



Letter from the Chairman

Dear Fellow Covance Employee:

Covance holds itself to the highest ethical standards. To that end we are pleased to announce our updated Business Integrity Program. Adherence to the Program standards not only achieves compliance with applicable laws and regulations, but affords us tangible business benefits.

Adherence to business integrity standards avoids liability for our company and all of us and protects our reputation, but that is only the first of several benefits. Holding ourselves to the standards outlined in the Business Integrity Program helps support the service excellence needed to create and maintain lasting client relationships. Additionally, a corporate commitment to high integrity makes Covance a company that we are all proud to work for, and it supports our Compelling Offer by helping attract and retain the best talent in our industry. We must remain committed to the highest levels of integrity and service.

We must not take these benefits for granted. Corporate scandals in recent years at Enron, Tyco, and other companies – including some companies in the pharmaceutical and biotechnology industries – have eroded the confidence of employees, customers, shareholders, and others.

With this revised and updated Program, we rededicate ourselves to avoiding similar failures and achieving the benefits of business integrity. Our new statement of our business integrity standards reaffirms our commitment to integrity and compliance with all applicable laws. The updated program also more clearly describes Covance's expectations of employees.

Each of us must regularly affirm our commitment to integrity by acknowledging our agreement to the standards outlined in the Business Integrity Program. Please recognize the compliance responsibility Covance places in each and every one of us, as Covance will take seriously any failure to act in accordance with the principles outlined herein. Read the Business Integrity Program carefully. Adhere to these standards and you will be helping to assure the future success of Covance.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Herring".

Joe Herring
Chairman and CEO



Introduction

All of us at Covance Inc. and all of its subsidiaries and affiliates ("Covance") must be committed to conducting business with honesty and integrity and in compliance with all applicable laws and regulations. The Covance Business Integrity Program (the "Program") sets forth standards for this commitment and applies to Covance employees, officers, and directors.

Operating with integrity is the right thing to do. It supports our Compelling Offer by motivating the kind of people that we want to attract and retain. Only by operating with integrity will we succeed in the long run because customers and other stakeholders want and demand this integrity and eventually will discover and punish any failure to do so.

We also all have an obligation to conduct our business with integrity. Failure to act in accordance with the Program may lead to disciplinary action, up to and including termination. Failure to act in accordance with the Program includes failure to report violations of the Program.

Obviously this Program can not anticipate every situation, particularly in today's complex business environment. Ethical decisions are not always clearly right or wrong. If you are in an uncertain situation, use these following questions to guide your actions:

- Is the action or decision legal?
- Does the action or decision comply with the Program and the Covance Way?
- Would you feel comfortable describing the action or decision to a friend or parent?
- Would you feel comfortable if the action or decision were featured on television or in the newspaper?

If the answer to any of these questions is no, then do not take this action or decision. If you are unsure what to do, consult your supervisor or management, your human resources support, or Covance legal counsel. If you do not feel comfortable consulting with any of these people, call the Covance *Employee AlertLine*.



Part 1: Expectations for Legal and Ethical Behavior

A. We Act With Financial Integrity

We comply with all financial information laws and standards

Covance complies with all applicable tax laws and accounting and financial reporting standards, including without limitation United States Generally Accepted Accounting Principles and rules issued by the United States Securities and Exchange Commission ("SEC"). We strive to ensure that financial information provided to the public about Covance is always accurate and not misleading. We produce financial information in accordance with our Accounting Policies and Procedures.

All of us must ensure that financial information relating to Covance that we provide is accurate and not misleading. All Covance employees involved in providing such information and accounting and tax matters must ensure that they do so accurately and in the best interest of shareholders.

We avoid of conflicts of interest

Covance employees may not allow personal self-interest to affect business decisions. It is unfair to other Covance employees, shareholders and other stakeholders. Any potential or actual conflict of interest — or even the appearance of such a conflict — must be avoided. Examples of actual, potential or apparent conflicts of interest include:

- Pursuing, or not sharing with Covance, a business opportunity that is related to the business of Covance
- Having a direct, beneficial or indirect ownership interest in a competitor, supplier, agent or customer of Covance (excluding ownership interest in (a) securities which are less than one percent of the outstanding securities of a publicly owned supplier, agent or customer of Covance, or (b) a mutual fund that has assets invested in competitors)
- Being a director, officer, partner or trustee of any business or profit-making organization other than Covance
- Providing business to any venture in which the employee or a member of his/her household or family has an interest
- Running for or holding a significant political office
- Testifying as an expert witness
- Endorsing a third party's product or service.

