

LABORATORY CORP OF AMERICA HOLDINGS
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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

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to ss.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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- (4) Date Filed:

Laboratory Corporation of America® Holdings
358 South Main Street
Burlington, NC 27215
Telephone: 336-229-1127

April 3, 2015

Dear Shareholder:

I hope you will join us at the 2015 Annual Meeting of Shareholders of Laboratory Corporation of America Holdings which will be held on Wednesday, May 13, 2015 at 9:00 a.m. This year's 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 <http://www.virtualshareholdermeeting.com/LH2015> 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, and ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2015. We will also review the Company's progress during the past year and 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 20 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 25, 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 2014 annual meeting senior management spoke 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 2014 performance, our recent 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 2015 Annual Meeting.

Sincerely,

David P. King

Chairman of the Board, President and

Chief Executive Officer

Notice of 2015 Annual Meeting of Shareholders

Wednesday, May 13, 2015

9:00 a.m., Eastern Daylight Time

The 2015 Annual Meeting will be a completely virtual meeting of shareholders to be held as a live webcast over the Internet at <http://www.virtualshareholdermeeting.com/LH2015>.

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 ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the year ending December 31, 2015.
4. To consider any other business properly brought before the Annual Meeting.

RECORD DATE:

March 16, 2015. 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 3, 2015

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 13, 2015. 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 13, 2015, Eastern Daylight Time
Virtual Meeting
Location on the Internet: <http://www.virtualshareholdermeeting.com/LH2015>
Record Date: March 16, 2015
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 9)

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
Ratification of PricewaterhouseCoopers LLP as independent auditor for 2015	FOR

How to Cast Your Vote (page 10)

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 12, 2015;
- Telephone (1-800-690-6903) until 11:59 p.m., Eastern Daylight Time on Tuesday, May 12, 2015;
- Completing, signing and returning your proxy card or voting instruction card so that it is received before the polls close on May 13, 2015; or

Participating in the Annual Meeting – Whether you are a stockholder 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 <http://www.virtualshareholdermeeting.com/LH2015>. 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 1-855-449-0991 on the Annual Meeting date.

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[Back to Contents](#)**Board Nominees (page 20)**

The following table provides summary information about each director nominee.

Name	Director		Occupation	Independent	Other Public Boards
	Age	Since			
David P. King	58	2007	Chairman, President & CEO, Laboratory Corporation of America Holdings		1
Kerrii B. Anderson	57	2006	Former CEO, Wendy's International, Inc.	X	2
Jean-Luc Bélingard	66	1995	Chairman, bioMérieux, SA	X	2
D. Gary Gilliland	60	2014	President and Director of the NCI-designated Fred Hutchinson Cancer Research Center in Seattle, WA	X	0
Garheng Kong	39	2013	Managing Partner, Sofinnova HealthQuest Capital	X	3
Robert E. Mittelstaedt, Jr.	71	1996	Dean Emeritus, W. P. Carey School of Business at Arizona State University	X	2
Peter M. Neupert	59	2013	Operating Partner, Health Evolution Partners, Inc.	X	0
Adam H. Schechter	50	2013	Executive Vice President, Merck & Co., Inc.	X	0
R. Sanders Williams	66	2007	President, J. David Gladstone Institutes; Professor, University of California San Francisco	X	1

Executive Compensation (page 25)**Pay for Performance (page 28)**

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' 2014 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.

2014 Executive Total Compensation Mix (page 28)

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.

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For 2014, approximately 67 percent of Mr. King's total target compensation was at-risk and performance-based. For the other named executive officers other than Mr. Eisenberg, who joined the Company in the middle of 2014, and Mr. Hayes, who announced in October 2013 that he was retiring, approximately 62 percent of the average total target compensation for 2014 was at-risk and performance-based. In 2014, an additional approximately 23 percent of our CEO's total target compensation and approximately 19 percent of the average total target compensation for our other named executive officers 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 2014 for our Chief Executive Officer and an average for our other named executive officers, with the exception of Mr. Eisenberg and Mr. Hayes:

CEO MIX OF PAY ELEMENTS BASED ON TARGET AWARD OPPORTUNITIES OTHER NEO PAY MIX BASED ON TARGET AWARD OPPORTUNITIES

Advisory Vote to Approve Executive Compensation (page 52)

We ask that our shareholders approve the advisory resolution to approve executive compensation. Over the past three years 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 goals directly linked to strategic and objective financial goals;
- Cap on annual incentive opportunities;
- No employment agreements other than in 2015, an employment agreement with the CEO of Covance Inc. that will last for approximately 5 months following that acquisition;
- 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.

