LABORATORY CORP OF AMERICA HOLDINGS
Form DEF 14A
April 01, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under §240.14a-12

Laboratory Corporation of America Holdings

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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Laboratory Corporation of America® Holdings

358 South Main Street

Burlington, NC 27215

Telephone: 336-229-1127

April 1, 2016

Dear Shareholder:

I hope you will join us at the 2016 Annual Meeting of Shareholders of Laboratory Corporation of America Holdings which will be held on Wednesday, May 11, 2016 at 9:00 a.m. The Annual Meeting will be a completely virtual meeting of shareholders to be held over the Internet. You will be able to attend the Annual Meeting, vote your shares electronically and submit your questions during the live webcast of the meeting by visiting LH.onlineshareholdermeeting.com and entering your unique 16-digit control number.

At the Annual Meeting, we will ask you to elect our Board of Directors, approve, on a non-binding advisory basis, executive compensation, approve the Company s 2016 Omnibus Incentive Plan, approve the Company s 2016 Employee Stock Purchase Plan, and ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2016 and to vote on a shareholder proposal described in the Proxy Statement if properly presented at the meeting. We will also discuss any other business matters properly brought before the meeting. The attached Notice of the Annual Meeting and Proxy Statement explains our voting instructions and procedures, describes the business that will be conducted at the Annual Meeting and provides information about the Company that you should consider when you vote your shares.

In reviewing the Proxy Statement you will find detailed information beginning on page 18 about the qualifications of our director nominees and why we believe they are the right people to represent you.

As discussed in our Compensation Discussion and Analysis, which begins on page 24, we continue to maintain an executive compensation program that creates strong alignment between our executives pay and the performance of the Company. Over the past several years, our compensation program has evolved to better align with our changing business and industry, as well as to reflect feedback we have received from our shareholders. The Board believes our current compensation program, which is highly performance-based, incentivizes our management team to execute on our strategic goals and it is strongly aligned with the interests of our shareholders.

As part of our ongoing shareholder engagement efforts, since our 2015 annual meeting senior management engaged with shareholders representing more than 75 percent of the Company s outstanding shares. Discussions with our shareholders were primarily focused on a review of our 2015 performance, our acquisition of Covance Inc., our corporate governance practices and our executive compensation program.

Your vote is very important to us. Whether or not you plan to participate in the Annual Meeting, it is important that your shares are represented and voted at the meeting. I urge you to promptly vote and submit your proxy via the Internet, by phone, or, if you receive paper copies of the proxy materials by mail, by following the instructions on the proxy card or voting instruction card. If you decide to participate in the Annual Meeting, you will be able to vote your shares electronically, even if you have previously submitted your proxy.

On behalf of the Board of Directors, I would like to express our appreciation for your continued ownership of LabCorp. We look forward to your participation during the 2016 Annual Meeting.

Sincerely,

David P. King

Chairman of the Board,

President and Chief Executive Officer

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Notice of 2016 Annual Meeting of Shareholders

Wednesday, May 11, 2016

9:00 a.m., Eastern Daylight Time

The 2016 Annual Meeting will be a completely virtual meeting of shareholders to be held as a live webcast over the Internet at LH.onlineshareholdermeeting.com.

ITEMS OF BUSINESS:

1. To elect directors from among the nominees described in the attached Proxy Statement.

2. To approve, on a non-binding advisory basis, executive compensation.

3. To approve the Company s 2016 Omnibus Incentive Plan.

4. To approve the Company s 2016 Employee Stock Purchase Plan.

5. To ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the year ending December 31, 2016.

6. To vote on a shareholder proposal described in this Proxy Statement if properly presented at the meeting.

7. To consider any other business properly brought before the Annual Meeting.

RECORD DATE:

March 14, 2016. Only shareholders of record at the close of business on the record date are entitled to receive notice of, and to vote at, the Annual Meeting.

PROXY VOTING:

Your vote is important. We encourage you to mark, date, sign and return the enclosed proxy/voting instruction card or, if you prefer, to vote by telephone or by using the Internet.

April 1, 2016

By Order of the Board of Directors

F. Samuel Eberts III

Secretary

Important notice regarding the availability of proxy materials for the Annual Meeting of Shareholders to be held on May 11, 2016. Our Proxy Statement and Annual Report to Shareholders are available at www.proxyvote.com.

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PROXY SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting. Page references are supplied to help you find further information in this Proxy Statement.

Annual Meeting of Shareholders

Date and Time:	9:00 a.m. on Wednesday, May 11, 2016, Eastern Daylight Time
Virtual Meeting Location on the Internet:	LH.onlineshareholdermeeting.com
Record Date:	March 14, 2016
Voting:	Shareholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on.

Voting Matters and Vote Recommendation (page 6)

The following table summarizes the proposals to be considered at the Annual Meeting and the Board s voting recommendation with respect to each proposal.

PROPOSALS	BOARD VOTE RECOMMENDATION
Election of Directors	FOR EACH NOMINEE
Advisory vote to approve executive compensation	FOR
Approval of 2016 Omnibus Incentive Plan	FOR
Approval of 2016 Employee Stock Purchase Plan	FOR
Ratification of PricewaterhouseCoopers LLP as independent auditor for 2016	FOR
Shareholder Proposal	AGAINST

How to Cast Your Vote (page 7)

You can cast your votes by any of the following methods:

Internet (www.proxyvote.com) until 11:59 p.m., Eastern Daylight Time on Tuesday, May 10, 2016;

Telephone (1-800-690-6903) until 11:59 p.m., Eastern Daylight Time on Tuesday, May 10, 2016;

Completing, signing and returning your proxy card or voting instruction card so that it is received before the polls close on May 11, 2016; or

Participating in the Annual Meeting Whether you are a shareholder of record or hold your shares in street name, you may vote online at the Annual Meeting. You will need to enter your 16-digit control number (included in your Notice, your proxy card or the voting instructions that accompanied your proxy materials) to vote your shares at the Annual Meeting. Instructions on how to attend the Annual Meeting live over the Internet, and how to vote your shares during the Annual Meeting, are posted at LH.onlineshareholdermeeting.com. Shareholders with questions regarding how to attend and participate in the Annual Meeting live over the Internet, and how to vote during the Annual Meeting, may call 1-855-499-0991 on the Annual Meeting date.

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PROXY SUMMARY

Board Nominees (page 18)

The following table provides summary information about each director nominee.

NAME	AGE	DIRECTOR SINCE	OCCUPATION	INDEPENDENT	OTHER PUBLIC BOARDS
David P. King	59	2007	Chairman, President & CEO, Laboratory Corporation of America Holdings		1
Kerrii B. Anderson	58	2006	Former CEO, Wendy s International, Inc.	X	2
Jean-Luc Bélingard	67	1995	Chairman, bioMérieux, SA	X	2
D. Gary Gilliland	61	2014	President and Director of the NCI-designated Fred Hutchinson Cancer Research Center in Seattle, WA	X	0
Garheng Kong	40	2013	Managing Partner, Sofinnova HealthQuest Capital	X	3
Robert E. Mittelstaedt, Jr.	72	1996	Dean Emeritus, W. P. Carey School of Business at Arizona State University	X	2
Peter M. Neupert	60	2013	Former Operating Partner, Health Evolution Partners, Inc.	X	0
Richelle P. Parham	48	2016	Former Chief Marketing Officer, eBay	X	1
Adam H. Schechter	51	2013	Executive Vice President, Merck & Co., Inc.	X	0
R. Sanders Williams	67	2007	President, J. David Gladstone Institutes; Professor, University of California San Francisco	X	1

Executive Compensation (page 24)

Pay for Performance (page 26)

LabCorp s executive compensation program is designed to attract, motivate and retain executives in a highly competitive environment. Our executive compensation philosophy is to pay for performance by rewarding the achievement of specific short-term and long-term operational and strategic goals.

The Company seeks to achieve outstanding performance for our shareholders through a focus on increased revenue, adjusted earnings per share (EPS), earnings before interest, taxes, depreciation and amortization (EBITDA), revenue diversification and relative total shareholder return compared to our peer group of companies we use for compensation purposes. Our compensation program rewards our executives for achieving goals set for these financial measures, and achieving strategic objectives. A substantial majority of the value of the executives 2015 compensation opportunity, including performance-based cash compensation and performance shares, is subject to Company and/or individual performance, which provides a strong incentive to drive Company performance and increase shareholder value.

2015 Executive Total Compensation Mix (page 26)

The Compensation Committee takes several factors into consideration when setting executive compensation levels, including:

competitive data presented by its independent consultant;

alignment of compensation with growth drivers of the Company s business; and
feedback from shareholders.

While the Committee sets total target compensation (base salary plus the target amounts under our annual cash incentive and long-term incentive arrangements) to be competitive in relation to the median peer compensation as reflected in data provided by its independent consultant, the Committee places greater emphasis on the variable or at-risk portion of compensation.

For 2015, approximately 68 percent of Mr. King s total target compensation was at-risk and performance-based. For the other named executive officers (NEOs), with the exception of Mr. Herring, who joined the Company as CEO of Covance Drug Development in connection with the Covance acquisition in February 2015 and remained with the Company through July 2015, approximately 62 percent of the average total target compensation for 2015 was at-risk and performance-based. In 2015, an additional approximately 22 percent of our CEO s total target compensation and approximately 19 percent of the average total target compensation for our other named executive officers other than Mr. Herring was variable, based on performance of the Company s stock. The charts below show the mix of pay elements included in total compensation opportunities for 2015 for our Chief Executive Officer and an average for our other named executive officers, with the exception of Mr. Herring:

Advisory Vote to Approve Executive Compensation (page 53)

We ask that our shareholders approve the advisory resolution to approve executive compensation. Beginning in 2011, the Compensation Committee has taken several steps to evolve our compensation program with the aim of enhancing the alignment of our program with the strategic goals of the Company and to reflect the feedback we have received from our shareholders. The Compensation Committee believes the current compensation program provides the right management incentives and creates strong alignment between compensation, the performance of the Company and the interest of shareholders. We have also established many market-leading compensation practices to further align the interests of our executives with those of our shareholders:

- Robust stock ownership guidelines (6x base salary for CEO);
- Prohibition on pledging and hedging Company stock;
- Fully performance-based annual incentive program;
- Incentive plan directly linked to strategic and objective financial goals;
- Cap on annual incentive opportunities;
- No employment agreements other than an employment letter agreement with the CEO of Covance Drug Development and, in 2015, an employment agreement with the former CEO of Covance Drug Development;
- Limited perquisites;
- No tax gross-ups;
- Double trigger change-in-control provisions;

Performance oriented mix of long-term incentives: performance shares (70 percent of targeted grant value) and restricted stock units (30 percent of targeted grant value) with multi-year vesting;

If the Company were to declare dividends, dividends will only be paid to the extent performance shares are earned;

Three-year performance measurement period for performance shares; and

Comprehensive clawback policy.

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2016 Omnibus Incentive Plan (page 55)

We ask that our shareholders approve adoption of the 2016 Omnibus Incentive Plan and approve certain material terms and conditions relating to performance-based compensation under the 2016 Omnibus Incentive Plan. The Board believes that the Company s incentive compensation plans are valuable compensation tools to align individual and corporate performance with the interests of the Company s shareholders. The proposed 2016 Omnibus Incentive Plan renews and updates our long-standing performance based incentive programs, including replacing the Company s existing equity incentive plan. The key features of the 2016 Omnibus Incentive Plan include:

- granting of stock options or stock appreciation rights only at an exercise price at least equal to fair market value of a share of Common Stock on the grant date;
- stock options and stock appreciation rights that require a performance period of at least twelve months or a one year minimum vesting period;
- granting of cash incentive awards;
- a ten-year maximum term for stock options and stock appreciation rights;
- no vesting in dividends or dividend equivalent rights paid on performance-based awards unless the underlying awards vest;
- no repricing of stock options or stock appreciation rights without prior shareholder approval;
- no reload or evergreen share replenishment features; and
- a limit on the maximum amount a non-employee director may be granted during a single fiscal year.

2016 Employee Stock Purchase Plan (page 69)

We ask that our shareholders approve adoption of the 2016 Employee Stock Purchase Plan. The Board believes that an employee stock purchase plan encourages the Company s employees to acquire shares of Common Stock, thereby fostering broad alignment of employees interests with the interests of our shareholders; fosters good employee relations; and provides the Company an ability to recruit, retain, and reward employees in an extremely competitive environment both in the United States and internationally. The Board has proposed approval of the 2016 Employee

Stock Purchase Plan by shareholders to replace the 1997 Employee Stock Purchase Plan. The 2016 Employee Stock Purchase Plan generally:

reserves 2,500,000 shares of Common Stock for issuance pursuant to the 2016 Employee Stock Purchase Plan;

permits a participant to contribute up to 10% of his or her eligible compensation each pay period through after-tax payroll deductions or, if permitted by the Administrator, to make cash contributions to the 2016 Employee Stock Purchase Plan to fund the participants ability to purchase shares of Common Stock under the 2016 Employee Stock Purchase Plan;

unless otherwise determined by the Administrator, establishes six-month offering periods commencing on the first trading day of January and July of each
calendar year and ending on the last trading day of June and December, respectively, except that the first offering period under the 2016 Employee Stock Purchase Plan will commence on July 1, 2016 and end on December 30, 2016 (the last trading day of December);

permits participants to purchase shares of Common Stock at up to a 15% discount; and

limits the value of shares that a participant may purchase in a calendar year to $25,000 and, unless otherwise determined by the Administrator, the number of shares that a participant may purchase in an offering period to 50,000 shares.

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Auditors (page 74)

We ask that our shareholders ratify the selection of PricewaterhouseCoopers, LLP as our independent auditor for the year ending December 31, 2016. Below is summary information about PricewaterhouseCoopers fees for services provided in fiscal years 2015 and 2014.

YEAR ENDED DECEMBER 31	2015	2014
Audit Fees	$3,823,000	$1,646,000
Audit Related Fees	$10,000	$-
Tax Fees	$2,311,473	$100,000
All Other Fees	$1,800	$1,800
TOTAL	**$6,146,273**	**$1,747,800**

Shareholder Proposal (page 75)

People for the Ethical Treatment of Animals, a shareholder of the Company, proposes that the Board report to shareholders annually on measures being taken to prevent, detect and control Zika virus infection of nonhuman primates and human employees at the Company s U.S. facilities and in surrounding human populations. The Board recommends a vote against this proposal.

Proxy Statement

LabCorp is providing you with these proxy materials in connection with its 2016 Annual Meeting of Shareholders (the Annual Meeting). The Notice of Internet Availability of Proxy Materials (the Notice), this Proxy Statement and LabCorp s 2015 annual report on Form 10-K, as amended (the 2015 Annual Report) were first mailed to shareholders of record on or about April 1, 2016. As used in this Proxy Statement, LabCorp, the Company and we may refer to Laboratory Corporation of America Holdings itself, one or more of its subsidiaries, or Laboratory Corporation of America Holdings and its consolidated subsidiaries, as applicable.

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GENERAL INFORMATION

2016 Annual Meeting of Shareholders

LabCorp s 2016 Annual Meeting of Shareholders is scheduled to occur on Wednesday, May 11, 2016 at 9:00 a.m., Eastern Daylight Time. The Annual Meeting will be a completely virtual meeting and will be webcast live at LH.onlineshareholdermeeting.com. All owners of LabCorp s common stock, par value $0.10 per share (the Common Stock), on March 14, 2016, the record date (the Record Date), are eligible to receive notice of, and to vote electronically at, the Annual Meeting over the Internet by using the 16-digit control number included in the Notice, proxy card or the voting instructions that accompanied these proxy materials. Representatives of PricewaterhouseCoopers LLP, Independent auditor for LabCorp for the years ending December 31, 2014 and December 31, 2015, will be present at the Annual Meeting, will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting To Be Held on May 11, 2016

Pursuant to the notice and access rules adopted by the Securities and Exchange Commission (the SEC), LabCorp has elected to provide access to its proxy materials and the 2015 Annual Report over the Internet and sent the Notice to shareholders of record as of the Record Date on or about April 1, 2016. The Notice is not a form for voting and presents only an overview of the more complete proxy materials, which contain important information about the Annual Meeting. All shareholders may access the proxy materials on the website referred to in the Notice (www.proxyvote.com) and we encourage shareholders to do so prior to submitting their votes. Shareholders may request to receive a printed set of the proxy materials by following the instructions provided in the Notice.

Shareholders may also request to receive future proxy materials in printed form by mail or electronically by e-mail on an ongoing basis by following the instructions on your proxy card or at www.proxyvote.com. Choosing to receive proxy materials by e-mail will save LabCorp the cost of printing and mailing documents and will reduce the impact of LabCorp s annual meetings on the environment. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by e-mail will remain in effect until you terminate it.

Matters Subject to a Vote of the Shareholders

Current Proposals

The following matters are subject to a vote of the shareholders at the Annual Meeting:

Election of directors from among the nominees described in this Proxy Statement (see page 18);

Approval, on a non-binding advisory basis, of compensation for LabCorp s executives (see page 53);

Approval of the Company s 2016 Omnibus incentive Plan (see page 55);
Approval of the Company s 2016 Employee Stock Purchase Plan (see page 69);

Ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the year ending December 31, 2016 (see page 74); and

Vote on the shareholder proposal (see page 75).

