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Report of Independent Accountants

We have examined management's assertion that Cardinal Health, Inc. ("Cardinal Health"), during the period January 1, 2017 through December 31, 2017, maintained effective controls to provide reasonable assurance that:

- the Cardinal Health Pharmaceutical E-Commerce Ordering System was protected against unauthorized access, use, or modification; and
- the Cardinal Health Pharmaceutical E-Commerce Ordering System was available for operation and use to achieve Cardinal Health's commitments and system requirements,

based on the criteria for security and availability in the American Institute of Certified Public Accountants' TSP Section 100A, *Trust Services Principles and Criteria, for Security, Availability, Processing Integrity, Confidentiality, and Privacy*. This assertion is the responsibility of Cardinal Health's management. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion, which includes: (1) obtaining an understanding of Cardinal Health's relevant security and availability policies, processes and controls, (2) testing and evaluating the operating effectiveness of the controls, and (3) performing such other procedures as we considered necessary in the circumstances. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error. We believe that the evidence obtained during our examination is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination was not conducted for the purpose of evaluating Cardinal Health's cybersecurity risk management program. Accordingly, we do not express an opinion or any other form of assurance on its cybersecurity risk management program.

Inherent limitations:

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls. Because of inherent limitations in its internal control, those controls may provide reasonable, but not absolute, assurance that its commitments and system requirements related to security and availability are achieved.

Examples of inherent limitations of internal controls related to security include (a) vulnerabilities in information technology components as a result of design by their manufacturer or developer; (b) breakdown of internal control at a vendor or business partner; and (c) persistent attackers

with the resources to use advanced technical means and sophisticated social engineering techniques specifically targeting the entity. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, Cardinal Health's management's assertion referred to above is fairly stated, in all material respects, based on the aforementioned criteria for security and availability.

Ernst & Young LLP

March 16, 2018

Management's Assertion Regarding the Effectiveness of Its Controls Over the Cardinal Health Pharmaceutical E-Commerce Ordering System based on the AICPA's Trust Services Principles and Criteria for Security and Availability

March 16, 2018

We, as management of Cardinal Health, are responsible for designing, implementing and maintaining effective controls over the Pharmaceutical E-Commerce Ordering System (System) to provide reasonable assurance that the commitments and system requirements related to the operation of the System are achieved.

There are inherent limitations in any system of internal control, including the possibility of human error and the circumvention of controls. Because of inherent limitations in Security controls, an entity may achieve reasonable, but not absolute, assurance that all security events are prevented and, for those that are not prevented, detected on a timely basis. Examples of inherent limitations in an entity's Security's controls include the following:

- Vulnerabilities in information technology components as a result of design by their manufacturer or developer
- Ineffective controls at a vendor or business partner
- Persistent attackers with the resources to use advanced technical means and sophisticated social engineering techniques specifically targeting the entity

Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

We have performed an evaluation of the effectiveness of the controls over the system throughout the period January 1, 2017 to December 31, 2017, to achieve the commitments and system requirements related to the operation of the System using the criteria for the security and availability (Control Criteria) set forth in the AICPA's TSP section 100A, *Trust Services Principles and Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy*. Based on this evaluation, we assert that the controls were effective throughout the period January 1, 2017 to December 31, 2017 to provide reasonable assurance that:

- the System was protected against unauthorized access, use, or modification to achieve Cardinal Health's commitments and system requirements
- the System was available for operation and use, to achieve Cardinal Health's commitments and system requirements

based on the Control Criteria.

Our attached description of the boundaries of the Pharmaceutical E-Commerce Ordering System identifies the aspects of the Pharmaceutical E-Commerce Ordering System covered by our assertion.

Very truly yours,

Patricia Morrison
Executive Vice President, Chief Information Officer
Cardinal Health, Inc.

