confirmatory Discovery and Plaintiffs' Counsel's determination that such discovery further confirmed the fairness, adequacy, and reasonableness of the proposed Settlement were there any discussions or

agreements between the Parties regarding the reasonable amount of Plaintiffs' attorneys' fees or expenses ("Fee Petition").

III. YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

DO NOTHING	You will be bound by the judgment entered by the Court if it approves the Settlement, including releasing the Settled Claims (as defined below).
OBJECT	You may write to the Court if you wish to object to the Settlement, the Judgment to be entered in the Action, certification of the Settlement Class, and/or Plaintiffs' Fee Petition.
GO TO THE SETTLEMENT HEARING	You may attend and, subject to certain requirements provided in detail at page __ below, speak at the Settlement Hearing to be held on ____________, 2015 at _________ , in Courtroom ___ of the United States District Court for the Northern District of Illinois, 219 South Dearborn Street, Chicago, Illinois 60604.

This Notice explains these rights and options – ***and the deadlines to exercise them***.

The Court in charge of this case must decide whether to approve the Settlement.

IV. BASIC INFORMATION

1. What Is The Action About?

The Action was brought as a federal class action. As explained in greater detail above, Plaintiffs alleged that Defendants violated federal securities laws and breached, and/or aided and abetted other Defendants in breaching, their fiduciary duties to Walgreen and its shareholders in connection with the public disclosures relating to the Reorganization and the Step 2 Acquisition. Among other things, Plaintiffs sought to enjoin a Walgreen stockholder vote to approve the Reorganization and the Step 2 Acquisition unless and until Defendants remedied the alleged disclosure deficiencies in the Company's public filings.

Defendants contend that the allegations were without merit and deny that they violated any Federal securities law or breached their fiduciary duties. However, Defendants agreed

to make the Supplemental Disclosures and settle the Actions in the interest of efficiency and certainty.

2. Why Is This A Class Action?

In a class action, one or more persons or entities seek to sue as class representatives on behalf of similarly situated persons and entities. These similarly situated people and entities are called a Class. One court resolves the issues for all Class members. Pursuant to the Parties' agreement, the Court in charge of this case is the United States District Court for the Northern District of Illinois.

3. Why Is There A Settlement?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, after extensive arm's-length negotiations, the Parties agreed to a settlement, thereby avoiding the costs and risks of a trial. Before agreeing to finalize the settlement, Plaintiffs' Counsel negotiated for the right to conduct discovery to confirm that the material terms of the Reorganization and Step 2 Transaction were fair. Following completion of the discovery, Plaintiffs' Counsel determined that the Supplemental Disclosures provided to Walgreen shareholders were sufficient to allow them to make an informed decision on whether to vote in favor of the Reorganization and Step 2 Transaction.

4. How Do I Know If I Am Part Of The Settlement?

The "Settlement Class" includes all owners of Walgreen common stock, either of record or beneficially, and their successors in interest at any time between and including August 5, 2014 and December 31, 2014, excluding Defendants, members of the immediate families of the Individual Defendants, and any Person, firm, trust, corporation or other

entity related to, controlled by, or affiliated with, any Defendant, and the legal representatives, heirs, successors, and assigns of any such excluded persons.

V. THE SETTLEMENT BENEFITS

5. What Does The Settlement Provide?

Pursuant to the terms of the MOU, Defendants made Supplemental Disclosures on December 24, 2014, prior to Walgreen shareholders' vote on the Reorganization and Step 2 Acquisition. The information contained in the Supplemental Disclosures had not been included in the Proxy filed with the SEC on November 24, 2014, and Plaintiffs considered such information to be material and important for Walgreen shareholders to make a fully informed decision with respect to whether or not to vote their shares in favor of the Reorganization and Step 2 Acquisition. Among other things, the Supplemental Disclosures addressed certain allegations made against directors and officers of the Company, as well as the equity ownership profile of the Company after the Reorganization and Step 2 Acquisition.

The full text of the Supplemental Disclosures and the terms of the Settlement are set forth in Exhibit A to the Stipulation.