Board Recommendations

The Board of Directors of the Company (the Board) recommends that shareholders vote as follows:

FOR the election of each of the nominees for director;

FOR the approval, on a non-binding basis, of the compensation for LabCorp s executives;

FOR the approval of the Company s 2016 Omnibus Incentive Plan;
FOR the approval of the Company s 2016 Employee Stock Purchase Plan;

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for 2016;

AGAINST the shareholder proposal.

Other Business

The Board does not intend to bring any other business before the Annual Meeting and is not aware of any other matters to be brought before the meeting. See the section Other Matters on page 80 for information about presenting proposals for the 2017 Annual Meeting. Please also see the section Identification and Evaluation of Director Candidates on page 10 for information about shareholder nominations to the Board.

Voting Procedures and Solicitation of Proxies

Quorum and Voting Requirements

The Board is soliciting your vote at the Annual Meeting or at any later meeting should the scheduled annual meeting be adjourned or postponed for any reason. By using a proxy, which authorizes specific people to vote on your behalf, your shares can be voted whether or not you attend the Annual Meeting. At least a majority of the total number of shares of Common Stock issued and outstanding and entitled to vote on the Record Date must be present in person or by proxy at the Annual Meeting for a quorum to be established. At the close of business on the Record Date, there were 102,093,692 shares of Common Stock issued and outstanding.

Each share of Common Stock is entitled to one vote on each of the director nominees and one vote on each other matter that is properly presented at the Annual Meeting. In accordance with LabCorp s Amended and Restated By-Laws (the By-Laws), director nominees must receive a majority of the votes cast to be elected, which under the By-Laws means that the number of shares voted FOR a director must exceed 50 percent of the votes cast with respect to that director. The Board has adopted a policy under which a director who does not receive the required vote for election as provided in the By-Laws will submit his or her resignation for consideration by the Board. The affirmative vote of a majority of shares of Common Stock represented at the Annual Meeting and entitled to vote is required for approval of the other proposals noted above. Abstentions will have no effect on the election of the directors, but will have the same effect as a vote against the other proposals scheduled for the Annual Meeting.

Voting by Record Holders

If your name is registered in LabCorp s shareholder records as the owner of shares, there are four ways that you can vote your shares:

Over the Internet. Vote at www.proxyvote.com. The Internet voting system is available 24 hours a day until 11:59 p.m. Eastern Daylight Time on Tuesday, May 10, 2016. Once you enter the Internet voting system, you can record, confirm and change your voting instructions.

By telephone. Call 1-800-690-6903. The telephone voting system is available 24 hours a day in the United States until 11:59 p.m. Eastern Daylight Time on Tuesday, May 10, 2016. Once you enter the telephone voting system, a series of prompts will tell you how to record, confirm and change your voting instructions.

By mail. Mark your voting instructions on the proxy card (if you requested or received one), sign and date it, and return it in the prepaid envelope provided. For your mailed proxy card to be counted, it must be received before the polls close at the Annual Meeting on Wednesday, May 11, 2016.

By participating in the Annual Meeting. Participate in the virtual Annual Meeting by visiting LH.onlineshareholdermeeting.com and listening to the live webcast and vote your shares electronically over the Internet during the Annual Meeting. You may vote online during the Annual Meeting whether you are a shareholder of record or hold your shares through a bank, broker or other custodian (referred to as shares held in street name).

You may change your vote or revoke a proxy at any time prior to the Annual Meeting by:

Entering new instructions on either the telephone or Internet voting system before 11:59 p.m. Eastern Daylight Time on Tuesday, May 10, 2016.

Sending a new proxy card with a later date than the previously submitted proxy card. The new proxy card must be received before the polls close at the Annual Meeting on Wednesday, May 11, 2016.

Writing to LabCorp at 358 South Main Street, Burlington, North Carolina 27215, Attention: F. Samuel Eberts III, Secretary. Your letter should contain the name in which your shares are registered, the date of the proxy you wish to revoke or change, your new voting instructions, if applicable, and your signature. Your letter must be received before the Annual Meeting begins on Wednesday, May 11, 2016.

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GENERAL INFORMATION

All proxies duly executed and received by LabCorp will be voted in accordance with the instructions provided by the person executing the proxy or, in the absence of any instruction, will be voted in accordance with the Board s recommendations on each proposal. Proxies will have the discretion to vote for or against any other matters that come before the Annual Meeting that are not otherwise specified in the Notice.

Voting by Holders in Street Name

If you hold shares through a bank, broker or other custodian (referred to as shares held in street name), the custodian will provide you with a copy of the Proxy Statement and a voting instruction form. Brokers and other holders of record have discretionary authority to vote shares without instructions from beneficial owners only on matters considered routine by the New York Stock Exchange, such as the advisory vote on the selection of the independent auditors. On non-routine matters, such as the election of directors, the approval of the 2016 Omnibus Incentive Plan and the approval of the 2016 Employee Stock Purchase Plan, these banks, brokers and other holders of record do not have discretion to vote uninstructed shares and thus are not entitled to vote on such proposals, resulting in a broker non-vote for those shares. We encourage you to provide voting instructions so that your shares can be counted in the election of directors and the other matters to be considered at the Annual Meeting.

Even if your shares are held in street name, you may participate in the virtual Annual Meeting and vote your shares during the meeting by visiting LH.onlineshareholdermeeting.com, listening to the live webcast and casting your vote online.

Proxy Expenses

LabCorp will bear the expenses to prepare proxy materials and to solicit proxies for the Annual Meeting. LabCorp expects to reimburse banks, brokers, and other persons for their reasonable, out-of-pocket expenses in handling proxy materials for beneficial owners. LabCorp has also retained Morrow and Co., LLC for solicitation of holders of record as well as non-objecting beneficial owners. LabCorp paid Morrow and Co., LLC a fee of approximately $9,000 for these services, plus reimbursement of expenses.

Results of the Annual Meeting

The voting results of the Annual Meeting will be published no later than four business days after the Annual Meeting in a Current Report on Form 8-K filed with the SEC.

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CORPORATE GOVERNANCE

Board Structure and Independence

We have a strong governance structure to ensure Board oversight and accountability to our shareholders, including:

- a strong Lead Independent Director with a clearly defined role and responsibilities;
- 100 percent committee independence;
- an annual self-assessment of performance and effectiveness by the Board;
- annual elections of all directors;
- majority voting for election of directors; and
- no shareholder rights or poison pill plans.

Both management and the Board participate in an active engagement program with our shareholders. In addition to our ongoing engagement with shareholders regarding operational results and business strategy, we have specially engaged with shareholders representing more than 75 percent of the Company s outstanding shares on matters related to our 2015 performance, executive compensation, long-term incentives, board structure and corporate governance, our acquisition of Covance Inc. and other matters. The purpose of the Board s engagement program is to review compensation and corporate governance practices with shareholders, seek shareholder input on our approach to these subjects and incorporate shareholder feedback into the design of our compensation and governance programs. The results of all shareholder engagement are periodically reviewed with the entire Board.

Board Composition

LabCorp s By-Laws provide for a Board of no fewer than one and no more than fifteen directors. There are currently ten members of the Board standing for reelection at the Annual Meeting. For more details about the nominees for directors and their biographies, please see Proposal One: Election of Directors (page 18).

We have a long-standing commitment to good corporate governance practices. These practices provide an important framework within which our Board of Directors and management pursue the strategic objectives of LabCorp and ensure the Company s long-term vitality for the benefit of our shareholders. The cornerstone of our practices is an independent and qualified board of directors. All directors are elected annually by a majority of votes cast by shareholders. All Board committees are composed entirely of independent directors.

The Board carefully evaluates each incoming director candidate based on selection criteria and overall priorities for Board composition that are periodically reviewed by the Nominating and Corporate Governance Committee with input from the rest of the directors. As our directors commitments change, the Board revisits their situations to ensure that they can continue to serve the best interests of the Company and our shareholders. We also focus on Board renewal to ensure a mix of longer tenured directors and fresh perspective in the boardroom.

We demand high standards of ethics from our directors and management as described in our Corporate Governance Guidelines and Code of Business Conduct and Ethics. Our governance principles are available under the Corporate Governance tab of the Investor Relations page of our website at www.labcorp.com. We have included some highlights from these principles and a summary of key policies below.

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CORPORATE GOVERNANCE

Board Independence

The Board believes that a substantial majority of its members should be independent, non-employee directors. The Board has established guidelines for determining director independence that are consistent with the current listing standards of the New York Stock Exchange (the Listing Standards). In addition, director affiliations and transactions are regularly reviewed to ensure that there are no conflicts or relationships that might impair a director s independence from the Company, senior management and our independent registered accounting firm as defined in the Listing Standards. Other than Mr. King, all of our current Board members and all of the nominees for director qualify as independent as defined in the Listing Standards.

Board Leadership

The Chairman of the Board leads the Board and oversees board meetings and the delivery of information necessary for the Board s informed decision making. The Chairman also serves as the principal liaison between the Board and our management. The Board determines whether the roles of Chairman and Chief Executive Officer should be separated or combined based on its judgment as to the structure that best serves the interests of the Company. Currently, the Board believes that the positions of Chairman and Chief Executive Officer should be held by the same person as this combination has served and is serving the Company well by providing unified leadership and direction.

The Board has also established the position of Lead Independent Director to be filled at the Board s discretion when the Chief Executive Officer also serves as Chairman or the Chairman otherwise is not an independent director. The Lead Independent Director, among other tasks assigned in the Company s Corporate Governance Guidelines, presides at executive sessions of the Board, serves as a liaison between the Chairman and the other directors, and advises the Chairman with respect to the schedule, agenda and information for Board meetings. The Board believes that appointing a Lead Independent Director provides an efficient and effective leadership model for the Company by fostering clear accountability, effective decision-making, alignment on corporate strategy between the Board and management and a cohesive public face for the Company s independent Board members. Mr. Mittelstaedt currently serves as our Lead Independent Director, a role he has held since 2009. Mr. Mittelstaedt meets regularly with Mr. King to review operations and strategic issues discussed with the Board and other matters relating to the Board s oversight functions.

The Board holds executive sessions without Company management and non-independent director participation. These sessions are generally held at each regularly scheduled meeting of the Board and at each special meeting upon the request of a majority of the independent directors attending the special meeting. The Company s Corporate Governance Guidelines provide that the independent directors shall meet on a periodic basis, but no fewer than five times a year on the same day as the regularly scheduled Board meetings. In 2015, Mr. Mittelstaedt in his capacity as the Lead Independent Director chaired six meetings of the independent and non-employee directors to discuss strategy, compensation, succession planning and other matters.

Annual Board Self-Assessment

The Board conducts a self-assessment of its performance and effectiveness on an annual basis. The purpose of the self-assessment is to determine whether the Board and its committees are functioning effectively and to improve the performance of the Board as a unit. As part of the assessment, each director completes a questionnaire developed by the Nominating and Corporate Governance Committee and the Lead Independent Director interviews each director individually. The results of the questionnaire and interview process are discussed by the Nominating and Corporate Governance Committee and are then presented to the full Board for review and discussion. In addition, each Board Committee conducts a similar self-assessment of its performance focused on the Committee s key responsibilities. Feedback from the Committees self-assessments is reviewed in the applicable Committee and also presented to the full Board for review and discussion.

Identification and Evaluation of Director Candidates

Identification of Director Candidates

The Nominating and Corporate Governance Committee recommends a slate of directors to the Board for election by the Company s shareholders at each annual meeting of shareholders and recommends candidates to the Board to fill any vacancies. Each member of the Board identifies potential candidates and these candidates are regularly reviewed by the committee, which maintains an active list of potential Board candidates. In addition, the committee is

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authorized to engage professional search firms at the Company s expense, including to assist with the identification, evaluation and due diligence on potential nominees for the Board. In 2015, the Company retained Korn/Ferry International to assist with identifying potential nominees to the Board. The Nominating and Corporate Governance Committee believes it is important to maintain a Board with diverse experiences and expertise, including industry and scientific and medical experience, financial expertise, global business experience and executive leadership experience.

Shareholders may also nominate individuals to the Board. A shareholder may submit a nomination for consideration at the 2017 Annual Meeting of Shareholders by providing certain information as set forth in the By-Laws, in writing, to the Corporate Secretary of the Company at 358 South Main Street, Burlington, NC 27215. Nominations for the 2017 Annual Meeting must be received no earlier than January 11, 2017 and no later than March 12, 2017. The By-Laws may be obtained free of charge by writing to the Company s Corporate Secretary and were included as Exhibit 3.1 to the Company s Current Report on Form 8-K filed with the SEC on March 31, 2008.

LABCORP BOARD OF DIRECTOR SKILLS AND EXPERIENCE	
Expertise	**Current and/or past responsibilities:**
Accounting	Experience with financial statements, reporting and internal controls and accounting principles and practices
Executive Leadership	Executive leadership and public company experience
Corporate Governance	Understanding of executive compensation and risk management
HealthCare/Industry	Understanding of the healthcare system and practicing physician perspective; deep industry experience, including clinical laboratory, pharmaceutical, drug testing, consumer marketing and health information technology expertise
Sales & Marketing	Global business strategy, sales, marketing and executive management experience

As part of the Company s continued process of Board renewal and succession planning, Ms. Parham (page 21) was appointed to the Board effective February 8, 2016. Ms. Parham was identified with the assistance of Korn/Ferry International pursuant to the retention discussed above.

Evaluation of Director Candidates

When evaluating prospective candidates for director, including those nominated by shareholders, the Nominating and Corporate Governance Committee conducts individual evaluations of the candidates, taking into account the criteria enumerated in the Company s Corporate Governance Guidelines (see description below). Among other things, the Committee considers whether prospective candidates have:

- personal and professional integrity;

skills and experience to advise the Company regarding its medical, scientific, operational, strategic and governance goals;

interest, capacity and willingness to serve the long-term interests of the Company s shareholders;

ability and willingness to devote the required amount of time to the Company s affairs, including attendance at Board and Committee meetings;

exceptional ability and judgment; and

freedom from personal and professional relationships that would adversely affect the ability to serve the best interests of the Company and its shareholders.

The Corporate Governance Guidelines provide that the Nominating and Corporate Governance Committee is responsible for 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, including, among other characteristics, diversity. The Company believes that Board membership should reflect diversity in its broadest sense, including persons diverse in geography, gender and ethnicity. The Board seeks independent directors who represent a mix of backgrounds and experiences that will enhance the quality of the Board s deliberations and decisions, including experience with publicly traded national, international or multinational companies, executive or financial management experience and/or achievement with distinction in their chosen fields. The Board believes that its composition reflects a balance of skills, experiences, diversity and expertise that provides strong and broad oversight, practical experience and strategic vision to the Company.

Director candidates, other than sitting directors, may be interviewed by the Chairman of the Nominating and Corporate Governance Committee, other directors, the Chief Executive Officer and the Corporate Secretary. The results of these interviews, as well as any other materials received by the Nominating and Corporate Governance Committee that it deems appropriate, are considered by the Nominating and Corporate Governance Committee in making its recommendation to the Board.

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CORPORATE GOVERNANCE

Communications with the Board

Shareholders and interested parties may communicate with the Board, individually or as a group, by submitting written communications to the appropriately addressed Board member(s), c/o Corporate Secretary, Laboratory Corporation of America Holdings, 358 South Main Street, Burlington, North Carolina 27215.

All communications with the Board will be reviewed initially by the Corporate Secretary, who will relay all communications to the appropriate director or directors unless the communication is:

- an advertisement or other commercial solicitation or communication;
- obviously frivolous or obscene;
- unduly hostile, threatening or illegal; or
- related to trivial matters (in which case it will be delivered to the intended recipient for review at the next regularly scheduled Board meeting).

Each director has the discretion to determine whether any of the communications addressed to their attention should be presented to the full Board, to one or more of its committees or to the Company s management. Each director also has the discretion to determine whether a response to the person sending the communication is appropriate. Any response will be made through the Company s Corporate Secretary in accordance with the Company s policies and procedures and applicable law and regulations relating to the disclosure of information.

The Nominating and Corporate Governance Committee, comprised entirely of independent, non-employee directors, has reviewed and approved the foregoing procedures and is responsible for recommending changes to the procedures as necessary.

Corporate Governance Policies and Procedures

Corporate Governance Guidelines

The Board has adopted a set of Corporate Governance Guidelines that address a number of topics, including composition of the Board, director independence, annual self-assessment by the Board and its Committees, retirement of directors and succession planning. The Nominating and Corporate Governance Committee reviews the Corporate Governance Guidelines on a regular basis and any proposed additions or amendments are submitted to the full Board for its consideration. Shareholders may request a printed copy of the Corporate Governance Guidelines from the Corporate Secretary or access a copy on the Investor Relations page under the Corporate Governance tab of LabCorp s website at www.labcorp.com.

