

## **Quest Diagnostics Incorporated**

### **Audit and Finance Committee Charter**

#### ***Purpose***

The primary purpose of the Committee is (1) to assist in the Board's oversight of (a) the quality and integrity of the Company's financial statements and related disclosures, including the Company's disclosure controls and procedures and internal control over financial reporting, (b) the Company's compliance with legal and regulatory requirements, (c) the independent registered public accounting firm's qualifications and independence, and (d) the performance of the Company's internal audit function and independent registered public accounting firm and (2) to provide advice to the Board on financing activities and other financial matters. In connection with the Committee's responsibility for oversight of the Company's compliance with legal and regulatory requirements, the Committee acknowledges that the Company's Quality, Safety & Compliance Committee will continue to be primarily responsible for oversight of the Company's compliance with legal and regulatory requirements other than securities and accounting laws and regulations. In furtherance of its purpose, the Committee will maintain unrestricted and open communication between the Board of Directors, the independent registered public accounting firm, the internal auditors and the financial management of the Company.

#### ***Composition***

1. *Members.* The Committee shall consist of as many members as the Board shall determine, but in any event not fewer than three members. The members of the Committee shall be appointed annually by the Board upon the recommendation of the Governance Committee.
2. *Qualifications.* Each member of the Committee shall be a person who the Board has determined meets the independence standards under the rules of the New York Stock Exchange, Rule 10A-3 under the Securities Exchange Act of 1934 and such other requirements as the Board shall determine. The Board shall also determine that each member of the Committee is financially literate, or that each member will become financially literate within a reasonable period of time after appointment to the Committee, and that one member of the Committee has accounting or related financial management expertise, as such qualifications are interpreted by the Board in its business judgment, and whether any member of the Committee is an "audit committee financial expert", as defined by the rules of the Securities and Exchange Commission.
3. *Limitation on Number of Boards.* No director may serve as a member of the Committee if such director serves on the audit committees of more than three public companies, including the Committee, unless the Board of Directors determines that such simultaneous service would not impair the ability of such director to effectively serve on the Committee, and discloses this determination in the Company's annual proxy statement.
4. *Chair.* The Chair of the Committee shall be appointed by the Board upon recommendation of the Governance Committee.
5. *Removal and Replacement.* The members of the Committee may be removed or replaced, and any vacancies on the Committee shall be filled, by the Board upon the recommendation of the Governance Committee.

## *Operations*

1. *Meetings.* The Chair of the Committee, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings. At all meetings of the Committee, the presence of a majority of the members of the Committee shall be necessary and sufficient to constitute a quorum for the transaction of business. Except when otherwise required by statute, the vote of a majority of the members of the Committee present and acting at a meeting at which a quorum is present shall be the act of the Committee. In the absence of a quorum, a majority of the members of the Committee present may adjourn the meeting from time to time, until a quorum shall be present. The Committee may also act by unanimous written consent of all the members.
2. *Agenda.* The Chair of the Committee shall develop and set the Committee's agenda, in consultation with management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee in advance of each meeting.
3. *Report to Board.* At each regular meeting of the Board, the Committee shall report to the Board on any meetings held or actions taken by the Committee since the last regular meeting of the Board with such recommendations as the Committee shall deem appropriate.
4. *Self-Evaluation; Assessment of Charter.* The Committee shall conduct an annual self-evaluation of its performance and shall report to the Board the results of the self-evaluation. The performance evaluation of the Committee shall be conducted using the criteria and processes established by the Governance Committee for these purposes. The Committee shall assess the adequacy of this Charter periodically (not less than annually) and recommend any changes to the Board.

## *Authority and Duties*

In furtherance of its purpose, the Committee shall:

1. **In Relation to the Independent Registered Public Accounting Firm's Qualifications and Independence:**
  - (a) Be directly responsible for the appointment, retention, compensation, evaluation and oversight of the work of the independent registered public accounting firm employed by the Company to audit its financial statements or perform related services, including the resolution of disagreements between management and the independent registered public accounting firm regarding financial reporting. The independent registered public accounting firm shall report directly to the Committee and, although the appointment may be subject to stockholder ratification, the Committee shall retain the discretion to retain the independent registered public accounting firm and may change the appointment of the independent registered public accounting firm at any time if they determine that such change is in the best interests of the Company and its shareholders.
  - (b) Be directly responsible for the appointment, compensation, retention and oversight of the work of any other registered public accounting firm engaged for

the purpose of preparing or issuing an audit report or to perform audit, review or attestation services, which the firm shall also report directly to the Committee.

