

**LabCorp**  
**Corporate Governance Guidelines**

**1. Role of the Board of Directors**

The Company's mission is to improve health and improve lives by delivering world-class diagnostic solutions, bringing innovative medicines to patients faster and using technology to provide better care while providing long term financial returns to shareholders. The business of the Company is overseen by the Board of Directors, which is elected by the shareholders. The basic responsibility of the members of the Board is to exercise their business judgment to act in what each director reasonably believes to be in the best interests of the Company and its shareholders. The Board believes that the Company should conduct its business and seek to achieve its mission through a strong commitment to integrity, ethics and compliance.

The Board approves the selection of the senior management team, which is responsible for the day-to-day conduct of the Company's business.

**2. Selection of Chairperson of the Board and Chief Executive Officer**

The Board selects the Chairperson and Chief Executive Officer and, in consultation with the Chief Executive Officer, appoints other officers of the Company.

The Board determines whether it is desirable to combine or separate the roles of Chairperson and Chief Executive Officer.

**3. Size of the Board**

The Board has at least 8 and no more than 15 members. The Board annually reviews the appropriate size of the Board.

**4. Board Member Skills, Characteristics and Profiles**

The Nominating and Corporate Governance Committee is responsible for annually reviewing with the Board the appropriate skills and characteristics required of Board members in the context of the Company's business needs and the current composition of the Board. The Board is committed to consideration of diversity and inclusion and accordingly this assessment should include diversity, age, background, skills, tenure, and expertise in the context of an analysis of the perceived needs of the Board at that point in time.

**5. Composition of the Board**

The Board shall be comprised of a majority of independent Directors.

**6. Board Definition of Director Independence**

In accordance with the listing standards of the New York Stock Exchange (NYSE), a director is "independent" if the Board affirmatively determines that the director has no material relationship with the Company, directly or as an officer, shareholder or partner of an organization that has a relationship with the Company, and the director meets the bright-line independence standards promulgated by the NYSE in its listing standards.

The Board assesses any relationship between each outside director and LabCorp to ensure that there is no current relationship between any outside Director and LabCorp that would be construed to prevent any Board member from being designated as independent. The independence of the directors is monitored regularly and reviewed annually by the Nominating and Corporate Governance Committee.

## **7. Selection and Orientation of New Directors**

The Board has delegated the director candidate screening process to the Nominating and Corporate Governance Committee, which recommends candidates for election to the full Board for its consideration. The entire Board is responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of shareholders. Nominations may also be submitted to the Nominating and Corporate Governance Committee by the Company's shareholders.

The Nominating and Corporate Governance Committee shall oversee the orientation and training of newly elected directors and continuing education for all Board members.

## **8. Director Election Policy**

It is the policy of the Board that any director who fails to receive the required vote for election as set forth in the Company's By-laws will submit his or her resignation for consideration by the Board of Directors.

## **9. Director Resignation Policy**

A director may resign from the Board at any time upon written notice to the Corporation which is to be delivered to the Corporate Secretary or the Chairperson of the Board.

## **10. Extending the Invitation to a New Potential Director to Join the Board**

The invitation to join the Board is extended by the Chairperson on behalf of the Board of Directors.

## **11. Former Chairperson or Chief Executive Officer's Board Membership**

The Board believes that the continuing service on the Board of a former executive Chairperson or Chief Executive Officer is a matter to be decided in each individual instance. A former executive Chairperson or Chief Executive Officer serving on the Board will not be considered an independent Director until such time as the former executive Chairperson or Chief Executive Officer satisfies the definition of independence established by the NYSE and the U.S. Securities and Exchange Commission.

## **12. Directors Who Change Their Present Job Responsibility**

Any Director who experiences a significant change in responsibilities or assignment in his or her present job will tender his or her resignation to the Chairperson of the Board for consideration by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will recommend to the Board the action, if any, to be taken with respect to the resignation.

## **13. Number and Names of Committees**

The Board is currently organized into four standing committees: Audit, Nominating and Corporate Governance, Compensation, and Quality and Compliance. The duties for each of these committees shall be outlined in the committee charters. From time to time, the Board may provide for such other standing or special committees as may be necessary to carry out its responsibilities.

## **14. Assignment and Rotation of Committee Members**

The Nominating and Corporate Governance Committee shall be responsible, after consultation with the Chairperson of the Board, for making recommendations for the assignment of Board members to various committees. The Nominating and Corporate Governance Committee shall from time to time review the Committee assignments and shall consider the rotation of Chairpersons and members with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors. Concurrent membership on more than one committee is also desirable where practicable.