6. What Does It Mean To Be Part Of The Settlement Class?

If the Court certifies the Settlement Class as a non-opt out class pursuant to Federal Rule of Civil Procedure 23(a), 23(b)(1), and 23(b)(2), and you are a member of the Settlement Class, you cannot sue or be part of any other lawsuit, if one is filed, against the Defendants or other Released Persons[1] about the specific legal issues in the Action. It also

[1] The term "Released Persons" includes Defendants and their respective families, predecessors, successors-in-interest, parents, subsidiaries, associates, affiliates and each and all of their respective past, present or future representatives, agents, officers, directors, trustees, executors, heirs, spouses, marital communities, assigns or transferees and any person or entity acting for on behalf of any of them, and each of their respective

means that all of the Court's orders will apply to you and legally bind you. In addition to releasing the Settled Claims[2], you are also releasing the Unknown Claims[3] against the Released Persons based upon or arising out of the commencement, prosecution, settlement, or resolution of the Action or the Settled Claims; provided, however, that such release shall not affect any claims to enforce the terms of the Stipulation or the Settlement.

VI. THE LAWYERS REPRESENTING YOU

7. Do I Have A Lawyer In This Case?

Pomerantz LLP ("Pomerantz"), Friedman Oster PLLC ("Friedman Oster"), Levi & Korsinsky LLP ("Levi & Korsinsky"), the Law Office of Alfred G. Yates, Jr., P.C., and DiTommaso Lubin, P.C., represent you and other members of the Settlement Class in the Action. You will not be charged for these Plaintiffs' Counsel. If you want to be

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predecessors, successors-in-interest, parents, subsidiaries, affiliates, representatives, agents, officers, directors, employees, trustees, executors, heirs, spouses, marital communities, assigns or transferees or any person or entity acting for on behalf of any of them and each of them.

[2] The term "Settled Claims" means all known and unknown claims, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, judgments, suits, fees, expenses, costs, penalties, sanctions, matters and issues of every nature and description whatsoever, whether legal, equitable, or any other type, whether or not concealed, hidden or undisclosed, matured or unmatured, that have been, could have been, or in the future can or might be, asserted by or on behalf of Plaintiffs, the Company (whether by the Company or any shareholder or other Person derivatively on behalf of the Company), or any Settlement Class members in their capacity as shareholders, including class, derivative, individual or other claims, in state or federal court, and, based upon, arising from, or related to the disclosure claims or disclosure allegations in, and the settlement of, the Actions including, but not limited to, disclosure claims or disclosure allegations based upon, arising from, or related to: (i) the contents of the Proxy or the S-4; (ii) solicitation of shareholder support for the Reorganization and Step 2 Acquisition; (iii) the fiduciary obligations, if any, of the Defendants or Released Persons in connection with the solicitation of shareholder support for the Reorganization and Step 2 Acquisition; and (iv) the fees, expenses, or costs incurred in prosecuting, defending, or settling the Actions, other than as provided in this Stipulation; provided, however, that the Settled Claims shall not include any claims to enforce the Settlement or to enforce any award of attorneys' fees and reimbursement of expenses pursuant to the Settlement.

[3] The term "Unknown Claims" means any claim with respect to the subject matter of the Settled Claims that the Released Persons or Plaintiffs or members of the Settlement Class do not know or suspect exists in his, her, or its favor at the time of the release of the Settled Claims, including without limitation, those which, if known, might have affected the decision to enter into the Settlement or might have affected the decision not to object to the Settlement.

represented by your own lawyer, you may hire one at your own expense.

8. How Will The Lawyers Be Paid?

Plaintiffs' Counsel have neither received any payment for their services in prosecuting the Action on behalf of Plaintiffs and the Settlement Class, nor have Plaintiffs' Counsel been reimbursed for their out-of-pocket litigation expenses incurred to date. Subject to the terms and conditions of the Stipulation and any Order of the Court, Walgreen, its successor in interest, and/or its insurers shall pay or cause to be paid to Plaintiffs' Counsel, collectively, reasonable fees and expenses up to $370,000 ("Fee Amount"), as ordered by the Court. The factual and legal basis for the Fee Amount will be provided in a forthcoming brief that will be posted to www.__________.com. The Court-approved Fee Amount will be paid in accordance with the terms of the Stipulation and any Order of the Court. The Parties negotiated the provisions of the Fee Amount to compensate Plaintiffs' Counsel for their work in achieving the benefits of this Settlement only after resolving the substantive terms of the Settlement.

Neither you nor any other member of the Settlement Class is personally liable for the Fee Amount. The Fee Amount will be the only payment to Plaintiffs' Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis.