Auditors (page 54)

We ask that our shareholders ratify the selection of PricewaterhouseCoopers, LLP as our independent auditor for the year ending December 31, 2015. Below is summary information about PricewaterhouseCoopers' fees for services provided in fiscal years 2014 and 2013.

Year Ended December 31	2014	2013
Audit Fees	\$1,646,000	\$1,430,500
Audit Related Fees	\$-	\$49,750
Tax Fees	\$100,000	\$21,954
All Other Fees	\$1,800	\$1,800
TOTAL	\$1,747,800	\$1,504,004

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Proxy Statement

LabCorp is providing you with these proxy materials in connection with its 2015 Annual Meeting of Shareholders (the “Annual Meeting”). The Notice of Internet Availability of Proxy Materials (the “Notice”), this Proxy Statement and LabCorp’s 2014 annual report on Form 10-K (the “2014 Annual Report”) were first mailed to shareholders of record on or about April 3, 2015. 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.

GENERAL INFORMATION

2015 Annual Meeting of Shareholders

LabCorp’s 2015 Annual Meeting of Shareholders is scheduled to occur on Wednesday, May 13, 2015 at 9:00 a.m., Eastern Daylight Time. This year the Annual Meeting will be a completely virtual meeting and will be webcast live at <http://www.virtualshareholdermeeting.com/LH2015>. All owners of LabCorp’s common stock, par value \$0.10 per share (the “Common Stock”), on March 16, 2015, 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, 2013 and December 31, 2014, 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 13, 2015

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 2014 Annual Report over the Internet and sent the Notice to shareholders of record as of the Record Date on or about April 3, 2015. 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.

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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 20);
- Approval, on a non-binding advisory basis, of compensation for LabCorp's executives (see page 52); and
- Ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the year ending December 31, 2015 (see page 54).

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" approval, on a non-binding basis, of the compensation for LabCorp's executives; and
- "FOR" the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2015.

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 57 for information about presenting proposals for the 2016 Annual Meeting. Please also see the section "Identification and Evaluation of Director Candidates" on page 12 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 100,436,307 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.

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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 12, 2015. 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 12, 2015. 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 13, 2015.

By participating in the Annual Meeting. Participate in the virtual Annual Meeting by visiting <http://www.virtualshareholdermeeting.com/LH2015> 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 stockholder 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 12, 2015.

• 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 13, 2015.

• 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 13, 2015.

• Attending the Annual Meeting and voting in person or sending a personal representative with an appropriate proxy.

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, 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 <http://www.virtualshareholdermeeting.com/LH2015>, 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 on a 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 2014 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 nine 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 20).

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.

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.

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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 four times a year on the same day as the regularly scheduled Board meetings. In 2014, Mr. Mittelstaedt in his capacity as the Lead Independent Director chaired ten 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 provide candid feedback on Board effectiveness and track progress in key areas of Board performance. As part of the assessment, each director completes a questionnaire developed by the Nominating and Corporate Governance Committee. The collective ratings and comments of the directors from the questionnaires are compiled and presented by the Chair of the Nominating and Corporate Governance Committee 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 authorized to engage professional search firms at the Company's expense. 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.

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Shareholders may also nominate individuals to the Board. A shareholder may submit a nomination for consideration at the 2016 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 2016 Annual Meeting must be received no earlier than January 14, 2016 and no later than March 14, 2016. 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.

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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Communications with the Board

Shareholders and interested parties may communicate with the Board, individually or as a group, by submitting wri