Other situations not noted here may also present actual, potential or apparent conflicts of interest. Without complete written disclosure and a written waiver if any actual, potential or apparent conflict exists (obtained as set forth in Part 2 of the Program), the presence of such an actual, potential or apparent conflict is a clear violation of the Program.

If there is any doubt as to whether an actual, apparent or potential conflict of interest exists, contact the Law Department.

Question: You are an IT employee and in your spare time at nights and on weekends you work to develop a software product that is related to data collection. Can you continue to develop this product for commercial gain?

Answer: No, this would be a violation of the Program.



We comply with insider trading and securities laws

Covance employees may not use insider information for personal gain. It may be a serious violation of the US securities laws and of similar laws in many other countries, to trade in the securities (including the stock) of a company about which you have information that is both non-public and material to company performance. Securities violations carry substantial civil and criminal penalties. We comply with all state and federal US and non-US securities laws, including insider trading laws.

If any of us come into possession of material non-public information about Covance or any other company through the course of our employment, we must not use such information as a basis for trading either our own stock, or stock of any other company for which we have such information. If you have any questions about what constitutes material non-public information, contact the legal department.

Question: You work in the finance department of a large Covance business unit and on looking at the numbers for a quarter, you realize that the performance was well in excess of any forecasted results and could well move the entire company's earnings to exceed analyst estimates. Should you purchase shares of Covance stock before the earnings announcement is made to the public?

Answer: No. If you do, you will have engaged in insider trading and will be subject to criminal penalties along with discipline from Covance, up to and including dismissal.

Question: You work in clinical operations and are reviewing data for a large Phase 3 clinical trial of a compound designed to cure cancer. As you aggregate the data, you recognize that the compound is working even better than the Sponsor had hoped and that this drug will probably be a huge blockbuster. Should you purchase shares of the Sponsor's stock before the results of the trial are publicly announced?

Answer: No. If you do, you will have just engaged in insider trading and could be subject to criminal penalties, along with discipline from Covance up to and including dismissal.

We maintain stringent standards on the use of company resources

Covance employees must use company resources only for authorized business uses, not for personal benefit. This is a broad area that includes use of Covance funds, work time, and Covance resources such as office or computer equipment or materials and services for conducting personal business. While some limited personal email or telephone calls are understandable, anything more than incidental use of Covance equipment and time for personal matters is prohibited.

To ensure that this standard is met, you must record and describe accurately all transactions using Covance funds — including business expenses. You must not submit personal expenses for reimbursement. Appropriate business expenses include necessary travel, lodging and materials used to conduct business, but expenses such as housesitting, the purchase of personal gifts or care of pets are not appropriate. Covance issues payments and is paid for products and services strictly in accordance with supporting documents, such as purchase orders, invoices and receipts. Detailed Covance standards in this area are provided in (1) our Accounting Policies and Procedures, and (2) our Travel and Entertainment Policy.

Question: You are traveling on business for Covance in a city where a close friend lives. You agree to go to dinner and pick up the check for both of you when it is delivered by the waiter. You tell your friend "don't worry, Covance can afford it" and submit the check as an expense when you return to the office. Is this operating with integrity?

Answer: No. This action constitutes an improper use of Covance funds and a violation of this Integrity Program. It would subject an employee to discipline up to and including dismissal.

We maintain stringent standards around accepting gifts and entertainment

We do not tolerate the acceptance of bribes

Covance employees should not accept gifts, payments, fees, services, discounts, valued privileges or other favors where these would, or might appear to, improperly influence them in connection with their work at Covance. If you are offered a gift or other favor (such as tickets to a concert or sporting event), consider carefully not just whether you think



it would influence your judgment, but also how others would view it. If you have any doubt, either do not accept the gift or seek advice from your manager or human resources before doing so.