VII. THE COURT'S SETTLEMENT HEARING

9. What Is The Purpose Of The Settlement Hearing?

The Court has scheduled a Settlement Hearing, which will be held on ____________, 2015 at _________ , in Courtroom ___ of the United States District Court for the Northern District of Illinois, 219 South Dearborn Street, Chicago, Illinois 60604,

to: (1) consider whether the Class should be certified permanently, for purposes of settlement only, and determine whether Plaintiffs Hays and Potocki should be finally appointed as Class Representatives, and their counsel, Pomerantz, Friedman Oster, and Levi & Korsinsky should be finally appointed as Class Counsel, respectively; (2) determine whether the Court should finally approve the Settlement as fair, reasonable, and adequate and in the best interests of the Class, and whether the Order and Final Judgment, substantially in the form attached as Exhibit C to the Stipulation, should be entered; (3) determine that the Notice was disseminated in accordance with Paragraph 6 of the Order On Preliminary Approval Of Class Action Settlement and Class Certification and that notice was given in full compliance with each of the requirements of Rule 23(e) and due process; (4) rule on the application of Plaintiffs' counsel's Fee Petition; (5) hear and determine any objections to the Settlement and to final certification of the Settlement Class; and (6) consider other matters that the Court deems appropriate. The Court reserves the right to adjourn and reconvene the Settlement Hearing, including with respect to the consideration of Plaintiffs' Fee Petition, without further notice to Settlement Class members other than by oral announcement at the Settlement Hearing or any adjournment thereof.

10. Do I Have To Come To The Hearing?

No. Plaintiffs' Counsel will answer questions the Court may have, but you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. You may attend and ask to speak, or pay your own lawyer to attend and speak on your behalf, but neither is necessary.

VIII. <u>Right To Appear And Object</u>

11. How Do I Object?

If you are a member of the Settlement Class and wish to object to the certification of the Settlement Class, approval of the Settlement and/or the Fee Amount, dismissal of the Action with prejudice, and/or otherwise wish to be heard on matters before the Court, you may appear in person or by counsel, at your own expense, at the Settlement Hearing and present evidence or argument that may be proper and relevant; *provided, however*, that in absence of an Order of the Court modifying this requirement for good cause shown, any member of the Settlement Class who wishes to be heard must, no later than fourteen (14) calendar days prior to the Settlement Hearing, serve copies of: (a) a written notice of intention to appear; (b) proof of membership in the Settlement Class, by way of brokerage statement, account statement, or other document evidencing ownership of shares of Walgreen stock during the Class Period; (c) a statement of objections to any matter before the Court; and (d) the grounds therefor or the reasons for wanting to appear and be heard, as well as all documents or writings the Court shall be asked to consider. These writings must be served upon the following attorneys by hand delivery, overnight mail, or U.S. first-class mail:

Counsel for Defendants:	**Counsel for Plaintiffs:**
James Ducayet Kristen Seeger SIDLEY AUSTIN LLP One South Dearborn Chicago, IL 60603 -and- Stephen DiPrima Benjamin Klein WACHTELL, LIPTON, ROSEN & KATZ 51 West 52nd Street New York, NY 10019	Gustavo F. Bruckner POMERANTZ LLP 600 Third Avenue, 20th Floor New York, NY 10016

Any person who fails to object in the manner provided above shall be deemed to have waived such objection and shall forever be barred from making any such objection in the Actions or in any other action or proceeding.

IX. THE FINAL JUDGMENT OF THE COURT

12. What Does It Mean If The Court Enters Its Final Judgment?

If the Court determines that the Settlement, as provided for in the Stipulation, is fair, reasonable, adequate, and in the best interests of the Settlement Class, the Parties to the Actions will ask the Court to enter an Order and Final Judgment, which will, among other things:

- approve the Settlement as fair, reasonable, adequate, and in the best interests of the Settlement Class and direct consummation of the Settlement in accordance with its terms and conditions;
- finally certify the Settlement Class as a non-opt out class for purposes of the settlement pursuant to Federal Rule of Civil Procedure 23(a), 23(b)(1), and 23(b)(2);
- dismiss Plaintiffs' claims with prejudice as against the Defendants and the Released Persons;

- permanently bar and enjoin the members of the Settlement Class from instituting, commencing, prosecuting, participating in or continuing any action or other proceeding in any court or tribunal of this or any other jurisdiction, either directly, representatively, derivatively or in any other capacity, asserting any claims that are, arise out of, or in any way relate to, the Settled Claims, as defined in the Stipulation;

- rule on the application of Plaintiffs' Counsel for an award of attorneys' fees and expenses;

- hear and determine any objections to the Settlement and to final certification of the Class; and

- hear such other matters as the Court may deem appropriate.