Code of Business Conduct and Ethics

The Board has also adopted a Code of Business Conduct and Ethics that is applicable to all directors, officers and employees of the Company and its subsidiaries and affiliates. The Code sets forth Company policies and expectations on a number of topics, including but not limited to, conflicts of interest, confidentiality, compliance with laws (including insider trading laws), preservation and use of Company assets, and business ethics. The Code also sets forth procedures for reporting and handling any potential violation of the Code, conflicts of interest and the appearance of any conflict of interest. The Code is regularly reviewed by management, the Audit Committee and the Quality and Compliance Committee and proposed additions or amendments are considered by the full Board. Shareholders may request a printed copy of the Code of Business Conduct and Ethics from the Corporate Secretary or access a copy under the Corporate Governance tab of the Investor Relations page on LabCorp s website at www.labcorp.com. In addition, any waivers for directors, officers and employees of the Company or amendments to the Code will also be posted on LabCorp s website.

Board s Role in Risk Management

Enterprise Risk Management

The Board believes that effective enterprise risk management is an integral part of Board and Committee deliberations throughout the year. The Audit Committee annually reviews the Company s enterprise risk management process and the comprehensive assessment of key financial, operational and regulatory risks identified by management, as well as mitigating practices. The Audit Committee then discusses the processes and results with the full Board. In addition, the Board discusses risks related to the Company s strategic plan and other topics as appropriate. The Board receives regular reports directly from officers responsible for management of operations, financial reporting, legal and regulatory compliance, information technology and medical and scientific standard of care. Each Committee conducts its own risk assessment and risk management activities throughout the year, some of which are highlighted in the Board Committees and Their Functions section below, and reports its conclusions to the Board. The Board also encourages management to promote a corporate culture that integrates risk management into the Company s corporate strategy and day-to-day business operations in a way that is consistent with the Company s targeted risk profile. Through these processes, the Board oversees a system to identify, assess and address material risks to the Company on a timely basis.

Compensation Risk Assessment

The Compensation Committee regularly reviews the Company s compensation policies and procedures to ensure that those practices are consistent with emerging best practices, are aligned with the shareholders interests and support the Company s objective to attract and retain skilled and talented employees. Throughout the year, management reviews compensation policies, practices and changes in applicable regulations with the Compensation Committee, including the impact of the Company s pay practices on the Company s risk profile. The Compensation Committee also works directly with its independent compensation consultant, Frederic W. Cook & Co., Inc. (Cook & Co.), to evaluate the Company s compensation philosophy and objectives to identify potential risks in the Company s pay practices. After reviewing the Compensation Committee s findings, the Board has concluded that our compensation policies and practices are aligned with the interests of shareholders, appropriately reward pay for performance and do not create risks that are reasonably likely to have a material adverse effect on the Company.

Related Party Transactions

In accordance with the Company s Audit Committee charter, the Audit Committee is responsible for reviewing and approving the terms and conditions of all related party transactions. The Company s directors and key employees, including all members of senior management, complete annual reports disclosing, or certifying the absence of, any related party transactions. The Audit Committee reviews all potential material transactions involving related parties (as such transactions are defined by Item 404(a) of Regulation S-K as promulgated by the SEC) before allowing the Company to enter into any such transaction. The Company has not adopted a static set of criteria to be applied in evaluating a related party transaction and instead tailors the scope of its review to the particular circumstances presented by each transaction to ensure that any such transaction is thoroughly reviewed and evaluated.

Board Committees and Their Functions

The Board has four standing committees that are each composed entirely of independent directors. The Nominating and Corporate Governance Committee reviews committee and committee chair assignments annually, and recommends committee rosters to the full Board after considering factors such as the directors business and corporate governance experience, their preferences, criteria for specific committee service, the directors other responsibilities and scheduling flexibility. Assignments ensure that each committee has an appropriate mix of tenure and experience. Committee membership shown below is as of March 14, 2016:

	AUDIT COMMITTEE	COMPENSATION COMMITTEE	NOMINATING AND CORPORATE GOVERNANCE	QUALITY AND COMPLIANCE

	COMMITTEE	COMMITTEE
Kerrii B. Anderson		
Jean-Luc Bélingard		
D. Gary Gilliland		
David P. King		
Garheng Kong		
Robert E. Mittelstaedt, Jr.		
Peter M. Neupert		
Richelle P. Parham		
Adam H. Schechter		
R. Sanders Williams		

Chairperson
Member
Financial Expert

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CORPORATE GOVERNANCE

Charters for each of the committees are available in print to any shareholder upon request submitted to the Corporate Secretary and are also available under the Corporate Governance tab of the Investor Relations page of the Company s website at www.labcorp.com. Each committee reviews its respective Charter on an annual basis.

Audit Committee

Members: Ms. Anderson (Committee Chair, Financial Expert), Dr. Gilliland, Mr. Neupert, Ms. Parham and Dr. Williams.

The Audit Committee is responsible for assisting the Board with the following functions:

- the selection, appointment, compensation and oversight of the work of any independent registered public accounting firm employed by the Company;
- reviewing the qualifications and independence of the Company s independent registered public accounting firm;
- assisting the Board with oversight of the integrity of the financial statements of the Company;
- ensuring that the Company complies with legal and regulatory requirements as they impact the Company s financial statements or reporting systems;
- overseeing the Company s internal audit functions and internal controls;
- overseeing the Company s management of financial risks; and
- producing an Audit Committee report as required by the SEC to be included in the Company s annual proxy statement.

The Audit Committee constitutes a separately-designated standing audit committee established in accordance with section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act). The Board of Directors has determined that Ms. Anderson is an audit committee financial expert as defined in the SEC s rules. The Board of Directors has also determined that Ms. Anderson has the accounting or related financial management expertise required by the Listing Standards.

Compensation Committee

Members: Mr. Mittelstaedt (Committee Chair), Mr. Bélingard, Dr. Kong, and Mr. Schechter.

The Compensation Committee is responsible for assisting the Board with the following functions:

- reviewing the Company s compensation and benefit policies, procedures and objectives, including any perquisites paid to the CEO and other executive officers and directors;
- performing an annual review of and making recommendations to the full Board regarding the goals and objectives for CEO compensation, evaluating the CEO s performance in light of those goals and objectives, and reviewing the compensation paid to the CEO and other executive officers;
- reviewing and evaluating the compensation paid to the Company s directors;
- monitoring the evolving executive compensation landscape and considering shareholder feedback;
- reviewing and overseeing the Company s incentive compensation and equity plans;
- evaluating the Company s pay practices in relation to the Company s risk profile; and
- producing a Compensation Committee report as required by the SEC to be included in the Company s annual proxy statement.

The Compensation Committee has delegated to Mr. King the task of designing annual incentive plans for the other executive officers using targets established by and input provided by the Compensation Committee. For a discussion of Mr. King s role in determining executive compensation, see the Compensation Discussion and Analysis section below (page 24).

The Compensation Committee has the sole authority to retain and terminate outside compensation consultants to evaluate executive officer and director compensation. For 2015 the Compensation Committee retained Cook & Co. as its outside independent compensation consultant. Cook & Co. does no other work for the Company or its management except as directed by the Chairman of the Compensation Committee. See the Compensation Discussion and Analysis section below (page 24) for more information about Cook & Co. s role in recommending the amount or form of executive compensation.

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Nominating and Corporate Governance Committee

Members: Mr. Neupert (Committee Chair), Ms. Anderson, Dr. Kong, and Mr. Mittelstaedt

The Nominating and Corporate Governance Committee is responsible for assisting the Board with the following functions:

- identifying individuals qualified to become Board members, consistent with criteria approved by the Board;
- recommending to the Board the director nominees for the annual meeting of shareholders and the director nominees for each Board Committee;
- reviewing and reassessing, on an annual basis, the adequacy of the corporate governance principles of the Company and recommending any proposed changes to the Board for approval; and
- leading the Board in its annual self-assessment.

Quality and Compliance Committee

Members: Dr. Williams (Committee Chair), Mr. Bélingard, Dr. Gilliland, and Mr. Schechter

The Quality and Compliance Committee is responsible for assisting the Board in carrying out its oversight responsibility with respect to quality and compliance issues. This oversight responsibility includes ensuring that management adopts and implements policies and procedures that require the Company s employees to act in accordance with high ethical standards, deliver high quality services and comply with healthcare and other legal requirements. The Quality and Compliance Committee is responsible for reviewing the Company s processes intended to assure excellent performance and meet scientific, medical and regulatory quality performance benchmarks.

In furtherance of the foregoing, the Quality and Compliance Committee annually reviews the Company s programs and practices related to scientific, medical and regulatory quality and compliance including a periodic reassessment of the adequacy of:

- the Company s Annual Compliance Audit Plans for monitoring quality and compliance risk areas;
- quality and compliance policy development;

- quality and compliance reporting/tracking systems;
- investigation and remediation practices for quality and compliance issues;
- education and training of Company personnel on quality and compliance; and
- quality and compliance function responsibilities, staffing and budget.

Additionally, the Quality and Compliance Committee meets regularly, but no less than annually, with each of the Company s Chief Compliance Officer and Chief Medical Officer of LabCorp Diagnostics and, as necessary, members of corporate compliance and the heads of the Company s quality functions, regarding the implementation and effectiveness of the Company s scientific, medical and regulatory compliance program, and receives and review periodic reports regarding, among other things:

- compliance-related activities and on-going compliance training programs;
- the quality assurance activities conducted by the quality functions;
- compliance auditing;
- the results of internal quality audits;
- the results of inspections by regulatory authorities;
- any significant deviations observed by the Company s quality functions; and
- the status of any corrective and preventative action plans initiated by those functions.

Board and Committee Meetings

During 2015, the Board held six meetings and acted four times by unanimous written consent. In his capacity as the Lead Independent Director, Mr. Mittelstaedt chaired six meetings of the independent and non-employee directors on the same days as the regularly scheduled Board meetings. The Audit Committee held nine meetings, the Compensation Committee held seven meetings, the Nominating and Corporate Governance Committee held four meetings, and the Quality and Compliance Committee held three meetings. During 2015, each of the directors attended no less than 96.4 percent of the total meetings of the Board and the Committees of which he or she was a member. Members of the Board are encouraged to attend the Annual Meeting of Shareholders and all of the directors attended the 2015 Annual Meeting of Shareholders except for Ms. Parham, who did not begin serving as a director until February 2016.

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DIRECTOR COMPENSATION

The Company s director compensation is designed to attract and retain highly qualified, independent directors to represent shareholders on the Board and act in their best interest. The Compensation Committee, which consists solely of independent directors, has primary responsibility for setting our director compensation program. Cook & Co., the Committee s independent compensation consultant, assists the Compensation Committee in evaluating our director compensation program.

Elements of Non-Employee Director Compensation

Director compensation is designed to align director compensation with emerging best practices and reflect the Board s belief that director compensation should not depend upon the number of meetings held but rather on the ongoing work and role of the directors throughout the year. For 2015, elements of non-employee director compensation included the following:

Annual Retainer. An annual retainer was paid to each non-employee director in quarterly installments. The annual retainer was increased from $90,000 to $100,000 effective as of October 12, 2015.

Committee Chair Retainer. The Chair of each standing committee of the Board received an additional retainer, paid on a quarterly basis. Effective as of April 14, 2015, the retainer for the Chair of the Audit Committee was increased from $15,000 to $25,000, the retainer for the Chair of the Compensation Committee was increased from $12,500 to $20,000 and the retainers for the Chairs of the Nominating and Corporate Governance Committee and the Quality and Compliance Committee each were increased from $10,000 to $15,000.

Lead Independent Director Retainer. Effective as of October 12, 2015, the retainer for the Lead Independent Director was increased from $20,000 to $25,000, paid on a quarterly basis.

Equity Compensation. Each non-employee director who was then serving on the Board received a grant of restricted stock units having a value of approximately $150,000 on March 11, 2015, subject to the requirements of the Company s Director Stock Ownership Program (as further described below). The number of restricted stock units granted was determined by using the closing price of the Company s Common Stock on the grant date ($121.24). The restricted stock units vested fully on March 11, 2016.

Effective as of October 12, 2015, the annual grant of restricted stock units to each non-employee director was increased in value to approximately $160,000, subject to the requirements of the Company s Director Stock Ownership Program (as further described below). Because the annual equity awards for 2015 already had been granted at the time of approval of this change, it was first effective for grants made in 2016.

In addition, the Company has a policy of granting to each new director that joins the Board equity awards with a prorated amount of the value of the annual award granted to all directors with a one-year vesting period.

Reimbursement of Expenses**.** Each director is reimbursed for his or her reasonable out-of-pocket expenses incurred in connection with travel to and from, and attendance at, meetings of the Board or its Committees, as well as for related activities such as director education courses and materials consistent with our policies concerning reimbursement for travel, entertainment and other expenses.

The increases in the annual retainer and to equity compensation made in 2015 were made in consideration of LabCorp s current positioning (and in anticipation of future market changes), the fact that there had been no changes to the director compensation program since 2012 and the Company s increased size and scope of responsibilities following the Covance acquisition. In addition, all of the increases were designed to position the applicable element of compensation closer to the competitive median of the peer group used for purposes of executive compensation and the increase in Committee Chair retainers were also made to maintain parity between committees.

Director Stock Ownership Program

Maintaining a significant personal level of stock ownership ensures that each director is financially aligned with the interests of our shareholders. The Board believes that by holding an equity position in the Company, directors demonstrate their commitment to and belief in the long-term success of the Company. The Company s Director Stock Ownership Program requires that each director must acquire and maintain a level of ownership of Company common stock. In October 2015, the Board increased the required level of ownership from a number of shares having a value of $300,000 to a number of shares having a value of $500,000. For purposes of determining whether the stock ownership requirement is satisfied, a calculation is performed for each director annually as of the business day closest to June 30 of each year (the Measurement Date), utilizing the average closing price of the Company s common stock for the 90 day period ending on the Measurement Date. For new participants, the stock ownership requirement is initially determined as of the date that the director becomes a participant, utilizing the average closing price of the Company stock for the 90 day period ending on that date.

Until the ownership requirement is met, a director is required to hold 50 percent of any shares of common stock acquired upon the lapse of restrictions on any stock grant and upon the exercise of stock options, net of any shares utilized to pay for the exercise price of the option and any tax withholding, if applicable. If a director fails to meet or show progress towards satisfying these requirements, the Compensation Committee may reduce future equity grants or other incentive compensation to that director. Each director is required to maintain the required level of stock ownership for his or her entire tenure of service on the Board. Each member of our Board is currently in compliance with the director stock ownership program, either through meeting the ownership requirement, or by satisfying the holding requirement.

Summary of 2015 Compensation to Non-Employee Directors

The compensation paid by the Company to the non-employee directors for 2015 is set forth in the table below. Information on compensation for Mr. King is set forth in the Executive Compensation section below (page 42).

NAME	FEES EARNED OR PAID IN CASH ($)(1)	RESTRICTED STOCK UNIT AWARDS ($)(2)	TOTAL ($)
Kerrii B. Anderson	$115,000	$150,000	$265,000
Jean-Luc Bélingard	$92,500	$150,000	$242,500
D. Gary Gilliland	$92,500	$150,000	$242,500
Garheng Kong	$92,500	$150,000	$242,500
Robert E. Mittelstaedt, Jr.	$131,875	$150,000	$281,875
Peter M. Neupert	$106,250	$150,000	$256,250
Adam H. Schechter	$92,500	$150,000	$242,500
R. Sanders Williams	$106,250	$150,000	$256,250

(1) Includes annual retainer payments of $92,500 for each director. Also includes Committee Chair retainer payments of $22,500 to Ms. Anderson, $18,125 to Mr. Mittelstaedt, $13,750 to Mr. Neupert and $13,750 to Dr. Williams. Mr. Mittelstaedt also received $21,250 for serving as Lead Independent Director.

(2) Amounts represent the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB ASC Topic 718) for restricted stock units awarded to each director in 2015. For a discussion of the assumptions made in these valuations, see Note 14 to the Company s audited financial statements included within its Annual Report on Form 10-K for the year ended December 31, 2015. The aggregate number of restricted stock units held by each director as of December 31,

2015 was 1,237. There were no unvested non-qualified stock options as of December 31, 2015.

The aggregate number of vested and exercisable stock options held by each director as of December 31, 2015 was as follows: Ms. Anderson 15,692; Mr. Bélingard 16,988; Dr. Gilliland 0; Dr. Kong 0; Mr. Mittelstaedt 15,692; Mr. Neupert 0; Mr. Schechter 0; and Dr. Williams 5,700. No stock options were granted to the directors beginning in 2013.

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DIRECTOR COMPENSATION

PROPOSAL ONE Election of Directors

The Nominating and Corporate Governance Committee and the full Board have nominated each of David P. King, Kerrii B. Anderson, Jean-Luc Bélingard, D. Gary Gilliland, Garheng Kong, Robert E. Mittelstaedt, Jr., Peter M. Neupert, Richelle P. Parham, Adam H. Schechter and R. Sanders Williams for election at the Annual Meeting to hold office until the next annual meeting of shareholders or until his or her earlier resignation or removal. All nominees have consented to serve, and the Board does not know of any reason why any nominee would be unable to serve. If a nominee becomes unavailable or unable to serve before the Annual Meeting, the Board can either reduce its size or designate a substitute nominee. If the Board designates a substitute, your proxy will be voted for the substitute nominee.