Covance employees can extend common courtesies consistent with accepted business practices, so long as these are not in a form that could be construed as a bribe, payoff or secret compensation. For example, you may participate in functions and activities connected with seminars, exhibits, trade shows, meetings or presentations that incorporate meals and/or entertainment. Functions involving overnight stays for entertainment must have prior approval from the general manager of your business unit or the head of your corporate function.

An especially sensitive area is that of gifts to government or political officials. Bribes to such officials violate the laws of the countries where such officials are located. In addition, the U.S. Foreign Corrupt Practices Act prohibits Covance and its officers, directors, employees, agents or stockholders from bribing non-U.S. government or political officials. Since the Organization for Economic Cooperation and Development approved its Anti-Corruption Guidelines in 2003, other countries have increasingly been adopting laws similar to the Foreign Corrupt Practices Act. Covance complies with the Foreign Corrupt Practices Act and all similar anti-corruption laws.

Question: A vendor with whom Covance does a lot of business calls you and invites you and your spouse to fly to a ski resort for a long weekend of skiing and entertainment at his expense. Can you accept the offer?

Answer: No.

B. We Treat Employees With Integrity

Covance maintains a workplace that respects and appreciates each person's dignity, safety, and diversity. We reaffirm our principle of "Respect for the Individual," which includes respect and appreciation for each person's dignity, safety, and differences.

We do not discriminate

Covance is committed to ensuring an environment that is free from all forms of unlawful discrimination against any employee or applicant for employment because of race, color, national origin, ancestry, nationality, citizenship, religion, creed, age, sex, marital or familial status, sexual orientation, veteran status, liability for service in the U.S. Armed Forces, disability or handicap, or any other characteristic protected by applicable law. Additional details can be found in Covance's Equal Employment Opportunity Policy.

We do not harass

Covance is committed to ensuring an environment that is free from all forms of unlawful harassment, including sexual harassment and harassment because of race, color, national origin, ancestry, nationality, citizenship, religion, creed, age, sex, marital or familial status, sexual orientation, veteran status, liability for service in the U.S. Armed Forces, disability or handicap, or any other characteristic protected by applicable law. This policy applies to all unlawful harassment arising out of the work environment whether at a Covance work site, at a client work site, at work-related professional, social or recreational functions, or elsewhere. Additional details can be found in Covance's Sexual and Other Unlawful Harassment Policy.



C. We Comply With Laws And Regulations For Drug And Device Development

We comply with food, drug and cosmetic laws, regulations and standards. Covance is committed to testing drugs and devices and to conducting clinical studies in compliance with all applicable laws, rules and regulations, including the United States Food and Drug and Cosmetic Act and the International Conference on Harmonization Guidelines. We maintain and follow standard operating procedures implementing FDA standards for Good Laboratory Practices ("GLPs"), Good Manufacturing Practices ("GMPs") and Good Clinical Practices ("GCPs"), as applicable. In addition, where applicable, we comply with the rules of the College of American Pathologists ("CAP"), obtain CLIA (Clinical Laboratory Improvement Act) certification through compliance with CAP requirements, and adhere to other regulatory and professional association requirements as applicable and appropriate.

It is fundamental to Covance's integrity that we assure the integrity of the data we provide to clients, as well as the integrity of the services we provide. We adhere to our SOPs to ensure data integrity and compliance all applicable laws, regulations and standards.

We comply with animal welfare laws, regulations and standards

Many lifesaving medical advances of the last century have drawn on scientific discoveries from animal research and the use of animals in research is still required as part of the drug development process. We comply with all applicable local, state, federal and international laws concerning the care, treatment and use of animals in biomedical research, including the United States Animal Welfare Act and the laws of the European Community. We maintain and follow standard operating procedures to achieve compliance with these requirements. We also comply with the Covance Code of Respect for Animals in Research and Development, which mandates that animals in our care be treated in accordance with all applicable rules and with high standards of respect and compassion.

D. We Comply With Other Applicable Laws And Regulations

We respect environment, health and safety laws and regulations. Wherever we operate around the world, it is our policy to design, construct and operate facilities in a manner that will protect the health and welfare of humans and the surrounding environment. We comply with applicable environmental, health and safety laws and regulations.

