

Audit & Finance Committee Charter

A. Purpose

The Audit and Finance Committee (the “Audit Committee”) shall assist the Board of Directors with the oversight of: (a) the integrity of the financial statements and internal controls of Covance Inc. (the “Company”), (b) the Company's compliance with legal and regulatory requirements, (c) the independent auditor's qualifications and independence, (d) the performance of the Company's internal audit function and the independent auditors, (e) the Company’s capital and financing requirements and structure, (f) tax matters, and (g) risk management. The purpose of the Audit Committee is to provide oversight of management and the independent auditors and not to prepare financial statements, to provide internal controls, or to conduct the other above-referenced matters.

B. Membership

The Audit Committee shall consist of three or more directors all of whom in the judgment of the Board of Directors shall be independent in accordance with New York Stock Exchange listing standards and applicable law. Each member shall in the judgment of the Board of Directors be financially literate in accordance with New York Stock Exchange listing standards. The intent of the Board is that, where reasonably feasible, at least one member of the Audit Committee, in the judgment of the Board of Directors, will be an audit committee financial expert in accordance with applicable law and the rules and regulations of the Securities and Exchange Commission. Service on the Audit Committee of any member of the Board who simultaneously serves on the audit committee of more than three public companies shall be subject to approval of the Board in accordance with the New York Stock Exchange listing standards. Members of the Audit Committee and the Audit Committee Chair shall be appointed by the Board of Directors and may be removed by the Board of Directors in its discretion. The Audit Committee shall have the authority to delegate to subcommittees as it deems appropriate.

C. Responsibilities

The Audit Committee shall have the following authority and responsibilities:

1. Directly to appoint, retain, evaluate, oversee, and terminate the independent auditor, including resolution of any disagreements between management and the auditor regarding financial reporting, and to approve all audit engagement fees and terms. The independent auditor shall report directly to the Audit Committee. The Board of Directors may seek shareholder ratification of the appointment of the independent auditor.
2. Approve all audit services and any non-audit services in advance of the performance of such audit and non-audit services, except as permitted by applicable law and the rules and regulations of the SEC.

3. Establish procedures for the receipt, retention and treatment of complaints from Company employees on accounting, internal accounting controls or auditing matters, as well as for confidential, anonymous submissions by Company employees of concerns regarding questionable accounting or auditing matters.
4. Obtain advice and assistance from outside legal, accounting or other advisors as the Audit Committee deems necessary to carry out its duties.
5. Receive appropriate funding, as determined by the Audit Committee, from the Company for payment of compensation to the outside legal, accounting or other advisors employed by the Audit Committee.
6. Obtain and review:
 - a. At least annually, a report by the independent auditor describing the independent auditor's internal quality-control procedures and any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditor, and any steps taken to deal with any such issues;
 - b. At least annually, a report by the independent auditor describing all relationships between the independent auditor and the Company for the purpose of assessing the independence of the independent auditor; and
 - c. Other reports from the independent auditor that the Audit Committee deems necessary or appropriate.
7. Review with the independent auditor:
 - a. The scope and results of the audit;
 - b. Any audit problems or difficulties and management's response; and
 - c. Current accounting and auditing trends and developments.
8. Review, at least annually, the scope and results of the internal audit program and any significant matters contained in reports from the internal auditor.
9. Review and discuss the Company's policies and processes with respect to risk assessment and risk management.
10. Review and discuss: (a) with the independent auditor, the Company's internal auditor, and management the system of internal control; and (b) any special audit steps adopted in light of any significant control deficiencies.

11. Review and discuss with management and the independent auditor:

- a. The annual audited financial statements and quarterly financial statements of the Company, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations;"
- b. Critical accounting policies and practices and major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles or practices;
- c. Analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; and
- d. The effect of regulatory and accounting initiatives (as well as off-balance sheet structures, if any) on the financial statements of the Company.

12. Recommend to the Board of Directors, based on the Committee's activities under this Charter, whether the members of the Board of Directors should execute the annual report on Form 10-K.

13. Review and discuss the general content of earnings press releases, including the type and presentation of information to be included in earnings press releases, (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP, information), as well as financial information and earnings guidance provided to the public, analysts and rating agencies.

14. Review and discuss: (a) the status of compliance with applicable laws and regulations; and (b) the status of systems designed to promote Company compliance with laws and regulations.

15. Establish clear policies for the hiring of employees and former employees of the independent auditor.

16. Carry out such other duties and have such authority as may be assigned or granted by the Board or as required to be carried out or authorized by (i) applicable law, or (ii) the listing standards of the New York Stock Exchange.

17. Conduct an annual performance evaluation of the Audit Committee and annually evaluate the adequacy of its charter.

D. Meetings

The Audit Committee shall meet at least four times each year and at such other times as it deems necessary to fulfill its responsibilities. The Audit Committee periodically shall meet separately, in executive session, with management, the internal auditor (or personnel responsible for the internal audit function) and the independent auditor.

E. Report

The Audit Committee shall:

1. Report regularly to the Board of Directors with respect to its activities and make recommendations to the Board of Directors as appropriate.
2. Prepare the report required by the Securities and Exchange Commission proxy rules to be included in the Company's proxy statement relating to the Company's annual meeting.

As amended December 3, 2010.