Information about each nominee is included below, including details about the nominee s qualifications, skills and experiences that supported the determination by the Nominating and Corporate Governance Committee and the Board that the person should serve as a director of LabCorp.

Nominees to the Board of Directors

	DAVID P. KING
Age: 59 Chairman and Chief Executive Officer Director since May 2007	Mr. King has served as Chairman of the Board, President, and Chief Executive Officer of the Company since May 6, 2009; prior to that date he served as a director, President and Chief Executive Officer of the Company since January 1, 2007. Mr. King served as Executive Vice President and Chief Operating Officer from December 2005 to January 2007, as Executive Vice President of Strategic Planning and Corporate Development from January 2004 to December 2005 and was hired in September 2001 as Senior Vice President, General Counsel and Chief Compliance Officer. Prior to joining the Company, he was a partner with Hogan & Hartson LLP (now Hogan Lovells US LLP) in Baltimore, Maryland from 1992 to 2001. Mr. King was appointed to the board of directors of Cardinal Health, Inc. in 2011 and chairs its Human Resources and Compensation Committee. He also sits on the boards of directors of the Seattle Science Foundation, PATH, Inc., and the American Clinical Laboratory Association. He is also on the board of trustees of Elon University and Durham Academy. Mr. King has over 10 years experience with the Company in a variety of roles of increasing responsibility in corporate operations, strategic planning, and corporate administration. Mr. King has a deep understanding of the clinical laboratory industry, business strategy, sales and marketing and executive management of the Company and its operations.

KERRII B. ANDERSON

Age: 58 Independent Director Director since May 2006	Ms. Anderson has served as a director of the Company since May 17, 2006. Ms. Anderson was Chief Executive Officer of Wendy s International, Inc., a restaurant operating and franchising company, from April 2006 until September 2008, when the company was merged with Triarc. Ms. Anderson served as Executive Vice President and Chief Financial Officer of Wendy s International from 2000 to 2006. Prior to this position, she was Chief Financial Officer, Senior Vice President of M/I Schottenstein Homes, Inc. from 1987 to 2000. Ms. Anderson served as the Chairwoman of the Board of Chiquita Brands International Inc. from October 2012 until the Company was sold on January 6, 2015, and was the Chairwoman of the Nominating and Corporate Governance Committee and a Member of the Audit Committee. She is also a director and a member of the Compensation Committee and Audit Committee of Worthington Industries, Inc. Ms. Anderson serves on the financial committee of Columbus Foundation, on the Board of Trustees of Ohio Health and on the Board of Trustees for Elon University, and she chairs the Audit Committee for Elon. She also was a director of PF Chang s China Bistro, Inc. from 2010 until June 2012 and Wendy s International from 2006 until September 30, 2008. She has a strong record of leadership in operations and strategy. Ms. Anderson is also an audit committee financial expert as a result of her experience as CEO and CFO of Wendy s International, Inc. Through her service on other public company boards, Ms. Anderson brings extensive financial, corporate governance and executive compensation experience to the Company s Board.

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JEAN-LUC BÉLINGARD

Age: 67

Independent Director

Director since April 1995

Mr. Bélingard has served as a director of the Company since April 28, 1995. Since 2011, Mr. Bélingard has been Chairman of bioMérieux, the worldwide leader of the IVD microbiology segment. Mr. Bélingard also served as Chief Executive Officer of bioMérieux from July 2011 to April 2014. Mr. Bélingard retired as Chairman and Chief Executive Officer of Ipsen SA, a diversified French healthcare holding company, on November 22, 2010. He had served in that position since 2001. Prior to this position, Mr. Bélingard was Chief Executive Officer from 1999 to 2001 of bioMérieux-Pierre Fabre, a diversified French healthcare holding company, where his responsibilities included the management of that company s worldwide pharmaceutical and cosmetic business. Mr. Bélingard is also a director of Stallergenes (France) and of Lupin Limited since October 27, 2015. Mr. Bélingard was also a director of Celera Corporation, a former division of Applera Corporation, from May 2008 to May 2010. Mr. Bélingard served as a director and member of the Audit Committee of Nicox (France) from December 2002 to August 2010. Mr. Bélingard was a director of Applera Corporation, Norwalk, Connecticut from 1993 to June 2008. From 1990 to 1999, Mr. Bélingard was CEO of Roche Diagnostics and a member of the Hoffman La Roche group Executive Committee. Mr. Belingard s long tenure at Roche, Ipsen and BioMérieux demonstrates his valuable business, leadership and management experience, including leading a large organization with global operations. He brings a strong strategic and operational background to the Company s Board. He also brings an important international perspective to the Board s deliberations. Mr. Bélingard has extensive corporate governance experience through his service on other public company boards.

D. GARY GILLILAND, M.D., PH.D.

Age: 61

Independent Director

Director since April 2014

Dr. Gilliland has served as a director of the Company since April 1, 2014. Since January 2, 2015, Dr. Gilliland has served as President and Director of the NCI designated Fred Hutchinson Cancer Research Center in Seattle, WA. Prior to that, he was the inaugural Vice Dean and Vice President for Precision Medicine at the University of Pennsylvania Perelman School of Medicine from October 2013 to January 2015, where he was responsible for synthesizing research and clinical-care initiatives across all medical disciplines including cancer, heart and vascular medicine, neurosciences, genetics and pathology, in order to create a national model for the delivery of precise, personalized medicine. From 2009 until he joined Penn Medicine in 2013, Dr. Gilliland was Senior Vice President of Merck Research Laboratories and Oncology Franchise Head. At Merck, Dr. Gilliland oversaw first-in-human studies, proof-of-concept trials, and Phase II/III registration trials that included the development of pembrolizumab (anti-PD1) for treatment of cancer, and managed all preclinical and clinical oncology-licensing activities. Prior to joining Merck, Dr. Gilliland was a member of the faculty at Harvard Medical School for nearly 20 years, where he served as Professor of Medicine and a Professor of Stem Cell and Regenerative Biology. He was also an Investigator of the Howard Hughes Medical Institute from 1996 to 2009, Director of the Leukemia Program at the Dana-Farber/Harvard Cancer Center from 2002 to 2009, and

Director of the Cancer Stem Cell Program of the Harvard Stem Cell Institute from 2004 to 2009. Dr. Gilliland has a Ph.D. in Microbiology from UCLA and an M.D. from UCSF. He is board-certified in Internal Medicine and had his Fellowship training in Hematology and Oncology, all at Harvard Medical School. Dr. Gilliland s expertise in cancer genetics and his experience working within medical communities ranging from academia to the pharmaceutical industry position him to provide a practical and balanced perspective to the Board.

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DIRECTOR COMPENSATION

GARHENG KONG, M.D., PH.D.

Age: 40

Independent Director

Director since December 2013

Dr. Kong has served as a director of the Company since December 1, 2013. Dr. Kong is the Managing Partner of Sofinnova HealthQuest Capital, a healthcare-focused investment firm, and was previously a general partner at Sofinnova Ventures, a position he held from 2010 to 2013. Before joining Sofinnova, Dr. Kong was a general partner from 2000 to 2010 at Intersouth Partners, a venture capital firm where he was a founding investor or board member for various life science ventures, several of which were acquired by large pharmaceutical companies. Prior to his investing career, Dr. Kong was employed by GlaxoSmithKline, McKinsey & Company, and TherOx. Dr. Kong has served on the board of directors of Histogenics Corporation, a public biotechnology company where he also serves as the Chairman of the board, since 2012. Since November 2008, Dr. Kong has been the Chairman of the board of Cempra Pharmaceuticals, where he has been a board member since September 2006. Dr. Kong has been on the board of Alimera Sciences since October 2012 and sits on the Duke University Medical Center Board of Visitors. Dr. Kong holds an M.D., Ph.D. in Biomedical Engineering and an M.B.A. from Duke University. Dr. Kong brings to the Board knowledge and experience in both the healthcare and finance fields based on his medical background and his work in life science-related venture capital.

ROBERT E. MITTELSTAEDT, JR.

Age: 72

Lead Independent Director

Director since November 1996

Mr. Mittelstaedt has served as a director of the Company since November 1996. Mr. Mittelstaedt is Dean Emeritus of the W. P. Carey School of Business at Arizona State University where he served as Dean and Professor of Management from 2004 to 2013. Prior to June 30, 2004, he was Vice Dean, Executive Education of The Wharton School, University of Pennsylvania. Mr. Mittelstaedt had served with The Wharton School since 1973, with the exception of the period from 1985 to 1989 when he founded, served as Chief Executive Officer, and subsequently sold Intellego, Inc., a company engaged in practice management, systems development, and service bureau billing operations in the medical industry. Mr. Mittelstaedt serves as a director and Compensation Committee chair of W. P. Carey, Inc. and also serves as a director and chair of the Nominating & Corporate Governance Committee of Innovative Solutions & Support, Inc. Mr. Mittelstaedt brings to the Board experience as a recognized expert in business strategy, corporate governance and executive compensation issues. Mr. Mittelstaedt serves as the Board s Lead Independent Director and brings a deep understanding of the role of the Board and its oversight of corporate governance and business strategy.

PETER M. NEUPERT

Age: 59 Independent Director Director since January 2013	Mr. Neupert has served as a director of the Company since January 2013. Mr. Neupert was an Operating Partner at Health Evolution Partners, a health only, middle market private equity firm, from January 2012 until June 2015. Prior to that, Mr. Neupert served as Corporate Vice President of the Microsoft Health Solutions Group from its formation in 2005 to January 2012. Mr. Neupert served on the President s Information Technology Advisory Committee (PITAC), co-chairing the Health Information Technology subcommittee and helping to drive the Revolutionizing Health Care Through Information Technology report, published in June 2004. Mr. Neupert served as the founding President and Chief Executive Officer of drugstore.com from 1998 to 2001 and as Chairman of the Board of Directors through September 2004. Mr. Neupert is also a director of Clinithink Ltd, Freedom Innovations LLC, Adaptive Biotechnologies, Inc. and higi LLC. He served on the board of directors of QSI from August 2013 to January 2014. He serves as a trustee for the Fred Hutchinson Cancer Research Center and was an active member of the Institute of Medicine s Roundtable on Value & Science-Driven Healthcare from 2007 to 2011. Mr. Neupert brings to the Board experience as a recognized expert in health information technology and perspective on how to grow shareholder value leveraging business strategies with technology. His prior experience as a public company CEO and board member of both private and public companies brings practical insight to the Board with respect to business strategy, corporate governance and emerging trends in healthcare. Mr. Neupert s previous business experience also enables him to provide the Board with an understanding of businesses and services adjacent to the diagnostic testing industry.

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DIRECTOR COMPENSATION

RICHELLE P. PARHAM

Age: 48

Independent Director

Director since February 2016

Ms. Parham has served as a director of the Company since February 8, 2016. Ms. Parham has been a member of the Board of Directors of Scripps Network Interactive Inc (NYSE: SNI) since May 2012, and a member of the Drexel University Board of Trustees since May 2014. Ms. Parham has more than 20 years of business and marketing experience at such companies as eBay, Visa Inc., Digitas, Inc. (now DigitasLBi), leading end-to-end marketing efforts including brand, performance and loyalty marketing. Ms. Parham served as Chief Marketing Officer of eBay from November 2010 to March 2015. She was Head of Global Marketing Innovation and Head of Global Marketing Services at Visa from 2008 to 2010. Ms. Parham was Senior Vice President of Strategy and Enablement from 2007 to 2008 at Rapp Collins. And, Ms. Parham served in a series of senior roles at Digitas from 1994 to 2007, with her last role as Senior Vice President General Manager of the Digitas Chicago office. Ms. Parham was named to the Forbes 2014 50 Most Influential CMOs in the World and Fast Company s Most Creative People in Business 1000. She holds double Bachelor of Science degrees in Business Administration and Design Arts from Drexel University. Ms. Parham s experience leading global branding and marketing, as well as her expertise in understanding consumers and the consumer decision journey are added perspectives for the Board given the increasing importance of the consumer and healthcare decision making.

ADAM H. SCHECHTER

Age: 51

Independent Director

Director since April 2013

Mr. Schechter has served as a director of the Company since April 1, 2013. Mr. Schechter is an Executive Vice President of Merck & Co., Inc. and has been since 2010 President of Merck s Global Human Health Division, which includes the company s worldwide pharmaceutical and vaccine businesses. He is a member of Merck s executive committee and pharmaceutical and vaccines operating committee. Prior to becoming President, Global Human Health, Mr. Schechter served as President, Global Pharmaceutical Business from 2007 to 2010. Mr. Schechter s extensive experience at Merck includes global and U.S.-focused leadership roles spanning sales, marketing, and managed markets, as well as business and product development. Mr. Schechter serves on the board of directors for the European Federation of Pharmaceutical Industries and Associations. He is a Board Member for Water.org and an Executive Board Member for the National Alliance for Hispanic Health. Mr. Schechter brings to the Board global business acumen and general management experience, as well as demonstrated success in leading large, innovation-focused organizations. Mr. Schechter s deep knowledge of the pharmaceutical and healthcare industries and extensive experience collaborating with many of its key stakeholders to achieve patient-focused outcomes brings practical insight to the Board with respect to business strategies to service the changing healthcare environment.

R. SANDERS WILLIAMS, M.D.

Age: 66 Independent Director Director since May 2007	Dr. Williams has served as a director of the Company since May 16, 2007. Dr. Williams is President of The J. David Gladstone Institutes and Professor of Medicine at the University of California San Francisco. Prior to this appointment, Dr. Williams served Duke University between 2001 and 2010 as Dean of the School of Medicine, Senior Vice Chancellor, Senior Advisor for International Strategy, and founding Dean of the Duke-NUS Graduate Medical School Singapore. He has served previously as President of the Association of University Cardiologists, Chairman of the Research Committee of the American Heart Association, on the editorial boards of leading biomedical journals, on the Advisory Committee to the Director of the National Institutes of Health and on the Board of External Advisors of the National Heart, Lung and Blood Institute. Dr. Williams was a director of Bristol-Meyers Squibb Company from 2006 until May 2013 and has been a director of Amgen since October 2014. Dr. Williams is a member of the National Academy of Medicine, and a Fellow of the American Association for the Advancement of Science. His experience as a physician, biomedical scientist, and executive leader brings important perspective to his service to the Company as a director.

The Board unanimously recommends that shareholders vote FOR the election of the nominees listed above.

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EXECUTIVE OFFICERS

Information regarding each of LabCorp s executive officers and their relevant business experience is summarized below.

David P. King

President and Chief Executive Officer

See Proposal One: Election of Directors (page 18) for information about Mr. King.

Lance V. Berberian

Senior Vice President and Chief Information Officer

Mr. Berberian (53) has served as Senior Vice President, Chief Information Officer since February 2014. Prior to that, he served as Chief Information Officer at IDEXX Laboratories, a global leader in diagnostics and IT solutions for animal health and food and water quality, from May 2007 to January 2014. Mr. Berberian served as Chief Information Officer and President of Kellstrom Aerospace Defense, a fully integrated supply chain firm, from January 2000 to April 2007. He also served as Chief Information Officer of Interim Healthcare from September 1997 to January 2000.

James T. Boyle, Jr.

Executive Vice President and Chief Executive Officer, LabCorp Diagnostics

Mr. Boyle (59) has served as Executive Vice President and Chief Executive Officer of LabCorp Diagnostics since February 19, 2015. Prior to that, he served as Executive Vice President, Chief Operating Officer since October 2009. Prior to October 2009, Mr. Boyle was Senior Vice President, Managed Care since May 2006. In December of 2008, Mr. Boyle also assumed operating responsibility for the Company s Occupational Testing/Employer Group Services in his then current role of Senior Vice President of Managed Care/OTS. Mr. Boyle previously held the position of Vice President of Managed Care from August 2004 to May 2006. Prior to that Mr. Boyle was the Director of Litigation and Assistant General Counsel from 1999 to 2004. Prior to joining the Company in 1999, Mr. Boyle was engaged in the private practice of law for more than 15 years, specializing in litigation. He currently serves as a member of the Seton Hall University Board of Regents. On December 18, 2015, Mr. Boyle announced his intention to retire no later than July 1, 2016.

Edward T. Dodson

Senior Vice President and Chief Accounting Officer

Mr. Dodson (62) has served as Senior Vice President, Chief Accounting Officer since June 2005. He also has served as the Principal Accounting Officer since December 2014. Mr. Dodson, who has been a Certified Public Accountant for 32 years, joined the Company in August 1997 as Vice President and Corporate Controller and became Senior Vice President in June 2001. Prior to joining the Company in 1997, Mr. Dodson was a senior manager in the audit and consulting practice of KPMG LLP, where he worked for 17 years in that firm s Greensboro, North Carolina and Brussels, Belgium offices.

F. Samuel Eberts III

Senior Vice President, Chief Legal Officer and Secretary

Mr. Eberts (56) has served as Senior Vice President, Chief Legal Officer, Secretary and Chief Compliance Officer since January 1, 2009. Prior to that time he served as Senior Vice President, General Counsel since August 2004. Prior to joining the Company, he was Vice President, Secretary, and General Counsel of Stepan Company. Before joining Stepan Company, he was Assistant General Counsel for Cardinal Health, Inc. from 1998 to 2001 and Associate General Counsel for Allegiance Healthcare Corporation (Allegiance Healthcare Corporation was purchased by Cardinal Health in 1998). Prior to that time, he was Chief Counsel of the Biotech North America division of Baxter International Inc.