March 16, 2018

System description of the Cardinal Health Pharmaceutical E-Commerce Ordering System

Company Overview

Cardinal Health, Inc. is an Ohio corporation formed in 1979 and is a global integrated healthcare services and products company providing customized solutions for hospital systems, pharmacies, ambulatory surgery centers, clinical laboratories and physician offices worldwide. We provide clinically proven medical products and pharmaceuticals and cost-effective solutions that enhance supply chain efficiencies from hospital to home. We connect patients, providers, payers, pharmacists, and manufactures for integrated care coordination and better patient management. We manage our business and report our financial results in two segments: Pharmaceutical and Medical.

The Pharmaceutical segment distributes branded and generic pharmaceutical, over-the-counter healthcare, and consumer products in the United States. This segment also operates nuclear pharmacies and cyclotron facilities. We provides pharmacy management services to hospitals as well as medical therapy management and patient outcomes services to hospitals, other healthcare providers and payers. The segment also provides services to healthcare companies supporting the development, marketing and distribution of specialty pharmaceutical products, and repackages generic pharmaceuticals and over-the-counter healthcare production.

Pharmaceutical E-Commerce Platform

Order Express is Cardinal Health's web ordering application that allows pharmacy staff to increase oversight and contract compliance, drive pharmacy operating efficiency and improve backorder management with a simple, efficient and reliable experience. Order Express is designed to help healthcare companies reduce purchasing and utilization costs while improving the quality of patient care by providing real-time stock status, up-to-the-minute pricing information, real-time allocation of product from distribution centers, and proof of delivery information.

While the Order Express platform provides the ability for customers to manage user accounts, monitor order processing, and implement order approval or requisition management processes, Cardinal Health personnel only support the external security and processing functionality of the Order Express application through application design, authorized change management procedures, and provisioning and deprovisioning of Cardinal Health employees and contractors.

Executive Summary

The following system description covers Cardinal Health's Pharmaceutical E-Commerce Ordering System ("System"), including the back-end systems that support the fulfillment and billing of customer orders.

The System is comprised of the following five components:

- Infrastructure (facilities, equipment, and networks).
- Software (operating systems, databases, utilities, and applications)
- Data (transaction streams, files, databases, and tables)
- People (developers, operators, users, and managers)
- Procedures (automated and manual)

The following sections of this description define each of these five components comprising the System.

Infrastructure

The Cardinal Health infrastructure includes two data centers. The data centers house the supporting operating system platforms, networking components (routers, switches, firewalls), and data storage devices. The personnel that support these data centers are primarily located on-site. Cardinal Health relies on formal internal control policies and procedures to manage this infrastructure, and data center access is restricted to only authorized personnel by employing on-site security, video surveillance, and keycards.

In addition, the System has been built following a tiered architectural design model, comprised of web, application, middleware, and database layers.

Software

The System, developed in-house and managed by Cardinal Health, supports all aspects of the pharmaceutical ordering process, including product price quoting, stock status, order submission, product allocation at the warehouse, order confirmation, and order history. The System is the front-end to the order entry process, and interacts with the back-end systems to calculate customer pricing and fulfill customer orders.

Data

Data for the System is managed in multiple production databases. Relevant data for order processing includes, but is not limited to, the following:

- Customer and account information
- User and security information
- Contract and pricing data
- Product/master item data
- Order history and payment information

Administrative access to customer information is limited to authorized Cardinal Health personnel in accordance with the company's information security and classification policies.

People

The System is supported by the individual pharmaceutical business teams and the Enterprise Information Technology ("Enterprise IT") business of Cardinal Health. The Enterprise IT team's organizational structure provides the overall framework for planning, directing, and controlling operations. The structure includes application teams aligned to individual business units, as well as shared services teams to provide infrastructure, security, and architectural support.

Procedures

Cardinal Health has documented policies and procedures that support the management, operations, monitoring and controls over the Pharmaceutical E-Commerce ordering system. Specific examples of relevant policies and procedures include, but are not limited to, the following:

- Policy management and communication
- User access administration
- Computer and network operations
- Business resiliency planning
- Job scheduling and monitoring of data processing
- Backup management and processing
- Physical security administration
- IT security incident response
- Change management, including release to production processes