- (c) Have the sole authority to pre-approve, or to adopt appropriate procedures to pre-approve, all audit and non-audit services to be provided by the independent registered public accounting firm.
- (d) Obtain from, and review with, the lead audit partner, annually or more frequently as the Committee considers appropriate, a report by the independent registered public accounting firm describing: the independent registered public accounting firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the independent registered public accounting firm, or by any inquiry, review or investigation by governmental, professional or other regulatory authorities, within the preceding five years, respecting one or more independent audits carried out by the independent registered public accounting firm, and any steps taken to deal with these issues; and (in order to assess the independent registered public accounting firm's independence) all relationships between the independent registered public accounting firm and the Company, including each non-audit service provided to the Company and the matters set forth in PCAOB rules or other applicable laws, regulations or standards established or amended from time to time.
- (e) Annually review the experience, qualifications and performance of the senior members of the independent registered public accounting firm team.
- (f) Discuss with management the timing and process for implementing the rotation of the lead audit partner, the concurring partner and any other active audit engagement team partner and consider whether there should be a regular rotation of the audit firm itself.
- (g) Pre-approve the hiring of any employee or former employee of the independent registered public accounting firm who was a member of the Company's independent audit team during the preceding three fiscal years. In addition, the Committee shall pre-approve the hiring of any employee or former employee of the independent registered public accounting firm (within the preceding three fiscal years) for senior positions within the Company, regardless of whether that person was a member of the Company's audit team.

2. **In Relation to the Performance of the Internal Audit Function and Independent Registered Public Accounting Firm:**

- (a) Meet with the internal auditor, independent registered public accounting firm and financial management to review the scope, planning and staffing of the proposed audit for the current year and, at the conclusion thereof, review such audit, including any comments or recommendations of the independent registered public accounting firm and inquire about whether any undue time pressures were placed on the independent registered public accounting firm.
- (b) Review the organization, responsibilities, plans, results, budget, staffing and effectiveness of the internal audit function, including the independence and authority of its reporting obligations, the proposed audit plans for the coming year

and the summary of findings from completed and in progress internal audits. Annually review the Internal Audit Charter.

- (c) Review and concur in the appointment, replacement, reassignment or dismissal of the Vice President, Internal Audit. Review the significant reports to management or summaries thereof prepared by the internal auditing department and management's responses thereto.
- (d) Take into account the opinions of management and the Company's internal auditors in assessing the independent registered public accounting firm's qualifications, performance and independence.
- (e) Review and discuss with the independent registered public accounting firm, internal auditors and financial management the quality, adequacy and effectiveness of the Company's internal control over financial reporting and any significant deficiencies or material weaknesses in the design or operation of such internal controls and elicit any recommendations for the improvement of such internal controls.
- (f) Review the Company's policies with respect to risk assessment and risk management.

**3. In Relation to the Company's Financial Statements, Accounting Principles and Related Disclosures:**

- (a) Review and discuss the annual audited financial statements and quarterly financial statements with management and the independent registered public accounting firm, and the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," before the filing of the Company's Form 10-K and Form 10-Q. After review, make a recommendation to the Board relative to the acceptance and inclusion of the annual audited consolidated financial statements in the Company's Annual Report on Form 10-K.
- (b) Review and discuss with management earnings press releases before they are issued and the types of financial information and earnings guidance provided to analysts and rating agencies.
- (c) Obtain in a timely manner from the independent registered public accounting firm and review with such firm, the internal auditors and financial management, an audit report relating to the Company's annual audited financial statements and the Company's internal control over financial reporting describing: (i) all critical accounting policies and practices used by the Company in preparing its financial statements, (ii) alternative treatments of financial information within United States generally accepted accounting principles that have been discussed with management, ramifications of the use of these alternative disclosures and treatments, and the treatment preferred by the independent registered public accounting firm, and (iii) other material communications between the independent registered public accounting firm and management, such as any "management" letter, critical audit matter, or schedule of unadjusted differences. In addition, the Committee shall review with the independent registered public accounting firm any audit problems or difficulties or any significant matters associated with the

Company's financial statements or arising from the audit, including disagreements with management, and managements' response.