Glenn A. Eisenberg

Executive Vice President and Chief Financial Officer

Mr. Eisenberg (54) has served as Executive Vice President, Chief Financial Officer since June 2014. Mr. Eisenberg received his Bachelors of Arts degree from Tulane University in 1982 and his Master of Business Administration from Georgia State University in 1988. From 2002 until he joined the Company, he served as the Executive Vice President, Finance and Administration and Chief Financial Officer at The Timken Company, a $4.3 billion leading global manufacturer of highly engineered bearings and alloy steels and related products and services. Previously, he served as President and Chief Operating Officer of United Dominion Industries, now a subsidiary of SPX Corporation after working in several roles in finance, including Executive Vice President and Chief Financial Officer of United Dominion. Mr. Eisenberg served on the board of directors of Family Dollar Stores Inc. until July 2015, where he chaired the Audit Committee, and on the board of directors of Alpha Natural Resources Inc. until May 2015, where he was the lead independent director and chair of the Nominating and Corporate Governance Committee.

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EXECUTIVE OFFICERS

Deborah L. Keller

Chief Executive Officer, Covance Drug Development

Ms. Keller (53) has served as the Chief Executive Officer of Covance Drug Development since August 2015. Prior to that, Ms. Keller had served as the Executive Vice President, Covance and Group President, R&D Laboratories since November 2010, which includes Central Laboratory Services, Nonclinical Safety Assessment, Analytical Services, and Discovery and Translational Services. Ms. Keller holds a Bachelor of Science in chemistry and Bachelor of Business Administration in management & accounting from Nazareth College and a Masters in Business Administration from the University of Wisconsin-Madison. She is a board member for BioCrossroads, an organization that promotes Indiana s life science industry, and serves on the advisory board of the Indiana University Kelley School of Business Life Sciences Program. A member of the American Association of Pharmaceutical Society and the Society of Toxicology, Ms. Keller was named one of FierceBiotech s 10 Top Women in Biotech 2012.

Lisa J. Uthgenannt

Chief Human Resources Officer

Lisa J. Uthgenannt (55) has served as Chief Human Resources Officer since March 2015. Prior to that she served as Senior Vice President Human Resources for Covance since she joined Covance in November 2010. Prior to joining Covance, Ms. Uthgenannt held numerous leadership positions at Johnson & Johnson, in both medical devices and pharmaceutical businesses since 2000.

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COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes the Company s executive compensation program and decisions for 2015. This section details the compensation framework applied by the Compensation Committee and, in particular, our compensation philosophy, elements of executive pay, compensation decisions and the link between executive pay and performance. The named executive officers of the Company (named executive officers) for 2015 are:

David P. King, Chief Executive Officer

Lance V. Berberian, Senior Vice President, Chief Information Officer

James T. Boyle, Jr., Executive Vice President, Chief Executive Officer of LabCorp Diagnostics (formerly Chief Operating Officer, prior to the Covance acquisition)
F. Samuel Eberts III, Senior Vice President, Chief Legal Officer and Corporate Secretary

Glenn A. Eisenberg, Executive Vice President, Chief Financial Officer

Joseph Herring, Former Executive Vice President, Chief Executive Officer of Covance Drug Development, who served through July 2015

Executive Summary

Company Performance Highlights

The Compensation Committee considers the Company s financial and business performance in making compensation decisions and believes that realized compensation should be tied to the performance of the Company and shareholder returns. LabCorp delivered strong performance in 2015 and acquired Covance Inc. (Covance) on February 19, 2015. Our management team continues to drive disciplined execution of our strategic vision to improve health and improve lives by delivering world class diagnostics, bringing innovative medicines to patients faster and changing the way care is provided.

2015 Performance Highlights

While the healthcare landscape continued to undergo fundamental transformation, the Company achieved strong operational and financial performance across a broad range of measures.

Top Line Growth. Net revenues for 2015 increased 41.5% in comparison to 2014. The increase was the result of the acquisition of Covance, driving 36.7% year over year net revenue growth. The remainder of the increase of 4.8% was due to strong organic volume growth, tuck-in acquisitions, price, and mix, partially offset by currency. Organic revenue growth in 2015, excluding currency, was 4.6%.

Earnings. Adjusted Earnings Per Share (excluding amortization, restructuring and special items) were $7.91 in 2015, an increase of 16.3% compared to $6.80 in 2014. (Adjusted Earnings Per Share Excluding Amortization Restructuring and Special Items) is a non-GAAP measure calculated by excluding the effects of the impact of restructuring and other special charges ($2.44 per share) and amortization expense ($1.13 per share) from the GAAP diluted earnings per share of $4.34.)

Cash Flow Generation. Operating cash flow for 2015 was $982.4 million, compared to $739.0 million in 2014, driven by the Covance acquisition and improved earnings. Capital expenditures totaled $255.8 million, compared to $203.5 million in 2014, due to the Covance acquisition. As a result, free cash flow (operating cash flow less capital expenditures) was $726.6 million, compared to $535.5 million last year. Free cash flow in 2015 was negatively impacted by approximately $110 million in net non-recurring items relating to the Covance acquisition.

Revenue and Adjusted EPS Excluding Amortization: 2005 2015

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(1) The full year consolidated results of the Company include Covance as of February 19, 2015; prior to February 19, 2015, these consolidated results exclude Covance.

(2) 2008 revenue includes a $7.5 million adjustment relating to certain historic overpayments made by Medicare for claims submitted by a subsidiary of the Company.

(3) Excluding the $0.09 per diluted share impact of restructuring and other special charges and the $0.21 per diluted share impact from amortization in 2005; excluding the $0.06 per diluted share impact of restructuring and other special charges and the $0.23 per diluted share impact from amortization in 2006; excluding the $0.25 per diluted share impact of restructuring and other special charges and the $0.27 per diluted share impact from amortization in 2007; excluding the $0.44 per diluted share impact of restructuring and other special charges and the $0.31 per diluted share impact from amortization in 2008; excluding the ($0.09) per diluted share impact of restructuring and other special charges and the $0.35 per diluted share impact from amortization in 2009; excluding the $0.26 per diluted share impact of restructuring and other special charges and the $0.43 per diluted share impact from amortization in 2010; excluding the $0.72 per diluted share impact of restructuring and other special charges, the $0.03 per diluted share impact from a loss on the divestiture of assets and the $0.51 per diluted share impact from amortization in 2011; excluding the $0.29 per diluted share impact of restructuring and other special charges and the $0.54 per diluted share impact from amortization in 2012; excluding the $0.15 per diluted share impact of restructuring and other special charges and the $0.55 per diluted share impact from amortization in 2013; excluding the $0.34 per diluted share impact of restructuring and other special charges and the $0.55 per diluted share impact from amortization in 2014; and excluding the $2.44 per diluted share impact of restructuring and other special charges and the $1.13 per diluted share impact from amortization in 2015.

(4) EPS, as presented represents adjusted, non-GAAP financial measures. Diluted EPS, as reported in the Company s 2015 Annual Report were: $2.71 in 2005; $3.24 in 2006; $3.93 in 2007; $4.16 in 2008; $4.98 in 2009; $5.29 in 2010; $5.11 in 2011; $5.99 in 2012; $6.25 in 2013; $5.91 in 2014; and $4.34 in 2015.

Acquisition of Covance

On February 19, 2015, the Company completed its acquisition of Covance, a leading drug development services company and a leader in nutritional analysis with clinical trial activity in more than 100 countries that offers a wide range of early-stage and late-stage product development services to the pharmaceutical and biotechnology industries. The combination has strengthened the Company s leadership in medical testing and significantly enhanced its offerings to the drug development industry. The transaction was the culmination of years of careful strategic evaluation regarding how to best position LabCorp to achieve future profitable growth. The acquisition of Covance enables the Company to broaden its role in the life sciences industry, deliver enhanced services to the pharmaceutical industry, and further its core mission of improving health and improving lives. The acquisition contributed $2,209.7 million to the Company s total net revenue from the acquisition date driving 36.7% year over year net growth. The Company expects the inclusion of Covance for a full twelve months in 2016 will provide an approximate 4.0% increase in revenue based upon Covance s pre-acquisition 2015 net revenues.

The Company now operates in two business segments: LabCorp Diagnostics and Covance Drug Development. These segments are closely aligned and share the Company s strategic vision to improve health and improve lives by delivering world class diagnostic solutions, bringing innovative medicines to patients faster and developing technology-enabled solutions to change the way care is provided.

Shareholder Engagement and Evolution of Compensation Plan

Last year, our annual advisory vote on executive compensation received support from approximately 97% of the shares voted. We are committed to designing a compensation program that incentivizes our leaders and aligns with our strategy, the key value drivers of our business and the expectations of our shareholders. Since 2011, our compensation program has changed considerably, including several key structural changes:

- We have increased the performance-based shares in the long-term incentive program from 40% in 2011 to 70% in 2015;
- We have eliminated the use of stock options;
- We have incorporated a relative total shareholder return (TSR) metric into our long-term incentive program; and
- We have amended the performance metrics in our annual and long-term incentive programs to create stronger alignment with our strategic priorities.

To ensure shareholder input is reflected in our programs, we maintain ongoing engagement with our shareholders for the specific purpose of seeking their views and feedback on our compensation and corporate governance programs. Since our last annual meeting, we have engaged with holders representing more than 75% of our shares outstanding. Key areas of discussion with shareholders in 2015 included a review of 2015 performance, the acquisition of Covance, corporate governance philosophy and practices and executive compensation.

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COMPENSATION DISCUSSION AND ANALYSIS

Feedback from our shareholders on compensation is shared with our Compensation Committee and discussed as part of the Committee s annual review of our compensation program. Specific feedback we have received from investors over the past three years has been reflected in the evolution of the executive compensation program and compensation best practices:

COMPENSATION ELEMENT	INVESTOR FEEDBACK	LABCORP RESPONSE					
LONG-TERM INCENTIVE STRUCTURE EQUITY MIX			**2011**	**2012**	**2013**	**2014**	**2015**
Performance Shares	More long-term awards should be delivered as performance shares	Shift in equity mix	40%	40%	70%	70%	70%
Stock Options	Reduce the use of stock options in exchange for more performance shares	Shift in equity mix	40%	35%	0%	0%	0%
Restricted Stock	Shift reflects a balance between time and performance based equity	Shift in equity mix	20%	25%	30%	30%	30%
			2011(1)	**2012(1)**	**2013(1)**	**2014(2)**	**2015(2)**

LONG-TERM INCENTIVE STRUCTURE EQUITY MIX

TSR Measure	Closer tie between direct shareholder returns and our incentive plans	Shift in Metric weighting	0%	20%	35%	+/-25%	+/-25%

(1) Measured as the Company s TSR relative to the TSR of those companies listed in the S&P 500 Health Care Index.

(2) Measured as the Company s TSR relative to the TSR of those companies listed in the Company s Peer Group.

Our long-term incentives will continue to represent the overwhelming majority of our executives compensation mix to maintain emphasis on long-term alignment with the interests of our shareholders. The long-term incentive mix will also continue to be 70% performance-based awards and 30% restricted stock units.

For 2015, the Committee increased Mr. King s base pay by 3.6 percent and the base salaries of the other named executive officers (other than Mr. Herring) by 2.0 percent, and maintained a target pay mix for long-term incentives consisting of 70 percent of performance shares and 30 percent of restricted stock units. The Committee concluded that this was consistent with its commitment to responding to shareholder feedback, structuring pay for performance and incenting executives to achieve superior financial results and create shareholder value.

Compensation Program Overview and Alignment with Performance

LabCorp s executive compensation program is designed to attract, motivate and retain executives in a highly competitive environment. Our executive compensation philosophy is to pay for performance by rewarding the achievement of specific short-term and long-term operational and strategic goals. We believe our executive compensation program avoids unnecessary risk-taking and aligns the interests of our shareholders with the performance of our executives. This program reflects our strong commitment to a results-driven compensation program.

In support of the Compensation Committee s overarching pay for performance compensation philosophy, our executives compensation structure is:

Highly performance-based variable compensation. Performance-based compensation comprises a significant part of total compensation, with the combined percentage of variable and at-risk compensation highest for our CEO;

Long-term performance oriented. Equity-based compensation comprises the largest part of total compensation and vests over a multi-year period to
align the long-term interests of executive officers and shareholders;

Sensitive to performance variability. The size and the realizable values of incentive awards provided to executive officers should vary significantly with performance achievements;

Benchmarked to peers. Compensation opportunities for executive officers are evaluated against those offered by companies that are in similar industries and are similar in size and scope of operations; and

Designed to recognize varying levels of responsibility. Differences in executive compensation within the Company reflect varying levels of responsibility and/or performance.

The Committee has structured our executive compensation program to align compensation with performance using three key elements of compensation: (i) annual salary; (ii) annual cash incentive pay; and (iii) long-term incentive awards. While the Committee sets total target compensation for these three elements to be competitive in relation to the median peer compensation as reflected in data provided by Cook & Co., its

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independent consultant, the Committee places greater emphasis on the variable or at-risk portion of compensation. In 2015, the Committee worked with Cook & Co. and management to align Covance s compensation practices with the Company s strong compensation practices.

Approximately 52 percent of our CEO s target compensation is based on long-term performance and is delivered in equity. We believe the significant portion of total compensation, delivered in equity, tightly aligns

Mr. King s performance with the Company s objectives and our shareholder s expectations. Over 68 percent of our CEO s compensation is at-risk and performance-based. Throughout our engagement with shareholders, this approach has been consistently endorsed. The charts below show the mix of pay elements included in total compensation opportunities for 2015 for our Chief Executive Officer and an average for our other named executive officers, with the exception of Mr. Herring, who joined the Company in February 2015 and remained with the Company through July 2015:

The Company seeks to achieve outstanding performance for our shareholders through a focus on increased revenue, adjusted EPS, EBITDA, and relative total shareholder return (compared against our peer group). Our compensation program rewards our executives for achieving goals set for these financial measures, as well as provides them a direct incentive to both preserve shareholder value and increase the Company s stock price. A substantial majority of the executives 2015 compensation opportunity was in the form of variable and performance-based awards, including performance-based cash compensation under our annual incentive cash plan (MIB Plan), restricted stock units and performance shares, all of which provide our executives a strong incentive to drive Company performance and increase shareholder value. Incentive compensation is guided by the following principles:

- the MIB Plan only provides payments if performance goals are met or exceeded;
- payments under the MIB Plan, if any, are based on a mix of Company goals common to all executives and strategic and individual goals for each executive in line with the executive s major responsibilities, so that incentive cash payments relate to both Company performance as well as individual performance, and performance goals are tied to specific financial and operational priorities of the Company each year;
- by granting performance shares on overlapping cycles, the Company is able to make adjustments to new cycles of multi-year performance goals each year, as appropriate; and
- a significant portion of long-term incentives (70 percent) are earned only if three-year objective performance goals are met.

The Committee believes this program reflects our strong commitment to a results-driven compensation program. And, the amounts earned in 2015 by our named executive officers reflect this approach. For example, most of the Company s financial goals under the MIB Plan were achieved near or slightly above target. As a result of the level of performance on those goals and after taking into account individual goals, and our strong performance, each named executive officer received MIB Plan payouts slightly above target, at 106.2 percent of the target, with the exception of Mr. Boyle, whose payout was at 114.4%. Our commitment to paying for performance is demonstrated below. In 2012 and 2013, when our financial results and stock price performance did not meet our expectations, MIB payouts equaled 70% and 52% of target, respectively. The chart below shows the total payout of the annual non-equity incentive compensation for Mr. King year over year from 2012 to 2015.

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COMPENSATION DISCUSSION AND ANALYSIS

Strong Compensation Practices

Consistent with the Company s focus on enhancing the alignment of the interests of our executive officers and those of our shareholders, the Company s executive compensation program has the following features:

- all executives must meet significant stock ownership requirements that increase with their level of responsibility within the Company; in 2015 the stock ownership requirements for the Chief Executive Officer and Executive Vice Presidents were six times base salary and three times base salary, respectively;

- we prohibit pledging and hedging with respect to Company stock, including the use of short sales, puts, calls and similar instruments designed to offset the risk of a decline in the value of the Company s stock;

- we do not provide any tax gross-ups to executives, including on any severance/change in control payments;

- there is a cap on the annual incentive cash payment opportunity even for extraordinary performance so that executives are not provided incentives to take inappropriate risks;

- there are no employment agreements other than an employment letter agreement with the CEO of Covance Drug Development and, in 2015, an employment agreement with the former CEO of Covance Drug Development;

- the Master Senior Executive Severance Plan, which provides financial protection for our executives in circumstances involving a change in control, is a double trigger plan, requiring termination following a change in control for severance payouts;

- clawback provisions under the 2012 Omnibus Incentive Plan and, if approved, the 2016 Omnibus Incentive Plan that require repayment of awards in the event of an accounting restatement involving certain forms of misconduct;

- double trigger provisions under the 2012 Omnibus Incentive Plan and, if approved, the 2016 Omnibus Incentive Plan, under which awards assumed or substituted in connection with a change in control will only result in accelerated vesting in the event of a qualifying termination;

- no guaranteed bonuses;

- personal use of corporate aircraft is subject to prior approval by the Board and is strongly discouraged;
- no excessive severance or change in control provisions; and
- no payment of dividends on stock options or unvested performance awards.