We comply with antitrust laws

We comply with all applicable antitrust and competition laws. These laws are intended to foster competition and they encourage Covance and other companies to compete aggressively to win in the marketplace. To ensure that this competition is robust and fair, these laws generally forbid (1) agreements — especially with competitors — that unreasonably limit competition, and (2) improper actions to create or maintain monopoly power. Consult a Covance lawyer before engaging in any conduct that could violate the antitrust or competition laws.

We respect privacy rights

The requirement that we maintain the privacy of personal information about Covance employees, former employees, job applicants, study volunteers and others is also a vital part of the Program. We respect the privacy rights of individuals in our employ as well as in the employ of our clients, vendors and others with whom we work. This obligation clearly extends to the patients enrolled in clinical trials on which we work and those who otherwise use or are touched by our provision of services. We comply with all privacy laws applicable to our conduct of business and expect each employee to do the same. We protect all personal information in our possession by ensuring that personal information is collected, processed, stored, and transferred with adequate precautions to ensure confidentiality and is accessible only to individuals with a legitimate reason to know about or have access to it.



Record retention and protection

Company records (which include e-mail and similar electronic or computer-resident information) are to be generated, retained, archived or destroyed in accordance with all applicable laws, rules, regulations and Company requirements. Records should not be destroyed before the expiration of any obligation to maintain such documentation at which point all appropriate records should be destroyed. Any selective destruction of documents to avoid their being seen by Government officials or other parties in connection with litigation or investigation by or against Covance is prohibited.

E. We Maintain The Confidentiality Of Our Clients And Our Proprietary Assets

Protecting Covance proprietary information is critical for our business to remain competitive, directly impacting Covance's future and our jobs. Confidential or proprietary business information includes: customer lists, marketing and sales plans, costs, other non-public financial information, business proposals, data, statistics, formulas, products, processes, or equipment. Every effort must be made to prevent the unauthorized disclosure of confidential or proprietary business information or know-how, whether such information belongs to Covance or to a third party. Confidential work or Covance proprietary information must not be discussed with outsiders or with people who do not have a specific need to know.

Equally important, the same guidelines apply to proprietary information belonging to suppliers or clients. Such information should only be shared with employees based on the need to know. You are responsible for properly identifying and protecting that information.

Question: You are at a cocktail party with a large group of people and are asked by a person you have just met what you do for a living. You respond by stating that you work for a drug development company. When you see the quizzical look you receive in response, can you elaborate by saying that you perform a specific service in connection with a drug manufactured by a particular pharmaceutical company?

Answer: No. You have just violated your confidentiality obligations to Covance and to the Sponsor.

Part 2: Business Integrity Program Administration

Individual Responsibility

We each have the responsibility to act in accordance with the Program. Every employee, officer and director must certify to the Program, at the request of Covance. Failure to certify is grounds for termination.

The Board of Directors

The Covance Board of Directors oversees the Program. The Board ordinarily discharges this responsibility through its Audit and Finance Committee. The Audit and Finance Committee reviews the Program, including review of internal compliance audit activities, allegations of violations (including but not limited to *Employee AlertLine* calls), and overall effectiveness.

Business Integrity Officer

The Chief Executive Officer shall appoint a Business Integrity Officer (the "Officer"). The Officer manages operation of the Program on a day-to-day basis under the supervision of the Board, the Chief Executive Officer and the General Counsel. The Officer provides business units and functions with advice and assistance in designing and implementing plans to ensure compliance with the Program and manages Covance's *Employee AlertLine*. The Officer is responsible for issuance and update of the Program documentation, and at least annually, together with General Counsel, provides the Audit and Finance Committee of the Board with a report on the adequacy of the Program in achieving its ethical and compliance objectives.

Management

Managing Covance with integrity is an inherent part of managing the business. For this reason, the general manager of each Covance business unit and the head of each corporate function is responsible for the operation of their business or function in accordance with the Program and is accountable for any failure to act with integrity.



