

# **Compensation & Organization Committee Charter**

## **A. Purpose**

The Compensation and Organization Committee (the “Committee”) shall assist the Board of Directors and discharge the responsibilities of the Board of Directors, as set forth in this Charter, relating to the compensation, evaluation and appointment of the executives and employees of Covance Inc. (the “Company”).

## **B. Organization**

The Committee shall consist of three or more directors all of whom shall meet the independence requirements of the New York Stock Exchange listing standards and applicable law. Members of the Committee shall also meet the definition of “non-employee director” under Rule 16b-3 under the Securities Exchange Act of 1934 and “outside director” for purposes of Section 162(m) of the Internal Revenue code of 1986. Members of the Committee and the Committee Chair shall be appointed by the Board of Directors and may be removed by the Board of Directors in its discretion. The Committee shall have the authority to delegate to subcommittees as it deems appropriate.

## **C. Responsibilities**

The Committee shall have the following authority and responsibilities:

- 1.** Review and make recommendations to the non-employee members of the Board of Directors regarding corporate goals and objectives relevant to Chief Executive Officer compensation, the CEO’s performance in light of those goals and objectives, and the Chief Executive Officer’s compensation level, including without limitation incentive compensation and long-term compensation of the Chief Executive Officer. The Committee should consider, among other things, the Company’s performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the Company’s Chief Executive Officer in past years.
- 2.** Review and make recommendations to the Board of Directors regarding compensation of executive officers (as defined in Rule 16(a)-1(f) of the Securities Exchange Act of 1934) other than the Chief Executive Officer, including without limitation incentive compensation and long-term compensation, and review and make recommendations regarding executive compensation employment agreements.
- 3.** Advise the Board on other compensation and benefit matters, including without limitation making recommendations to the Board with respect to incentive compensation plans and equity-based plans.

4. Have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation the compensation of any director, Chief Executive Officer or senior executive, and have sole authority to approve any such consultant's fees and retention terms.
5. Serve as the administration committee of the Company's stock option plans and exercise any authority of the Board (that may be delegated to the Committee) to issue stock of the Company as compensation or as an incentive to officers, employees, consultants or advisors.
6. 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) Company benefit plans; (ii) applicable law; (iii) the rules and listing standards of the New York Stock Exchange.
7. Obtain advice and assistance from outside, internal legal, accounting, search firms or other advisors as the Committee deems necessary to carry out its duties.
8. Receive appropriate funding, as determined by the Committee, from the Company for payment of compensation to the outside legal, accounting, consultant, search firms or other advisors employed by the Committee.
9. Conduct an annual performance evaluation of the Committee.

#### **D. Meetings**

The Committee shall meet at least three times each year and at such other times as it deems necessary to fulfill its responsibilities.

#### **E. Reports**

The 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 a report each year on executive compensation in accordance with applicable rules and regulations for inclusion in the Company's proxy statement.

As amended December 3, 2010