The Role of the Compensation Committee

The Compensation Committee is responsible for the development, oversight and implementation of the executive compensation plan. The Committee works throughout the year, reviewing compensation trends, evaluating emerging best practices and considering changes to the executive compensation program that will provide our senior management with an incentive to achieve superior financial results for the Company and align pay with performance. In determining whether changes to the executive compensation program are needed, the Committee considers the goals and strategic objectives of the Company, including changes to strategy that should be reflected in the incentive structure of the management team. The Committee also considers the results of prior advisory votes on compensation and direct shareholder feedback in determining changes to the executive compensation program. The Committee approves changes to each component of executive officer compensation, including merit increases in base salary, annual incentive awards and long-term equity incentive awards.

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COMPENSATION DISCUSSION AND ANALYSIS

Compensation Decisions for Mr. King

With regard to compensation decisions for Mr. King, our Chief Executive Officer, the Compensation Committee considers the results of his performance assessment, including input from all independent non-employee directors, as well as the Company s financial and business performance. In an executive session, the chair of the Compensation Committee leads the independent non-employee directors through a review of Mr. King s annual accomplishments, a review and approval of compensation actions recommended by the Compensation Committee, and a review of performance objectives for the next year. The Board (except for Mr. King) reviews and approves the Committee s decisions with respect to Mr. King s compensation.

The Role of Management

Annually, Mr. King is invited to provide input on the Compensation Committee s executive compensation decisions, and the Compensation Committee has delegated to Mr. King the task of designing annual incentive plans for the other executive officers using targets established by and input provided by the Compensation Committee. Mr. King s award proposals for the other executive officers are based on his assessment of past and expected individual performance and contribution. In addition, in her role as the Company s Chief Human Resources Officer, Ms. Uthgenannt generally attends and participates in meetings of the Compensation Committee, including to provide input on the design and implementation of the Company s executive compensation program.

The Role of the Independent Consultant

Cook & Co., the Committee s independent compensation consultant, plays an integral role in supporting the Compensation Committee in the compensation-setting process, and one of its representatives attends most of the Compensation Committee meetings to serve as a resource for the Committee. Cook & Co. provides insight and advice related to the Company s compensation plans and policies, and provides recommendations based on compensation trends and regulatory/compliance developments. In order to encourage independent review and discussion of executive compensation matters, the Compensation Committee and the Committee chair regularly meet with the independent compensation consultant in executive session without management present. The Compensation Committee has sole authority to retain or replace the independent compensation consultant. In order to maintain consultant independence, Compensation Committee pre-approval is required for all services performed by the independent compensation consultant. In 2015, the Committee assessed the independence of Cook & Co. considering, among other factors, the independence factors established by the New York Stock Exchange. Specifically, Cook & Co. provides no services to the Company or its management other than the services provided to the Compensation Committee in its capacity as the Committee s independent adviser on executive compensation matters. Cook & Co. affirmed that no member of the consulting team provided advice to the Company s Compensation Committee or has any business or personal relationship with the CEO or any member of the Company s Compensation Committee. It also affirmed that neither Cook & Co. nor any member of the consulting team serving the Company s Compensation Committee owns any stock or equity derivatives of the Company. In addition, the Committee evaluated the work of Cook & Co. and determined that its work raised no conflict of interest, including under applicable New York Stock Exchange factors.

Use of Peer Group

In evaluating executive compensation, the Compensation Committee considers both absolute performance of the Company and performance relative to an established peer group, as well as the pay practices of that peer group. With input from Cook & Co., the comparative peer group is selected from public companies in the healthcare services industry that are closest to LabCorp in terms of scope of services and are of a similar size in terms of revenue, profitability, cash flow, market capitalization and number of employees. Beginning in 2012, the Committee also considered the peer group used by our most direct competitors in determining our peer group. Each year, with the support of Cook & Co., the Committee reviews the previous year s peer group to ensure it remains valid for benchmarking purposes and makes adjustments as needed to reflect changes in business strategy and circumstances (*e.g.*, acquisitions). Prior to setting 2015 executive compensation, the Committee determined that four new companies (Alere Inc., CareFusion Corporation, Hologic, Inc. and Quintiles Transnational Corp.) should be added to the peer group. Therefore, the peer group used for purposes of 2015 executive compensation was as follows:

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COMPENSATION DISCUSSION AND ANALYSIS

Agilent Technologies, Inc.	Hologic, Inc.
Alere Inc.	Life Technologies Corporation
Allergan, Inc.	Omnicare, Inc.
Baxter International Inc.	Owens & Minor, Inc.
Becton, Dickinson and Company	Quest Diagnostics Incorporated
Boston Scientific Corporation	Quintiles Transnational Corp.
CareFusion Corporation	St. Jude Medical, Inc.
Covidien plc	Stryker Corporation
DaVita Healthcare Partners Inc.	Thermo Fisher Scientific
Henry Schein, Inc.	Zimmer Holdings, Inc.

Following the completion of the Covance acquisition, and after setting 2015 executive compensation, the Compensation Committee requested Cook & Co. to review and evaluate any needed changes to the Company s proxy peer group to reflect the Company s new size and business mix. In addition to other changes, Allergan, Inc., Covidien plc and Zimmer Biomet Holdings, Inc. (formerly Zimmer Holdings, Inc.) were removed from the peer group. The Committee believes that the acquisitions of Allergan, Inc. and Covidien plc by Actavis plc and Medtronic plc, respectively, resulted in new combined companies with sizes that prevented the companies from being appropriate comparators. Zimmer Biomet was removed to decrease the focus of the peer group on healthcare equipment companies. The companies included in the new 2015 comparative peer group were:

Agilent Technologies, Inc.	Omnicare, Inc.
Baxter International Inc.	Owens & Minor, Inc.
Becton, Dickinson and Company	Quest Diagnostics Incorporated
Boston Scientific Corporation	Quintiles Transnational
Celgene Corporation	St. Jude Medical, Inc.
DaVita Healthcare Partners Inc.	Stryker Corporation
Henry Schein, Inc.	Thermo Fisher Scientific
Mylan N.V.	

Annually, Cook & Co. prepares a review of competitive total compensation for the Company s executives versus total compensation for similar positions at our peer group companies and utilizes national survey data for executives for whom there is insufficient comparable information in the peer company proxy statements.

2015 Actions

Our executive compensation program focuses on three key elements of compensation: (i) annual salary; (ii) annual cash incentive pay; and (iii) long-term incentive awards. The following chart shows how these elements were used by the Committee in 2015.

BASE SALARY	The CEO received a 3.6% salary increase. 2% increase for all other NEOs (other than Mr. Herring).		

ANNUAL CASH INCENTIVE (MIB Plan)	**PERFORMANCE METRICS**	
	Consolidated Revenues Consolidated EBITDA Strategic Objectives	Payouts under the 2015 MIB were 106.2% of Target for CEO and the other NEOs (except for Mr. Boyle, who received 114.4% of Target)

LONG TERM INCENTIVE (LTI)	**PERCENT OF LTI**		**PERFORMANCE METRICS**	
	70%	Performance Shares	70% EPS Growth 30% Revenue Total Shareholder Return (25% Modifier)	Payouts of 2013-2015 performance share cycle is 175% of Target
	30%	Restricted Stock Units	Service During Vesting Period	

In addition to the three main elements of our compensation program, we also provide limited perquisites, severance benefits and post-retirement benefits as part of a standard, competitive compensation package.

Mr. Herring s compensation was negotiated in connection with the Covance acquisition. However, for the period of time that he served as the Executive Vice President and Chief Executive Officer of Covance Drug Development, he participated in the MIB Plan, as described below. In addition, in connection with his appointment, the Compensation Committee approved an equity award to Mr. Herring that was viewed as necessary to incent him to serve in that role during the early stages of the Covance integration and the transition to a permanent Chief Executive Officer. Following the closing of the acquisition, Mr. Herring received an award of restricted stock units with a value of $2,456,771, based on the grant date fair market value of LabCorp shares, which cliff vested on July 31, 2015 in connection with his departure from the Company.

Base Salary

While the Compensation Committee generally targets salary levels of the named executive officers at or below the median of the peer group, it retains the flexibility to adjust individual compensation to take into account variations in the individual s job experience and responsibility, as reviewed and recommended to the Committee by Mr. King. Annual changes in base salaries are determined using several factors, including the peer group s practices, our performance, the individual s performance and increases generally provided to our employees.

For 2015, Mr. King received a 3.6 percent increase in base salary. Except for Mr. Herring, who both joined and departed from the Company in 2015, each of the other NEOs, received a two percent increase in base salary for 2015. The decision to increase the base salaries for these NEOs was made after taking into account the fact that the increases were consistent with increases given to all other employees in the Company.

Annual Cash Incentive Pay (MIB Plan)

Our MIB Plan is designed to compensate our executives for achieving in-year goals that further the Company s strategy and create shareholder value. Target MIB Plan award amounts for 2015 for the named executive officers ranged from 50 percent to 150 percent of base salary, depending on the role of the executive. Each of the named executive officers earned annual incentive cash payments of approximately 106 114 percent of their 2015 target goals.

Company financial goals may be achieved by the named executive officers at a threshold, target or superior level. If actual performance measures fall between either the threshold and target levels or the target and superior levels, the payouts are prorated accordingly. If the threshold level of performance for a particular goal is not achieved, the payout for that goal is zero. Individual and strategic goals are measured based on a yes/no outcome (i.e., the goal was either achieved, triggering a 100 percent target payment, or was not achieved, resulting in no payment).

Company Financial Goals. For 2015 each of our named executive officers shared two Company financial goals based on the following two measures:

- Consolidated Revenues (30 percent weighting); and
- Consolidated EBITDA (30 percent weighting)

Mr. Boyle shared the two Company financial goals referenced above (weighted 10% for each goal) and had two additional segment business financial goals as listed below:

- LabCorp Diagnostics Segment Revenues (30 percent weighting); and
- LabCorp Diagnostics Segment Operating Income (25 percent weighting)

The consolidated revenues and EBITDA performance measures were selected as performance measures because they are top-line and bottom-line measures used by the Company and the investment community to evaluate our operating performance.

In addition to the shared Company financial goals described above, the performance measures used for the remaining 40 percent of each named executive officer s target amount (except for Mr. Boyle) were directed to specific areas of focus for each named executive officer for 2015, tying individual performance to strategic goals that were intended to contribute to our overall success. The individual and strategic goals applicable to each named executive officer under the MIB Plan for 2015 are discussed below under the heading Summary of MIB Plan Payments by Executive.

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COMPENSATION DISCUSSION AND ANALYSIS

The remaining 25 percent of Mr. Boyle s target amount was directed to specific areas of focus for the LabCorp Diagnostics business for 2015, tying his individual performance to strategic segment goals that were intended to contribute to our overall success. The individual and strategic goals applicable to each named executive officer under the MIB Plan for 2015 are discussed below under the heading Summary of MIB Plan Payments by Executive.

Setting and Evaluating Performance Targets. The threshold, target and superior goals for consolidated revenues and consolidated EBITDA measures were based on various outcomes considered by the Compensation Committee, with the target amounts most closely approximating the Company s operating budget approved by the Board. The achievement of performance measures that are not financially-based was determined by the Committee in its discretion, after discussion with Mr. King. Performance levels are determined annually by the Compensation Committee based upon its collective experience and reasoned business judgment. The Compensation Committee determines the performance measures, performance targets and allocation for Mr. King. In turn, the Committee has delegated to Mr. King the responsibility of determining the incentive plans for each of the other named executive officers, using substantially the same Company targets established by the Compensation Committee, subject to the approval of the Compensation Committee.

Results for 2015 Company and Segment Financial Goals. The 2015 goals that were common for each of the named executive officers and the result for the year for each goal were:

COMPANY GOALS	THRESHOLD	TARGET	SUPERIOR	2015 RESULT	% OF TARGET
Consolidated Revenues(1)	$8,219.7 million	$8,616.0 million	$9,012.3 million	$8,608.5 million	99.9%
Consolidated EBITDA(2)	$1,613.3 million	$1,716.3 million	$1,819.3 million	$1,738.5 million	101.3%

LABCORP DIAGNOSTICS GOALS	THRESHOLD	TARGET	SUPERIOR	2015 RESULT	% OF TARGET
Segment Revenues(3)	$5,891.7 million	$6,175.8 million	$6,459.9 million	$6,245.7 million	101.1%
Segment Operating Income(4)	$1,162.7 million	$1,236.9 million	$1,311.1 million	$1,288.2 million	104.1%

(1) *Consolidated Revenues represents the Company s consolidated net revenues as reported in the Annual Report on Form 10-K for the year ended December 31, 2015, adjusted for foreign currency impact versus budgeted exchange rates.*

(2) *Consolidated EBITDA represents the Company s consolidated earnings before interest, income taxes, depreciation and amortization, adjusted for foreign currency impact versus budgeted exchange rates. The*

Company also includes in its EBITDA the EBITDA of its three joint venture partnerships in Alberta, Canada and Florence, South Carolina.

(3) *Segment Revenues represents LabCorp Diagnostics revenues, adjusted for foreign currency impact versus budgeted exchange rates.*

(4) *Segment Operating Income represents the LabCorp Diagnostics operating income, adjusted for foreign currency impact versus budgeted exchange rates.*

Mr. King

As Chief Executive Officer, Mr. King had individual goals for 2015 that were focused on the importance of executing key elements of our strategic plan. As a result of the achievements reflected in the table below, Mr. King s earned annual incentive cash payment was approximately 106 percent of his 2015 target goal.

2015 TARGET AND ACTUAL PAYOUT

	BASE SALARY	TARGET % OF BASE SALARY	TOTAL OPPORTUNITY AT TARGET	ACTUAL PAYOUT % OF TARGET	ACTUAL PAYOUT
David P. King	$1,050,000	150%	$1,575,000	106.2%	$1,672,371

2015 RESULTS

	ALLOCATION BY GOAL		INCENTIVE CASH PAYMENT OPPORTUNITY BY GOAL BY LEVEL OF ACHIEVEMENT			
	%	GOAL	THRESHOLD	TARGET	SUPERIOR	ACTUAL PAYOUT
Company Financial Goals:	30%	Consolidated Revenues(1)	$236,250	$472,500	$708,750	$468,031
	30%	Consolidated EBITDA(1)	$236,250	$472,500	$945,000	$574,340
Individual/Strategic Goals:	5%	$50 million LaunchPad Savings(2)	$-	$78,750	$-	$78,750
	25%	Covance Integration(3)	$-	$393,750	$-	$393,750
	10%	Organizational Talent Development(4)	$-	$157,500	$-	$157,500
TOTAL	**100%**		**$472,500**	**$1,575,000**	**$2,283,750**	**$1,672,371**

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(1) The 2015 results for the Company Financial Goals are set forth in the table above under the heading Results for 2015 Company and Segment Financial Goals.
(2) The Compensation Committee determined that this goal was met and approved a payout at target based on the $50 million LaunchPad Savings.
(3) The Compensation Committee determined that this goal was met and approved a payout at target based on the review of the success of the Covance integration.
(4) The Compensation Committee determined that this goal was met and approved a payout at target based on the review, discussion and implementation of organizational talent development.

Mr. Berberian

As Chief Information Officer, Mr. Berberian had individual goals for 2015 that were based on the integration of Covance and LabCorp IT functions, delivery of certain aspects of Project LaunchPad and organizational talent development. As a result of the achievements reflected in the table below, Mr. Berberian earned an annual incentive cash payment that was approximately 106 percent of his target goal.

2015 TARGET AND ACTUAL PAYOUT

	BASE SALARY	TARGET % OF BASE SALARY	TOTAL OPPORTUNITY AT TARGET	ACTUAL PAYOUT % OF TARGET	ACTUAL PAYOUT
Lance V. Berberian	$374,850	50%	$187,425	106.2%	$199,012

2015 RESULTS

	ALLOCATION BY GOAL		INCENTIVE CASH PAYMENT	OPPORTUNITY BY GOAL BY LEVEL OF ACHIEVEMENT		
	%	GOAL	THRESHOLD	TARGET	SUPERIOR	ACTUAL PAYOUT
Company Financial Goals:	30%	Consolidated Revenues(1)	$28,114	$56,228	$84,342	$55,696
	30%	Consolidated EBITDA(1)	$28,114	$56,228	$112,456	$68,347
Individual/Strategic Goals:	15%	Successful Integration of Covance and LabCorp IT functions (2)	$-	$28,113	$-	$28,113
	15%	Deliver LaunchPad: Phoenix Revenue Cycle	$-	$28,113	$-	$28,113

		Management project per 2015 business goals, project plan and budget (3)				
	10%	Organizational Talent Development(4)	$-	$18,743	$-	$18,743
TOTAL	**100%**		**$56,228**	**$187,425**	**$271,767**	**$199,012**

(1) The 2015 results for the Company Financial Goals are set forth in the table above under the heading Results for 2015 Company and Segment Financial Goals.