- (d) Review with management, and any outside professionals as the Committee considers appropriate, the adequacy and effectiveness of the Company's disclosure controls and procedures, and elicit any recommendations for the improvement of such controls and procedures.
- (e) Review with management, and any outside professionals as the Committee considers appropriate, important trends and developments in financial reporting practices and requirements and their effect on the Company's financial statements.
- (f) Prepare the Committee's report required by the Securities and Exchange Commission to be included in the Company's annual proxy statement.
- (g) Consider any reports or communications (and management's and/or the internal audit department's responses thereto) submitted to the Committee by the independent registered public accounting firms required by or referred to in PCAOB standards and related rules (Auditing Standard 1301 – Communications with Audit Committees), as they may be modified or supplemented, or other professional standards.

4. **In Relation to Compliance with Legal and Regulatory Requirements:**

- (a) Obtain and review reports from management, the internal auditor, and the independent registered public accounting firm, and coordinate with the Quality, Safety & Compliance Committee, regarding legal matters (including the status of pending litigation) and compliance with all applicable legal and regulatory requirements that may have a material effect on the Company's business, financial statements or compliance policies, including any material reports or inquiries from regulatory or governmental agencies.
- (b) Obtain and review reports from management and coordinate with the Quality, Safety & Compliance Committee regarding the adequacy and effectiveness of the Company's procedures to ensure compliance with its legal and regulatory responsibilities.
- (c) Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters or potential violations of law and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

5. **In Relation to the Committee's Finance Responsibilities:**

Give advice and make recommendations with regard to investments, debt financings, stock issuances, stock repurchases, dividend payments and other significant financial policies and actions.

6. **In Relation to the Committee's General Responsibilities:**

- (a) Periodically meet separately with the internal auditor and independent registered public accounting firm without members of management present. The Committee

shall meet separately with the independent registered public accounting firm at or in connection with every in-person meeting of the Committee at which the independent registered public accounting firm is present.

- (b) Periodically meet separately with members of management without the internal auditor or independent registered public accounting firm present.
- (c) Discharge such other responsibilities as may be delegated by the Board.

### ***Clarification of the Committee's Role***

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as it may deem necessary or appropriate for the performance of its duties. The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee, as it deems appropriate in accordance with applicable laws and regulations and the requirements of the New York Stock Exchange.

The Committee's responsibility is one of oversight. It is the responsibility of the Company's management to prepare consolidated financial statements in accordance with applicable laws and regulations and to maintain appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The Company's independent registered public accounting firm is responsible for planning and carrying out a proper audit of the Company's financial statements and of the Company's internal control over financial reporting as well as conducting a review of the Company's quarterly financial statements to be filed on Form 10-Q. Therefore, each member of the Committee shall be entitled to rely, to the fullest extent permitted by law, on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the financial and other information provided to the Committee by such persons or organizations. In discharging its oversight role, the Committee shall have full access to all Company books, records, facilities and personnel. In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company and are not, and do not represent to be, performing the functions of auditors or accountants. As such, it is not the duty or responsibility of the Committee or its members to conduct auditing or accounting reviews or procedures or to set auditor independence standards.

The Committee shall have the authority to select, retain and terminate counsel, accountants, auditors or other advisors as and on such terms as the Committee deems appropriate to discharge its duties and responsibilities without seeking approval of the Board or management. The Committee shall receive appropriate funding, as determined by the Committee, from the Company to pay any such counsel, accountants, auditors or other advisors and other expenses of the Committee that are necessary and appropriate in order to carry out its duties.

(As amended on November 19, 2019)