## **15. Lead Independent Director**

When considered desirable by the Board, including when the Chairperson is not an independent director, the Board will elect one of the Board's independent directors to serve as the Lead Independent Director. The Lead Independent Director is responsible for coordinating the activities of the independent directors and shall perform such other duties and responsibilities as the Board may determine, including: presiding at executive sessions of the Board; reporting the results of the executive sessions to the Chairperson; providing feedback from executive sessions to the Chairperson; serving as a liaison between the Chairperson and the other directors; advising the Chairperson with respect to the schedule, agenda and information for Board meetings, advising the Chairperson with respect to consultants who report directly to the Board; and being available, as appropriate, to communicate with the Company's shareholders. Appointment of a Lead Independent Director, however, is not intended to diminish the role of the Chairperson of the Board or the various Committee Chairpersons or the interaction between the Directors and the Chairperson. The Chairperson, who presides at all meetings of the Board, takes the lead role in the boardroom. The Chairperson of each Board Committee takes the lead on matters falling within the Committee's purview.

## **16. Executive Sessions**

The independent Directors shall meet on a periodic basis, but no less than five times a year on the same day as the regularly scheduled Board meetings. These meetings shall be chaired by the Lead Independent Director if any.

## **17. Frequency of Meetings**

There shall be at least five regularly scheduled meetings of the Board each year. One of these meetings shall be of two days duration and devoted primarily to long-term strategic planning. In addition, special meetings may be called from time to time as determined by the needs of the business. Periodically, the Board and management will discuss major items that should be presented to inform the Board over the course of the next year. Board members are expected to regularly attend, either in person or by telephone or other remote communication, all meetings of the Board and committees on which the Board member sits.

## **18. Selection of Agenda Items for Board Meetings**

The Chairperson of the Board shall set the agenda for Board meetings in consultation with the Lead Independent Director, where appropriate, with the understanding that certain items necessary for appropriate Board oversight, such as annual budgets, long range plans, and succession plans, must appear periodically on the agenda. Board members may suggest that particular items be placed on the agenda.

## **19. Board Materials Distributed in Advance**

The Board believes that information, documentation, presentations, and data that are important to the Board's understanding of the business should be distributed in writing to the Directors before the Board meets with sufficient time to review. Management will endeavor to provide on a timely basis material that is concise, informative and clear. Directors are responsible for reviewing these materials prior to each Board meeting. On those occasions where the subject matter is too sensitive to provide in writing, the materials will be discussed at the meeting without advance distribution. Where there is no prior distribution of materials on a sensitive subject, the Chairperson or Lead Independent Director may elect to contact each Director by telephone in advance of the meeting to discuss the subject and the principal issues the Board will need to consider.

## **20. Retirement Age**

The Board has established a mandatory retirement age of 75. The age of directors is reviewed annually and absent approval by the Board before the annual shareholder meeting, which approval shall only be granted in exceptional

circumstances, when a director reaches the age of 75 years he or she shall not be eligible to stand for re-election at the next regularly scheduled annual shareholder meeting.

## **21. Term Limits**

While the Board does not believe it should establish term limits, the Nominating and Corporate Governance Committee shall consider the issue of continuing director tenure and take appropriate steps to ensure that the membership of the Board is suitably diverse and periodically refreshed.

## **22. Service on Other Boards**

Directors who are executive officers of the Company may serve on the board of directors of no more than two public companies, including the Company's Board. Non-employee Directors may serve on the board of directors of no more than five public companies. When evaluating non-employee Directors for continued service on the Board, the Board will evaluate the Director's service on other public company Boards as one component along with such Director's operational and executive responsibilities. Directors who serve on the Company's Audit Committee may not serve on the audit committees of more than three public companies, including the Company's, unless the Board has determined that such service would not impair the ability of the Director to effectively serve on the Company's Audit Committee. Directors should advise the Chairperson in advance of accepting an invitation to serve on the board of directors or any committee of another company. Additionally, the CEO and other executive officers of the Company must seek the approval of the Board before accepting membership on other boards (or similar bodies), including corporate and charitable boards. Neither the CEO nor an executive officer of the Company may serve on any board of directors of a company if the CEO or another executive officer of that company is serving on the Board.

## **23. Board Compensation**

The Company's executive officers shall not receive additional compensation for their service as directors.

The Company believes that compensation for non-employee directors should be competitive, but also comparable to non-employee director compensation at other companies similar in size and scope to the Company. Non-employee director compensation should encourage increased ownership of the Company's stock and a long-term perspective on the Company through the payment of a portion of director compensation in Company stock, restricted stock units or options to purchase the Company's stock. The Compensation Committee shall review and approve, and forward to the Board for review and approval, non-employee director compensation, including any perquisites and other personal benefits provided by the Company to its non-employee directors, taking into consideration the value of items such as meeting fees, retainer payments, and incentive awards at comparable companies.

## **24. Evaluation of Board**

The Nominating and Corporate Governance Committee will perform an annual assessment of the Board's performance, the results of which will be discussed with the Board. The assessment should include a review of any areas in which the Board or management believes the Board can make a better contribution to the governance of the Company, as well as an evaluation of each individual director. The purpose of the review will be to determine whether the Board and its committees are functioning effectively and to improve the performance of the Board as a unit. The Nominating and Corporate Governance Committee will utilize the results of the Board evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board. While the Board must function effectively as a unit, the role and contribution of individuals is important as well. In the event of concern over the performance or contribution of an individual member, the Chairperson or Lead Independent Director will meet with that member and explore the situation, consulting with the Nominating and Corporate Governance Committee as appropriate.