In the event the Settlement is not approved, or such approval does not become final, then the Settlement shall be of no further force and effect and each party then shall be returned to his, her or its respective position prior to the settlement without prejudice and as if the Settlement had not been entered into.

X. GETTING MORE INFORMATION

13. Are There More Details About The Settlement?

This Notice summarizes the proposed Settlement. This summary is qualified by, and subject to, the detailed terms of the Stipulation together with its Exhibits. You can obtain a copy of the Stipulation during business hours at the United States District Court for the Northern District of Illinois, 219 South Dearborn Street, Chicago, Illinois 60604, or by visiting www.__________.com. You may also access other case-related documents at www.__________.com

14. How Do I Get More Information?

Inquiries or comments about the Action, the Settlement, or the request for attorneys' fees and expenses may be directed to the attention of Plaintiffs' Counsel as follows:

POMERANTZ LLP

Gustavo F. Bruckner
600 Third Avenue, 20th Floor
New York, NY 10016
Telephone: (212) 661-1100
Facsimile: (212) 661-8665

DO NOT WRITE OR CALL THE COURT.

Dated: ____________, 2015

BY ORDER OF THE COURT:

____
Honorable United States
District Judge

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

IN RE WALGREEN CO. STOCKHOLDER LITIGATION	Civil Action No. 1:14-cv-09786

[PROPOSED] ORDER AND FINAL JUDGMENT

A hearing having been held before this Court on ________________, 2015 to determine whether the terms and conditions of the Stipulation of Settlement, dated July 2, 2015, 2015 (the "Stipulation"), and the terms and conditions of the settlement proposed in the Stipulation (the "Settlement") are fair, reasonable, and adequate for the settlement of all claims asserted in the above-captioned shareholder class action ("Action"); and whether the Settlement should be approved by this Court and the Order and Final Judgment should be entered herein; and the Court having considered all matters submitted to it at the hearing and otherwise;

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED this ___ day of __________, 2015, AS FOLLOWS,

1. This Order and Final Judgment ("Judgment") incorporates and makes part hereof the Stipulation filed with this Court on July 2, 2015, including the exhibits thereto. Unless otherwise defined in this Judgment, the capitalized terms in the Judgment have the same meaning as they have in the Stipulation.

2. This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including all members of the Settlement Class.

3. The dissemination of the Notice pursuant to and in the manner prescribed in the Order on Preliminary Approval of Class Action Settlement and Class Certification entered on ________________________, 2015 (the "Preliminary Approval Order"), according to the proof of

such dissemination of the Notice to the Class filed with the Court by counsel for Walgreens Boots Alliance, Inc. (“WBA”) on _________________, 2015, is hereby determined to be appropriate and reasonable notice under the circumstances, satisfying Fed. R. Civ. P. 23 (“Rule 23”), due process, and applicable law.

4. The Court finds that the Class Action is a proper class action, for settlement purposes only, and hereby certifies the Action as a class action under Rules 23(a) and (b)(1) and/or (b)(2) on behalf of the following non-opt-out class (the “Settlement Class”):

> all record holders and beneficial holders of any shares of common stock of Walgreen Co. (“Walgreen”) and any and all of their successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any Person or entity acting for or on behalf of, or claiming under, any of them, and each of them, at any time between and including August 5, 2014 and December 31, 2014 (the date of the closing of the Reorganization and Step 2 Acquisition) (the “Class Period”), excluding Defendants, members of the immediate families of the Individual Defendants, and any Person, firm, trust, corporation or other entity related to, controlled by, or affiliated with, any Defendant, and the legal representatives, heirs, successors, and assigns of any such excluded persons.