Waivers

No deviation from the Program is permissible unless a waiver has been provided under this section. Waivers are not encouraged. Waiver applications must be in writing and must describe specifically what is being waived. Waivers can only be granted by:

- In the case of a Director or executive officer under Section 16 of the Securities Exchange Act of 1934, by the Board of Directors or its Corporate Governance Committee (with any interested Director having recused himself or herself)
- In the case of any other member of the Senior Management Group, by the Chief Executive Officer In the case of any other employee, by the business unit general manager or corporate function head for the business unit or corporate function in which the employee works. A copy of any such waiver must be provided to the Officer.

Training

Covance provides training on the Program and how to act in compliance with it. This training is part of employee orientation upon joining Covance and is also separately provided to employees as part of a separate training module and as part of management training upon promotion.

Reporting and Investigation

Allowing others to fail to act with integrity is itself a failure to act with integrity. If you believe a violation of the Program is occurring, you must speak out, and failure to do so is itself a violation of the program that is subject to discipline and potentially termination. We encourage you to voice any good faith concern you may have. Even if you make a report of something that turns out not to have been a violation, your report still serves to remind us of the importance of acting with integrity and in accordance with the Program. You can report a suspected violation in any of four ways:

- Speak with your supervisor or management
- If for any reason you do not want to make the report to your supervisor or manager, you can speak to your Human Resources support person
- If for any reason, you do not want to make the report to either your supervisor or manager or your Human Resources support person, you may make the report to a lawyer in the Covance Law Department
- If you do not want to do any of the above, call Covance's *Employee AlertLine*.

We encourage you to provide your name and describe your specific concern you have specifically because that will facilitate a thorough investigation. There will be no retaliation against an employee for making a good faith report of a suspected or observed violation. Any such retaliation would be a violation of the Program. If you do not feel comfortable providing your name for any reason, you may report concerns anonymously to the *Employee AlertLine*.

In addition to reporting concerns about potential violations, we encourage you to submit suggestions about how to improve the Program or any other aspect of our efforts to operate the business with integrity.

Complaints relating to accounting, internal accounting controls, or auditing matters shall automatically be forwarded to a member of the Audit and Finance Committee of Covance's Board of Directors in accordance with the Sarbanes Oxley Act of 2002.

Covance will not discharge, demote, suspend, threaten, harass, or in any manner retaliate against any employee for good faith reporting of suspected or observed violations of this Program.

Investigation Process

If an internal investigation is required, the person responsible for conducting the investigation shall act promptly, thoroughly and professionally to pursue allegations of improper or illegal conduct. We all must fully and completely cooperate with any investigation of wrongdoing. A failure or refusal to cooperate with any such investigation can subject an individual to discipline up to and including dismissal.



Covance personal computers (including all materials on these computers), e-mail correspondence sent from or received at a Covance computer, desks and desk drawers, lockers, office telephones and other facilities provided by Covance are Covance assets and their use is always subject to inspection and audit.

Investigative documents and associated materials such as *Employee AlertLine* reports and summaries thereof, compliance or other internal audit reports and personnel records are to be generated and retained as Company confidential materials. These documents and materials are to be released within Covance only on a need-to-know basis and are to be retained after completion of investigation strictly in accordance with direction from the Law Department. Here the investigation is triggered by or is in response to an *Employee AlertLine* inquiry from a self-identified employee, all reasonable steps are to be taken to preserve the confidentiality of the inquiry, including the identity of the caller, and all reasonable steps are to be taken to prevent any possible retaliation for making such inquiry.

The Alert-Line

The *Employee AlertLine* is a toll-free, 24-hours -a-day resource staffed by third-party communications specialists (i.e.: non-Covance employees). It's a simple way for you to anonymously communicate your ideas, suggestions and concerns to corporate management. It is available worldwide. Translators are provided for non-English speaking employees.

Conclusion

We believe that integrity is, was and will always be our bottom line. This Program document is intended as an outline of some of the behavior expected from all of us. It is not all inclusive and common sense and solid business judgment should always be used in reviewing the proper course of action when the conduct being addressed is not covered by the scope of this Program document.

We believe that conducting business with integrity is the only way for Covance to conduct business. Our commitment to high integrity makes Covance a company that we are all proud to work for, and supports our Compelling Offer by helping attract and retain the best talent in the industry. We must remain committed to the highest levels of integrity and service.