## **25. Evaluation of the Chief Executive Officer**

The independent directors led by the Lead Independent Director shall perform an annual evaluation in Executive Session of the Chief Executive Officer. The evaluation should be based on a broad range of criteria and include objective criteria, including performance of the business, accomplishment of long-term strategic objectives and development of management succession. The Compensation Committee shall also annually evaluate the Chief Executive Officer's performance in light of the previous year's corporate goals and objectives, and set the Chief Executive Officer's compensation level based on this evaluation.

## **26. Succession Planning**

The Board, with the assistance of the Compensation Committee, annually reviews and considers the Company's succession plan for the position of Chief Executive Officer and certain other senior officers. To assist the Board, the Chief Executive Officer annually provides the Board with an assessment of senior managers and their potential to succeed him or her. He or she also provides the Board with an assessment of persons considered potential successors to certain senior management positions, including a review of any development plans recommended for such individuals.

In addition, the Chief Executive Officer shall prepare, on a continuing basis, a short-term succession plan which delineates a temporary delegation of authority to certain officers of the Company, if all or a portion of the senior officers should unexpectedly become unable to perform their duties. The short-term succession plan shall be in effect until the Board has the opportunity to consider the situation and take action, when necessary. The Board reviews and updates, as necessary, both the short-term and long-term succession plans for the Chief Executive Officer and other senior officers on an annual basis.

The Board also plans for its own succession to ensure the future leadership of the oversight of the Company. The Nominating and Corporate Governance Committee annually assesses issues surrounding Board succession, and takes those matters into account when recommending nominees for election to the Board at the next annual meeting of shareholders.

## **27. Management Development**

In connection with its consideration of the Company's succession plan, the Board shall determine that a satisfactory system is in effect for education, development, and orderly succession of senior and mid-level managers throughout the Company. The Chief Executive Officer shall provide an annual report to the Compensation Committee and then to the Board, on the Company's program for management development.

## **28. Attendance of Non-Directors at Board Meetings**

At the invitation of the Board, members of senior management recommended by the Chairperson or Chief Executive Officer may attend board meetings or portions thereof for the purpose of participating in discussions. Generally, presentations of matters to be considered by the Board are made by the manager responsible for that area of the Company's operations. Additionally, the Board may permit the regular attendance at each board meeting of non-directors, including the non-board member serving in the corporate office of Secretary.

## **29. Board Access to Senior Management**

Board members shall have complete access to management. Board members shall use sound business judgment to ensure that such contact is not distracting.

Furthermore, the Board encourages management, from time to time, to bring managers into Board meetings who (a) can provide additional insight concerning the items being discussed because of personal involvement in those areas or (b) have future potential such that senior management believes they should be given exposure to the Board.

### **30. Confidentiality**

The proceedings and deliberations of the Board and its committees, along with any information received in connection with a Director's service as a Director, are confidential and must not be shared or discussed outside of the context of a Board or committee meeting.

### **31. Board Interaction with Investors, Press, Customers and Other Third Parties**

The Board believes that management generally should speak for the Company. Each director shall refer all inquiries from investors, the press or customers to management.

### **32. Risk Oversight**

The Board shall oversee the establishment and maintenance of the Company's risk management processes. The Board may delegate primary responsibility for oversight of specific risks to any one or more of its committees.

### **33. Review of Corporate Governance Guidelines**

The Board shall maintain written corporate governance guidelines which will be reviewed annually by the Nominating and Corporate Governance Committee with a report to the full Board of the Committee's findings and recommendations. If necessary, the guidelines shall be revised and updated by the Board based on the recommendations of the Nominating and Corporate Governance Committee.

### **34. Discharging Duties as Director**

In discharging their obligations, Directors are entitled to rely on the honesty and integrity of the Company's senior executives, its internal and external auditors and other outside advisors. Directors are expected to devote the time necessary to appropriately discharge their responsibilities and to prepare for and, to the extent possible, attend and participate in all meetings of the Board and of Board committees on which they serve. Each director is expected to attend the annual meeting of shareholders.

### **35. Access to Independent Advisors**

The Board and each committee has the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance. The Company will provide sufficient funding to the Board and to each committee, as determined by the Board and each committee, to exercise their functions and for the services of their advisors.

### **36. Communications with the Board**

Shareholders may communicate with the Board, its Chairperson, its Lead Independent Director, its committees, or any director by writing to:

Corporate Secretary  
531 South Spring Street  
Burlington, NC 27215

Any communication should clearly specify the intended recipient. The office of the Corporate Secretary will receive the correspondence and forward it to the intended recipient unless the communication is an advertisement or other commercial solicitation or communication, obviously frivolous or obscene, unduly hostile, threatening or illegal, or is related to trivial matters (in which case it will be delivered to the intended recipient for review at the next regularly scheduled Board meeting).