5. Specifically, the Court finds, for the sole purpose of settlement, that: (a) the Settlement Class is so numerous that joinder of all members is impracticable, thus Rule 23(a)(1) is satisfied; (b) there are questions of fact or law common to the Settlement Class, thus Rule 23(a)(2) is satisfied; (c) the claims of James Hays and Richard Potocki, the conditionally certified Class Representatives, are typical of the claims of the Settlement Class, thus Rule 23(a)(3) is satisfied; (d) Plaintiffs and their counsel have and will fairly and adequately protect the interests of the Settlement Class, thus Rule 23(a)(4) is satisfied; and (e) in accordance with Rule 23(b)(1), a class action provides a fair and efficient method for adjudication of the controversy because the prosecution of separate actions by individual members of the Settlement Class would create a risk of inconsistent adjudications that would establish incompatible standards of conduct for

Defendants, and/or, as a practical matter, the disposition of the Action will influence the disposition of any pending or future identical cases brought by other members of the Settlement Class; and/or (f) in accordance with Rule 23(b)(2), the Action alleges that Defendant acted or refused to act on grounds that apply generally to the Settlement Class, so that final injunctive relief is appropriate respecting the Settlement Class as a whole.

6. The Court hereby certifies, for settlement purposes only, Plaintiffs Hays and Potocki as Class Representatives, and their counsel, Pomerantz LLP (the "Pomerantz Firm"), Friedman Oster PLLC ("Friedman Oster"), and Levi & Korsinsky LLP ("Levi & Korsinsky") as Class Counsel.

7. The Court approves the Stipulation and the Settlement set forth therein as fair, reasonable, adequate, and in the best interests of Plaintiffs and the other members of the Settlement Class. The Stipulation and the terms of the Settlement as described in the Stipulation are hereby approved in their entirety. The Parties to the Stipulation are hereby authorized and directed to consummate the Settlement in accordance with the terms and provisions of the Stipulation.

8. The Action and all of the claims alleged therein are hereby dismissed on the merits with prejudice as to all Defendants as against Plaintiffs and all members of the Settlement Class, with no costs awarded to any Party expect as provided herein.

9. Upon entry of the Judgment, Plaintiffs and members of the Settlement Class shall be deemed to have fully, finally, and forever settled, released, discharged, extinguished, and dismissed with prejudice, completely, individually, and collectively, the Settled Claims (including Unknown Claims) against the Released Persons and shall forever be enjoined from prosecuting such claims; provided, however, that such release shall not affect any claims to enforce the terms of the Stipulation or the Settlement.

(a) "Settled Claims" means all known and unknown claims, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, judgments, suits, fees, expenses, costs, penalties, sanctions, matters and issues of every nature and description whatsoever, whether legal, equitable, or any other type, whether or not concealed, hidden or undisclosed, matured or unmatured, that have been, could have been, or in the future can or might be, asserted by or on behalf of Plaintiffs, the Company (whether by the Company or any shareholder or other Person derivatively on behalf of the Company), or any Settlement Class members in their capacity as shareholders, including class, derivative, individual or other claims, in state or federal court, and, based upon, arising from, or related to the disclosure claims or disclosure allegations in, and the settlement of, the Actions including, but not limited to, disclosure claims or disclosure allegations based upon, arising from, or related to: (i) the contents of the Proxy or the S-4; (ii) solicitation of shareholder support for the Reorganization and Step 2 Acquisition; (iii) the fiduciary obligations, if any, of the Defendants or Released Persons in connection with the solicitation of shareholder support for the Reorganization and Step 2 Acquisition; and (iv) the fees, expenses, or costs incurred in prosecuting, defending, or settling the Actions, other than as provided in this Stipulation; provided, however, that the Settled Claims shall not include any claims to enforce the Settlement or to enforce any award of attorneys' fees and reimbursement of expenses pursuant to the Settlement.

(b) "Unknown Claims" means any claim with respect to the subject matter of the Settled Claims that the Released Persons or Plaintiffs or members of the Settlement Class do not know or suspect exists in his, her, or its favor at the time of the release of the Settled Claims, including without limitation, those which, if known, might have affected

the decision to enter into the Settlement or might have affected the decision not to object to the Settlement. With respect to any of the Settled Claims, the Parties stipulate and agree that upon the Effective Date, the Released Persons and Plaintiffs shall expressly and each member of the Settlement Class shall be deemed to have, and by operation of the Judgment shall have, expressly waived, relinquished, and released any and all provisions, rights, and benefits conferred by or under California Civil Code section 1542 (or any similar, comparable, or equivalent law or provision), which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Released Persons and Plaintiffs acknowledge, and members of the Settlement Class shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Settled Claims, but that it is the intention of the Released Persons and Plaintiffs, and by operation of law the members of the Settlement Class, to completely, fully, finally, and forever extinguish and release any and all Settled Claims (including Unknown Claims as defined in this paragraph), without regard to the subsequent discovery of additional or different facts. The Released Persons and Plaintiffs acknowledge, and the members of the Settlement Class by operation of law shall be deemed to have acknowledged, that the inclusion of Unknown Claims in the definition of Settled Claims was separately bargained for and was a key element of the Settlement and was relied upon by each and all of the Parties in entering into the Stipulation.