(2) The Compensation Committee determined that this goal was met and approved a payout at target for this goal based on the successful integration of the Covance and LabCorp IT functions.

(3) The Compensation Committee determined that this goal was met and approved a payout at target for this goal based on the delivery of LaunchPad: Phoenix Revenue Cycle Management project meeting, 2015 business goals, project plan and budget.

(4) The Compensation Committee determined that this goal was met and approved a payout at target based on the review, discussion and implementation of organizational talent development.

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COMPENSATION DISCUSSION AND ANALYSIS

Mr. Boyle

As Executive Vice President and Chief Executive Officer of LabCorp Diagnostics, Mr. Boyle had individual goals for 2015 that were based on operational matters in line with his major responsibilities. As a result of the achievements reflected in the table below, Mr. Boyle s earned annual incentive cash payment was approximately 114 percent of his 2015 target goal.

2015 TARGET AND ACTUAL PAYOUT

	BASE SALARY	TARGET % OF BASE SALARY	TOTAL OPPORTUNITY AT TARGET	ACTUAL PAYOUT % OF TARGET	ACTUAL PAYOUT
James T. Boyle, Jr.	$647,379	125%	$809,224	114.4%	$925,701

2015 RESULTS

	ALLOCATION BY GOAL		INCENTIVE CASH PAYMENT OPPORTUNITY BY GOAL BY LEVEL OF ACHIEVEMENT			
	%	GOAL	THRESHOLD	TARGET	SUPERIOR	ACTUAL PAYOUT
Company Financial Goals:	10%	Consolidated Revenues(1)	$40,461	$80,922	$121,393	$80,157
	10%	Consolidated EBITDA(1)	$40,461	$80,922	$161,844	$98,363
Company Segment Financial Goals:	30%	Segment Revenues(1)	$121,384	$242,767	$364,151	$272,643
	25%	Segment Operating Income(1)	$101,154	$202,307	$303,461	$272,232
Individual/Strategic Goals:	15%	$50 million LaunchPad Savings(2)	$-	$121,384	$-	$121,384
	10%	Organizational Talent Development(3)	$-	$80,922	$-	$80,922
TOTAL	**100%**		**$303,460**	**$809,224**	**$1,153,155**	**$925,701**

(1) The 2015 results for the Company Financial Goals and the Company Segment Financial Goals are set forth in the table above under the heading Results for 2015 Company and Segment Financial Goals.

(2) The Compensation Committee determined that this goal was met and approved a payout at target based on the $50 million LaunchPad Savings.

(3) The Compensation Committee determined that this goal was met and approved a payout at target based on the review, discussion and implementation of organizational talent development.

Mr. Eberts

As Chief Legal Officer, Mr. Eberts had individual goals for 2015 that were based on legal and regulatory matters in line with his major responsibilities. As a result of the achievements reflected in the table below, Mr. Eberts earned an annual incentive cash payment that was approximately 106 percent of his 2015 target goal.

2015 TARGET AND ACTUAL PAYOUT

	BASE SALARY	TARGET % OF BASE SALARY	TOTAL OPPORTUNITY AT TARGET	ACTUAL PAYOUT % OF TARGET	ACTUAL PAYOUT
F. Samuel Eberts III	$ 446,264	50%	$ 223,132	106.2%	$ 236,929

2015 RESULTS

	ALLOCATION BY GOAL %	GOAL	INCENTIVE CASH PAYMENT OPPORTUNITY BY GOAL BY LEVEL OF ACHIEVEMENT THRESHOLD	TARGET	SUPERIOR	ACTUAL PAYOUT
Company Financial Goals:	30%	Consolidated Revenues[1]	$33,470	$66,940	$100,409	$66,309
	30%	Consolidated EBITDA[1]	$33,470	$66,940	$133,880	$81,368
Individual/Strategic Goals:	15%	Strengthen and Successfully Integrate Global Compliance Programs[2]	$-	$33,470	$-	$33,470
	15%	Establish a Corporate Communications Function[3]	$-	$33,470	$-	$33,470
	10%	Organizational Talent Development[4]	$-	$22,312	$-	$22,312
TOTAL	**100%**		**$66,940**	**$223,132**	**$323,541**	**$236,929**

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COMPENSATION DISCUSSION AND ANALYSIS

(1) The 2015 results for the Company Financial Goals are set forth in the table above under the heading Results for 2015 Company and Segment Financial Goals.
(2) The Compensation Committee determined that this goal was met and approved a payout at target based on its review, discussion and successful integration of the Global Compliance Programs.
(3) The Compensation Committee determined that this goal was met and approved a payout at target based on its review of the successful expansion of the Communications Department, including the hiring of a new Vice President, Communications.
(4) The Compensation Committee determined that this goal was met and approved a payout at target based on the review, discussion and implementation of organizational talent development.

Mr. Eisenberg

As Chief Financial Officer, Mr. Eisenberg had individual goals for 2015 that were based on his responsibility for financial management, as well as his responsibility for completing certain strategic acquisition integrations. As a result of the achievements reflected in the table below, Mr. Eisenberg earned an annual incentive cash payment that was approximately 106 percent of his target goal.

2015 TARGET AND ACTUAL PAYOUT

	BASE SALARY	TARGET % OF BASE SALARY	TOTAL OPPORTUNITY AT TARGET	ACTUAL PAYOUT % OF TARGET	ACTUAL PAYOUT
Glenn A. Eisenberg	$637,500	100%	$637,500	106.2%	$676,912

2015 RESULTS

	ALLOCATION BY GOAL		INCENTIVE CASH PAYMENT OPPORTUNITY BY GOAL BY LEVEL OF ACHIEVEMENT			
	%	GOAL	THRESHOLD	TARGET	SUPERIOR	ACTUAL PAYOUT
Company Financial Goals:	30%	Consolidated Revenues(1)	$95,625	$191,250	$286,875	$189,441
	30%	Consolidated EBITDA(1)	$95,625	$191,250	$382,500	$232,471
Individual/Strategic Goals:	5%	$50 million LaunchPad Savings(2)	$-	$31,875	$-	$31,875
	25%		$-	$159,375	$-	$159,375

		Covance Integration[3]				
	10%	Organizational Talent Development[4]	$-	$63,750	$-	$63,750
TOTAL	**100%**		**$191,250**	**$637,500**	**$924,375**	**$676,912**

(1) The 2015 results for the Company Financial Goals are set forth in the table above under the heading Results for 2015 Company and Segment Financial Goals.

(2) The Compensation Committee determined that this goal was met and approved a payout at target based on the $50 million LaunchPad Savings.

(3) The Compensation Committee determined that this goal was met and approved a payout at target based on the review of the success of the Covance integration.

(4) The Compensation Committee determined that this goal was met and approved a payout at target based on the review, discussion and implementation of organizational talent development.

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COMPENSATION DISCUSSION AND ANALYSIS

Mr. Herring

Mr. Herring served as the Covance Drug Development Chief Executive Officer from the closing of the Covance acquisition in February 2015 through July 2015. As a result of Mr. Herring s departure, he received a pro-rated amount of his Target MIB Plan Award for 2015.

2015 TARGET AND ACTUAL PAYOUT

	BASE SALARY	TARGET % OF BASE SALARY	TOTAL OPPORTUNITY AT TARGET	ACTUAL PAYOUT % OF TARGET	ACTUAL PAYOUT
Joseph E. Herring	$1,000,000	120%	$1,200,000	106.2%	$743,276

2015 RESULTS

	ALLOCATION BY GOAL		INCENTIVE CASH PAYMENT	OPPORTUNITY BY GOAL BY LEVEL OF ACHIEVEMENT			
	%	GOAL	THRESHOLD	TARGET	SUPERIOR	PAYOUT EARNED ON FULL YEAR BASIS	ACTUAL PAYOUT [5]
Company Financial Goals:	30%	Consolidated Revenues[1]	$180,000	$360,000	$540,000	$356,595	$208,014
	30%	Consolidated EBITDA[1]	$180,000	$360,000	$720,000	$437,592	$255,262
Individual/Strategic Goals:	5%	Successful Leadership Transition[2]	$-	$60,000	$-	$60,000	$35,000
	25%	Covance Integration[3]	$-	$300,000	$-	$300,000	$175,000
	10%	Organizational Talent Development[4]	$-	$120,000	$-	$120,000	$70,000
TOTAL	**100%**		**$360,000**	**$1,200,000**	**$1,740,000**	**$1,274,187**	**$743,276**

(1) *The 2015 results for the Company Financial Goals are set forth in the table above under the heading Results for 2015 Company and Segment Financial Goals.*

(2)

The Compensation Committee determined that this goal was met and approved a payout at target for this goal based on the successful transition of the Covance Chief Executive Officer role.

(3) *The Compensation Committee determined that this goal was met and approved a payout at target for this goal based on the review of the success of the integration of Covance.*

(4) *The Compensation Committee determined that this goal was met and approved a payout at target based on the review, discussion and implementation of organizational talent development.*

(5) *Prorated for partial year.*

Long-Term Incentive Awards

Long-term incentive awards for 2015 continued to be comprised of a mix of restricted stock units (30 percent of target value, based on grant date fair value) and performance share awards (70 percent of target value, based on grant date fair value). We do not use stock options in our long-term incentive plan and we have dramatically increased the use of performance-based equity awards. Both of these important changes are responsive to shareholder feedback and we believe our current long-term program is aligned with market trends.

The Compensation Committee believes that a balanced program using performance-based awards and restricted stock units achieves all of the following:

- rewards stock-price growth;
- delivers performance-based, at-risk compensation through performance shares;
- ensures longer-term business focus through the use of multi-year operational performance goals to determine the number of performance share awards ultimately earned;
- provides attractive retention features through multi-year vesting and the use of restricted stock units (three-year vesting requirement);
- aligns the interests of the executive officers, including the named executive officers, with the interests of all shareholders; and
- aligns with emerging practices of the market and is supported by the peer group data.

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COMPENSATION DISCUSSION AND ANALYSIS

Long-term incentive award values for 2015 were structured so that target award opportunities were generally positioned in order to deliver total direct compensation at the median of the peer group. Mr. King s award values for 2015 were slightly above the median of the peer group and the award values for the balance of the named executive officers for 2015, other than Mr. Herring, ranged from slightly below the median to above the 75th percentile of the peer group. The Compensation Committee retains the flexibility to adjust individual award levels, taking into account variations in the individual s job experience and responsibility, as reviewed and recommended to the Committee by Mr. King. These values were selected based on the Company s desire to attract and retain executive talent, the Company s stated objective of placing a greater emphasis on long-term incentives and the Committee s assessment of the Company s performance. Restricted stock units vest in equal one-third increments over a three-year period beginning on the first anniversary of the grant date.

Beginning in 2014, the Committee uses a relative total shareholder return (TSR) metric to act as a modifier on the performance share metrics. If the three-year cumulative relative TSR falls below the 25th percentile, the calculated payout of the performance shares will be reduced by 25 percent. If the three year cumulative relative TSR is above the 75th percentile, the calculated payout of the performance shares will be increased by 25 percent. The Committee believes the use of a TSR modifier ensures that exceptional or subpar TSR performance appropriately limits or rewards long-term incentive compensation related to EPS growth and revenue. The metrics for the long-term performance share program are as follows:

70%: EPS Growth over a three-year period

30%: Revenue over a three-year period
25%: Modifier Relative TSR over a three-year period

2015-2017 Performance Shares Granted

Performance shares granted to each of the named executive officers for the 2015-2017 performance period will be earned, if at all, based on three-year average annual EPS growth, three-year cumulative revenue, and total shareholder return relative to our peer group, as follows:

GOAL	WEIGHTING	THRESHOLD	TARGET(1)	SUPERIOR
EPS GROWTH (annual)	70%	$7.36 *(2% annual growth)*	$7.50 *(4% annual growth)*	$7.64 *(6% annual growth)*
REVENUE (cumulative)	30%	$25,589.8 million	$26,473.3 million	$27,636.5 million
RELATIVE TOTAL SHAREHOLDER RETURN	N/A	Below the 25th Percentile	Between the 25th and 75th Percentile	Above the 75th Percentile

MODIFIER	-25%	No adjustment	+25%

(1) 2015 EPS target of $7.50 was based on projected share count 102 million shares. Using the actual share count of 100 million shares, the corrected 2015 EPS amounts would reflect the following: threshold $7.50, target $7.65, and superior $7.95.

Details related to the grant size for each named executive officer can be found in the Grants of Plan-Based Awards table on page 43.

EPS growth and revenue were selected as targets because they are important measures used by the Company and the investment community to evaluate our operating performance. EPS goals require annual growth against each prior year EPS outcome over the entire three year period. The revenue goal in the long-term incentive program reflects the multilayer cycle in certain strategic revenue objectives. The relative total shareholder return modifier was selected based on feedback from our shareholders, Cook & Co. s recommendations and the Compensation Committee s determination to link a portion of long-term incentive compensation directly to relative shareholder returns. Amounts earned are prorated for achievement between levels. Failure to achieve threshold would result in the executives receiving no performance shares for the period in question.

COMPENSATION DISCUSSION AND ANALYSIS

2013-2015 Performance Share Awards Earned

We granted performance share awards in 2013 that would be earned only to the extent the stated performance goals over the three-year performance period ending December 31, 2015 were realized. Awards were earned at 175 percent of target, and subsequently vested on March 30, 2016:

GOAL	WEIGHTING	THRESHOLD (3 YEARS)*	TARGET (3 YEARS)*	SUPERIOR (3 YEARS)*	2013-2015 RESULT
REVENUE GROWTH* (in millions) (Cumulative Total)	50%	$17,530	$18,171	$18,778	$20.3 Billion
EBIT** (in millions) (Cumulative Total)	15%	$3,276	$3.395	$3.511	$3.3 Billion
TOTAL SHAREHOLDER RETURN***	35%	30th Percentile	50th Percentile	70th Percentile	23rd Percentile

* *Revenue targets set forth above will be reduced to exclude the revenue from the Company s Canadian operations that was budgeted in the targets set forth above to the extent, and for the period, that the Company is no longer required under GAAP to consolidate the financial results of those operations and therefore revenues from those operations are no longer included in the amount of Revenue reported on the face of the Company s audited financial statements in that period. Annual revenue information provided for reference only; goals are based on totals of three years.*

***Annual EBIT information provided for reference only; goals are based on totals of three years.*

****Refers to the percentile among the S&P 500 Health Care Companies based on Total Shareholder Return.*

Based solely on the Company s achievement of the goals identified in the chart above, the Company estimates performance share awards would have been earned at 97.7 percent of target. However, given the strategic value placed on expanding the breadth of the Company s business, the Compensation Committee chose to include a provision in the performance share awards granted in 2013 under which the number of performance shares would be deemed earned at the Superior level for each of the three performance criteria to the extent the Company consummated a transformational acquisition during the performance period, provided that the Compensation Committee retained the discretion to lower the amount of performance shares earned. For this purpose, transformational acquisition was defined as an acquisition of a business that in the 12 complete months prior to the consummation of the acquisition had revenues derived from other than laboratory testing that were in excess of $1 billion. The Covance acquisition was the most significant, transformative change in the Company s history. The acquisition transformed the Company into the world s leading healthcare diagnostics company. The Committee determined that the Covance acquisition satisfied this definition and the performance share awards were accordingly earned at 175 percent of target (i.e., at the Superior level).

The chart below shows the total payout of the performance share awards earned for Mr. King year over year from 2012 to 2016.

Equity Grant Practices; Clawback Requirement

Generally, the Compensation Committee approves equity grants at the beginning of the year in connection with a regularly scheduled Compensation Committee meeting. Under the 2012 Omnibus Incentive Plan used for these awards, the grant date of an award is the date the Compensation Committee approves the award and the price is based on the closing market price on the grant date. The Compensation Committee does not time awards with the release of information concerning the Company.

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Awards that have been made pursuant to the 2012 Omnibus Incentive Plan are subject to a mandatory repayment policy pursuant to which gains on such awards may be recovered in the event of an accounting restatement involving certain forms of misconduct. In addition, awards made under the 2012 Omnibus Incentive Plan may be annulled if the grantee is terminated for cause (as defined in the 2012 Omnibus Incentive Plan or in any other agreement with the grantee).

Stock Ownership Guidelines

The Board believes that requiring executive management to maintain a significant personal level of stock ownership ensures that each executive officer is financially aligned with the interests of our shareholders. Pursuant to the executive stock ownership program, which was amended and restated in December 2015, the stock ownership requirement for each senior executive is determined annually, utilizing the executive s base salary as of the business day closest to June 30 of each year (the Measurement Date) and the average closing price of the Company stock for the 90 day period ending on the Measurement Date. For new executive officers, the stock ownership requirement is initially determined as of the date that the person becomes an executive officer, utilizing the executive s base salary as of that date and the average closing price of the Company stock for the 90 day period ending on that date.