(c) "Released Persons" means Defendants and their respective families, predecessors, successors-in-interest, parents, subsidiaries, associates, affiliates and each

and all of their respective past, present or future representatives, agents, officers, directors, trustees, executors, heirs, spouses, marital communities, assigns or transferees and any person or entity acting for on behalf of any of them, and each of their respective predecessors, successors-in-interest, parents, subsidiaries, affiliates, representatives, agents, officers, directors, employees, trustees, executors, heirs, spouses, marital communities, assigns or transferees or any person or entity acting for on behalf of any of them and each of them.

10. Upon entry of the Judgment, each of the Released Persons shall be deemed to have fully, finally, and forever settled, released, discharged, extinguished, and dismissed with prejudice, completely, individually, and collectively, all claims, including Unknown Claims, based upon or arising out of the commencement, prosecution, settlement or resolution of the Action or the Settled Claims against Plaintiffs, Plaintiffs' Counsel, and members of the Settlement Class and shall forever be enjoined from prosecuting such claims; provided, however, that such release shall not affect any claims to enforce the terms of the Stipulation or the Settlement.

11. Neither the Memorandum of Understanding ("MOU"), the Stipulation, this Judgment, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity or lack thereof of any Settled Claim, or of any wrongdoing or liability of the Defendants or any Released Person; or (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the Defendants or any Released Person, in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. The Released Persons may file this Stipulation and/or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles

of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar, or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

12. After consideration of Plaintiffs' application for reasonable fees and reimbursement of expenses, Plaintiffs' Counsel is hereby awarded $____________ in attorneys' fees and expenses, which amounts the Court finds to be fair and reasonable. This amount shall be paid pursuant to the provisions of the Stipulation. Neither counsel representing Plaintiffs in the Action nor Plaintiffs shall make any further or additional application for attorneys' fees and expenses in connection with the Action to the Court or any other court, except as contemplated by the Stipulation.

13. The Class Action Fairness Act ("CAFA") Notice has been given to the relevant public officials; proof of the mailing of the CAFA Notice was filed with the Court; and full opportunity to be heard has been offered to all recipients of the CAFA Notice. The CAFA Notice is hereby determined to have been given in compliance with each of the requirements of 28 U.S.C. § 1715.

14. Without further order of this Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

15. If the Effective Date does not occur for any reason, unless the Parties otherwise agree in writing as contemplated in the Stipulation, the Settlement and the Stipulation and all orders entered and releases delivered in connection herewith (except for Paragraph 11 hereof and Paragraphs 3.2, 5.2, 6.1, 6.2, 6.3, 6.4, 7.13, and 7.17 of the Stipulation, which shall survive any such termination or vacatur), shall be rendered null and void and of no force and effect and, in such event, the Parties shall return to their respective litigation positions in the Action as of the time immediately prior to the date of the execution of the MOU, as though it were never executed

or agreed to, and the MOU and the Stipulation shall not be deemed to prejudice in any way the positions of the Parties with respect to the Action, or to constitute an admission of fact by any Party, shall not entitle any Party to recover any costs or expenses incurred in connection with the implementation of the MOU, the Stipulation or the Settlement, and neither the existence of the MOU, the Stipulation nor their respective contents shall be admissible in evidence or be referred to for any purposes in the Action, or in any litigation or judicial proceeding, other than to enforce the terms hereof.

16. Without affecting the finality of this Judgment in any way, this Court reserves jurisdiction over all matters relating to the administration, consummation, and enforcement of the Settlement and this Judgment.

17. The Clerk of the Court is directed to enter and docket this Judgment.

IT IS SO ORDERED this _______ day of _________________, 2015.

____
HONORABLE
UNITED STATES DISTRICT JUDGE