The required level of stock ownership will be adjusted if the executive s position changes and the new position has a different ownership requirement. An executive is required to maintain this level of stock ownership throughout his or her tenure with the Company until near retirement, as explained below. In 2012, the guidelines were revised to increase the multiple for the Chief Executive Officer to 6x and the multiple for Executive Vice Presidents to 3x. In 2015, the guidelines were revised to be applicable to all officers who are considered executive officers for purposes of the federal securities laws. The ownership requirements for each position are:

POSITION	COMPANY STOCK OWNERSHIP REQUIREMENTS AS A MULTIPLE OF BASE SALARY
Chief Executive Officer	6x
Executive Vice Presidents	3x
All Other Executive Officers	1x

Until the ownership requirement is met, an executive is required to hold 50 percent of any shares of Company stock acquired upon the lapse of restrictions on any stock grant and upon the exercise of stock options, net of taxes and shares used to pay the exercise price. If an executive fails to meet or show progress towards satisfying these requirements, the Compensation Committee may reduce future equity grants or other incentive compensation for that executive. Once an executive reaches the age of 62, the ownership requirement is reduced by 50 percent, and once an executive reaches the age of 64, the ownership requirement is reduced by 75 percent. As of December 31, 2015, each of the named executive officers except for Messrs. Berberian, Eisenberg and Herring, the latter of whom was only with the Company for a portion of the year, had exceeded his required stock ownership levels.

Ban on Pledging and Hedging Transactions

The Company maintains an Insider Trading Policy that prohibits executives and key employees from pledging and hedging with respect to Company stock, including the use of short sales, puts, calls and similar instruments designed to offset the risk of a decline in the value of the Company s stock.

Perquisites

The Compensation Committee has determined that financial services, long-term disability and personal liability insurance, a wellness exam allowance and certain security services are appropriate benefits that help ensure that the Company s executives maintain appropriate fiscal and physical health, which contributes to stable executive leadership for the Company. The aggregate value of these perquisites for 2015 was approximately $31,384 for Mr. King and an average of approximately $20,659 for each of the other named executive officers other than for Mr. Herring, who was only with the Company for a portion of the year. While the Compensation Committee believes that the perquisites are conservative and beneficial to the Company, there are no tax gross-up payments associated with these perquisites. For more information on perquisites in 2015, including the valuation and amounts, see the Summary Compensation Table below.

Termination and Change-in-Control Payments

The Company has not entered into any employment agreements or other individual termination arrangements with any executives other than an employment letter agreement with Deborah L. Keller, the Chief Executive Officer of Covance

COMPENSATION DISCUSSION AND ANALYSIS

Drug Development, and, in 2015, an employment agreement with Joseph L. Herring, the Former Chief Executive Officer of Covance Drug Development, both of which were entered into in connection with the Covance acquisition. The Company adopted a severance plan in 1996 that provides participants financial protection in circumstances involving a qualifying termination, with a higher level of payment if the qualifying termination occurs within three years of a change in control (a double trigger). The severance plans are comprised of the Amended and Restated Master Senior Executive Severance Plan (the Amended and Restated Severance Plan) and a Master Senior Executive Change-in-Control Severance Plan (the Change-in-Control Plan). The Company originally adopted and continues to maintain the severance plans to provide a competitive benefit necessary to attract and retain executives, and so that in the context of a change in control the executive would consider corporate actions that would benefit shareholders without regard to personal finances.

As a result of amendments over time, we believe that the severance plans are appropriately structured and consistent with current market practice. For example, the severance plans provide for severance payments that reflect the actual performance of the executive over prior periods by basing severance payments on actual, rather than target, annual MIB Plan payments and the plans do not have tax gross-up payments associated with change-in-control payments. For additional information on the termination and change-in-control benefits under the Amended and Restated Severance Plan and the Change-in-Control Plan, see Potential Payments Upon Termination or Change-in-Control on page 48.

The 2012 Omnibus Incentive Plan provides that if awards are assumed or substituted in connection with a change in control, only a qualifying termination event will result in accelerated vesting (i.e. double trigger). The plan does not provide for any gross-up and we believe these provisions are consistent with current compensation trends.

In 2004, the Board approved the Senior Executive Transition Policy (the Transition Policy) to reflect the belief that a strong succession planning process ensures the continued success of the Company while failure to ensure a smooth transition of leadership would have an adverse effect on the Company and its shareholders. On September 14, 2014, the Compensation Committee decided to end future participation in the Transition Policy. Eligibility requirements for the Transition Policy include, (a) being a member of the management Executive Committee (EC) and designated as a participant by the Chief Executive Officer and the Compensation Committee, (b) having five years of service as an EC member, (c) having 10 years of service with the Company, and (d) approval from the Board of a plan that ensures a smooth and effective transition of the departing executive s management team and includes a non-solicit and non-compete agreement. Currently, the only individuals designated for participation in the Transition Policy are Mr. King and Mr. Boyle. The eligibility requirements of the Transition Policy are designed to ensure the retention of the executive over a period of time, to provide the Company with the ability to limit participation to the most senior executives and to ensure the goal of strong succession planning. Mr. Boyle satisfied the requirements of the Transition Policy upon his retirement in March 2016. The Transition Policy also provides additional protection to the Company in the form of non-compete and non-solicitation obligations on the part of the departing executive, and the policy sets forth the treatment of long-term incentive awards made under the Company s stock incentive plans in the event of a voluntary termination before age 65.

Deferred Compensation Program

In 2001, the Board approved the Deferred Compensation Plan (DCP), under which certain of the Company s executives, including the named executive officers, may elect to defer up to 100 percent of their annual cash incentive pay and/or up to 50 percent of their annual base salary and/or eligible commissions subject to annual limits established by the federal government. The deferral limits were based on the Compensation Committee s assessment of best practices at the time the DCP was established. The DCP provides executives a tax efficient strategy for retirement savings and capital accumulation without significant cost to the Company. The Company makes no contributions to the DCP. For additional information on the DCP, see the Nonqualified Deferred Compensation Table and accompanying narrative on page 47.

Retirement Plans

The Company previously adopted a supplemental retirement plan, the Pension Equalization Plan (the PEP) for executives, including the named executive officers who have met the Plan s service requirements. The PEP is an unfunded, non-contributory, non-qualified plan that was designed to provide income continuation benefits at retirement and work in conjunction with the Company s Cash Balance Retirement Plan (the Cash Balance Plan), a qualified and funded defined benefit plan available to substantially all employees. The PEP was intended to provide additional retirement benefits to a select group of management employees as an integral part of a total compensation package designed to attract and retain top executive performers. Requirements of participation when the PEP was

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established included (a) approval of participation by the Chief Executive Officer, (b) being named as a Senior or Executive Vice President or operating in the capacity of one, or (c) being named as the President or Chief Executive Officer. Effective January 1, 2010, both the PEP and the Cash Balance Plan were frozen; after that date no new participants have been admitted and no further service credits will be awarded to current participants.

The Company currently offers a defined contribution retirement savings plan (i.e., 401(k) plan) called the Employees Retirement Savings Plan. Participation in this plan is available to substantially all eligible US-based employees, including executives. Company contribution information for executives is reflected in the Summary Compensation Table below.

Tax and Accounting Treatments

Section 162(m) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code) limits the corporate federal income tax deduction for certain non-performance based compensation paid to the chief executive officer and, pursuant to IRS guidance, each of the three highest-paid employees (other than the chief financial officer) of public companies to $1 million per year. Compensation that is performance-based under Section 162(m) is not subject to this deduction limit. The Compensation Committee has carefully considered the Company s executive compensation program in light of the applicable tax rules. Our 2012 Omnibus Incentive Plan and, if approved, the 2016 Omnibus Incentive Plan, are structured to permit us to use awards that qualify as performance-based under Section 162(m) where appropriate, including for stock options, performance share awards and the majority of our annual cash incentive program. The Compensation Committee believes that tax deductibility is but one factor to be considered in fashioning an appropriate compensation package for executives. As a result, the Compensation Committee exercises its discretion in this area to design a compensation program that serves the long-term interests of the Company and has regularly decided that it is appropriate for the Company to make some compensation awards that are non-deductible.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of the Company has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K. Based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and in the Company s Annual Report on Form 10-K (including through incorporation by reference to this Proxy Statement).

THE COMPENSATION COMMITTEE

Robert E. Mittelstaedt, Jr., Chairperson

Jean-Luc Bélingard

Garheng Kong

Adam H. Schechter

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EXECUTIVE COMPENSATION

Summary Compensation Table

The compensation paid, accrued or awarded during the years ended December 31, 2013, 2014 and 2015 to the Company s named executive officers, which includes the Chief Executive Officer, the Chief Financial Officer and the three other most highly compensated executive officers, is set forth below:

NAME AND PRINCIPAL POSITION	YEAR	SALARY ($)[1]	STOCK AWARDS ($)[2]	NON-EQUITY INCENTIVE PLAN COMPENSATION ($)[3]	CHANGE IN PENSION VALUE AND NONQUALIFIED DEFERRED COMPENSATION EARNINGS ($)[4]	ALL OTHER COMPENSATION ($)[5]	TOTAL ($)
DAVID P. KING Chief Executive Officer	2015	$1,044,481	$7,878,178	$1,672,371	$-	$31,384	$10,626,414
	2014	$1,013,000	$7,538,153	$1,600,450	$295,236	$25,723	$10,472,562
	2013	$1,013,000	$7,450,735	$790,594	$-	$26,667	$9,280,996
LANCE V. BERBERIAN Senior Vice President Chief Information Officer	2015	$373,625	$519,977	$199,012	$-	$20,312	$1,112,926
JAMES T. BOYLE, JR. Executive Vice President	2015	$645,263	$3,832,755	$925,701	$-	$25,170	$5,428,889
	2014	$632,611	$3,666,518	$835,621	$134,513	$25,511	$5,294,774
	2013	$587,200	$3,554,850	$404,931	$-	$22,236	$4,569,217

Chief Executive Officer, LabCorp Diagnostics							
	2015	$444,807	$600,318	$236,929	$-	$14,590	$1,296,644
	2014	$436,085	$572,834	$230,412	$74,732	$17,083	$1,331,146
F. SAMUEL EBERTS III Senior Vice President Chief Legal Officer	2013	$371,529	$491,909	$109,774	$-	$13,252	$986,464
	2015	$635,417	$2,110,929	$676,912	$-	$22,565	$3,445,823
GLENN A. EISENBERG Executive Vice President Chief Financial Officer	2014	$338,542	$3,946,320	$344,553	$-	$9,083	$4,638,498
JOSEPH E. HERRING Former Executive Vice President Chief Executive Officer, Covance Drug Development	2015	$583,333	$2,456,771	$743,276	$-	$-	$3,783,380

(1) Values reflect the amounts actually paid to the named executive officers in each year. Mr. Herring s base salary reflects that he joined the Company in February 2015 and served through July 2015. Base salary adjustments, if any, typically occur in February of each year, and are normally effective on March 1. Base salary adjustments are typically not retroactive to the beginning of the year.

(2)

Represents the aggregate grant date fair value of restricted stock, restricted stock units and performance shares for each named executive officer granted during each respective year, computed in accordance with accounting standards for stock-based compensation. The grant date fair value of restricted stock units is based on the closing price of the Common Stock on the applicable grant date. For performance share awards, 65 percent of the grant date fair value is based on the closing price of the Common Stock on the applicable grant date, and 35 percent of the grant date fair value is based on a Monte-Carlo simulated fair value for the relative (to the peer companies listed in the S&P 500 Health Care Index) total shareholder return component of the performance awards. For this purpose, performance share awards included in the above totals are valued assuming achievement at target, which was the probable outcome determined for accounting purposes at the time of grant. The threshold and superior grant date values of performance share awards granted in 2015 included above are as follows:

NAME	GRANT DATE VALUE AT THRESHOLD PERFORMANCE ($)	GRANT DATE VALUE AT SUPERIOR PERFORMANCE ($)
DAVID P. KING	$5,156,337	$9,023,529
LANCE V. BERBERIAN	$340,684	$596,137
JAMES T. BOYLE, JR.	$2,508,456	$4,389,737
F. SAMUEL EBERTS III	$392,818	$687,431
GLENN A. EISENBERG	$1,382,136	$2,418,738
JOSEPH E. HERRING	$0	$0

(3) Represents the amounts earned by each named executive officer during 2015 pursuant to the Company s MIB Plan. For additional information on these awards for 2015, see the Grants of Plan-Based Awards table below and Compensation Discussion & Analysis Annual Cash Incentive Pay above.

(4) Represents solely the aggregate change in the actuarial present value of each named executive officer s accumulated benefit under the Company s pension plans from December 31, 2012 to December 31, 2013, December 31, 2013 to December 31, 2014, and December 31, 2014 to December 31, 2015, respectively. All of the NEOs had negative total actuarial values in 2015 as follows, except for Mr. Berberian, Mr. Eisenberg and Mr. Herring, who are not eligible to be in the plans based on their date of hire: Mr. King ($14,631); Mr. Boyle ($2,545); and Mr. Eberts ($3,360). Negative values are not reflected in the table above. For the assumptions made in the 2015 valuations, see Note 16 to the Company s audited financial statements included within its Annual Report on Form 10-K for the year ended December 31, 2015. These assumptions change from year to year to reflect current market conditions.

(5) Includes the value of the following perquisites: financial services; executive long-term disability premiums; personal liability insurance premiums; and wellness exam pursuant to the policies in effect for a particular year. Also includes Company 401(k) contributions, which are applicable to all eligible employees. Financial services amounts are based on the actual amounts paid by the Company to its third party vendor for financial services. Use of the corporate jet is provided by the Company to the named executive officers for business trips. Any personal use of the corporate jet is strongly discouraged and subject to review and prior approval by the CEO and designated directors. In 2013, 2014 and 2015, none of the named executive officers had any personal use of the corporate jet.

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Perquisites

The table below details the perquisites, including those that exceeded 10 percent of the total perquisites received by the named executive officer during 2015, plus the Company contributions into each executive s 401(k) account during 2015.

NAME	YEAR	FINANCIAL SERVICES(1)	LONG-TERM DISABILITY(1)	PERSONAL LIABILITY INSURANCE(1)	WELLNESS EXAM(1)	AUTO ALLOWANCE(3)	SECURITY(4)	COMPANY-PAID 401-K(2)
DAVID P. KING	2015	$12,675	$1,776	$1,023	$-	$-	$5,360	$10,550
LANCE V. BERBERIAN	2015	$-	$2,202	$560	$-	$9,600	$-	$7,950
JAMES T. BOYLE, JR.	2015	$9,905	$1,480	$635	$-	$-	$-	$13,150
F. SAMUEL EBERTS III	2015	$2,000	$1,480	$560	$-	$-	$-	$10,550
GLENN A. EISENBERG	2015	$12,500	$1,480	$635	$-	$-	$-	$7,950
JOSEPH HERRING	2015	$-	$-	$-	$-	$-	$-	$-

(1) *Represents the actual cost of the perquisite, the value of which is taxable to the named executive officer, but which taxes are not reimbursed by the Company.*

(2) *Includes the Company Non-Elective Safe Harbor Contribution and Company Discretionary Contribution, which is applicable to all eligible employees.*

(3) *Prior to becoming an executive officer in 2015, Mr. Berberian was eligible for an auto allowance and a tax gross up in connection with a long-term disability policy. He ceased to become entitled to these benefits when he became an executive officer.*

(4) *At the direction of the Board of Directors, in 2015 the Company engaged a third party to provide security recommendations with respect to the safety of our executive officers. As part of the recommendations, our CEO was instructed to take certain actions to enhance his security, including using a specified company vehicle. Rather than disclose a lower amount based on the use of the car attributable to what is deemed to be personal use, which is permitted under applicable rules, the amounts in this column reflect all the costs, both personal and business, incurred by the Company for the vehicle used by Mr. King.*

Grants of Plan-Based Awards

During 2015, the following restricted stock unit and performance share awards, and annual cash incentive awards pursuant to the MIB Plan, were made to the named executive officers.

ESTIMATED POSSIBLE PAYOUTS UNDER -EQUITY INCENTIVE PLAN AWARDS(1)	ESTIMATED FUTURE PAYOUTS U EQUITY INCENTIVE PLAN AWARDS(

AME	AWARD TYPE	GRANT DATE	THRESHOLD ($)	TARGET ($)	MAXIMUM ($)	THRESHOLD (#)	TARGET (#)	MAXIMUM (#)	ALL OTHER STOCK AWARDS: NUMBER OF SHARES OF STOCK OR UNITS (#)(3)	GRA DAT FAI VAL OF STO AWAR
	Restricted Stock Units	3/11/15							18,230	$2,210
	Performance Share	3/11/15				21,265	42,530	74,427		$5,667
D P.	MIB Plan	3/31/15	$472,500	$1,575,000	$2,283,750					
	Restricted Stock Units	3/11/15							1,200	$145
	Performance Share	3/11/15				1,405	2,810	4,917		$374
CE V. BERIAN	MIB Plan	3/31/15	$56,228	$187,425	$271,767					
	Restricted Stock Units	3/11/15							8,870	$1,075
	Performance Share	3/11/15				10,345	20,690	36,207		$2,757
ES T. LE, JR.	MIB Plan	3/31/15	$303,460	$809,224	$1,153,155					