

QUEST DIAGNOSTICS INC
Form DEF 14A
April 02, 2010
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

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Quest Diagnostics Incorporated

(Name of Registrant as Specified in its Charter)

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**Notice of 2010 Annual Meeting of Shareholders
Quest Diagnostics Incorporated
Three Giralda Farms
Madison, New Jersey
May 6, 2010, 10:30 a.m. local time**

April 5, 2010

Dear Fellow Shareholder:

It is my pleasure to invite you to attend Quest Diagnostics 2010 Annual Meeting of Shareholders. At the meeting, we will:

elect three members of
the Board of Directors;

consider ratifying the
appointment of
PricewaterhouseCoopers
LLP as our independent
registered public
accounting firm for
2010; and

transact such other
business as may properly
come before the meeting.

Our Board of Directors recommends that you vote **FOR** the election of directors and the ratification of the appointment of the accounting firm.

Attendance at the meeting is limited to shareholders of record at the close of business on March 8, 2010, or their duly appointed proxy holder.

We enclose our proxy statement, our annual report and a proxy card. *Your vote is very important.* Whether or not you plan to attend the meeting, I urge you to vote your shares. Most shareholders may vote via mail, telephone or the Internet. Instructions on how to vote are included with your proxy card and these proxy materials. Please submit your proxy promptly.

Thank you for your continued support of Quest Diagnostics.

Sincerely,

Surya N. Mohapatra, Ph.D.
*Chairman, President and
Chief Executive Officer*

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PROXY STATEMENT

QUEST DIAGNOSTICS INCORPORATED

**Three Giralda Farms
Madison, New Jersey 07940
(973) 520-2700**

INFORMATION ABOUT OUR 2010 ANNUAL MEETING

This proxy statement and form of proxy and voting instructions are being mailed starting on or about April 5, 2010.

Who is soliciting my vote?

The Board of Directors (the Board of Directors or the Board) of Quest Diagnostics Incorporated, a Delaware corporation (Quest Diagnostics, the Company, we or our), is soliciting your vote for our 2010 annual meeting.

What will I vote on?

You are being asked to vote on:

election of three directors
for a three-year term; and

ratification of the
appointment of
PricewaterhouseCoopers
LLP (PwC) as our
independent registered
public accounting firm
for 2010.

Who can vote at the annual meeting?

Holders of our common stock as of the close of business on the record date will be entitled to vote at the annual meeting and at any adjournment or postponement of the annual meeting. March 8, 2010 is the record date.

How many votes can be cast by all shareholders?

On the record date, there were 179,519,454 shares of our common stock outstanding, each of which is entitled to one vote for each matter to be voted on at the annual meeting.

How many votes must be present to hold the annual meeting?

We need a majority of the votes that may be cast, present in person or represented by proxy, to hold the annual meeting. We urge you to vote by proxy even if you plan to attend the annual meeting. That will help us to know as soon as possible that sufficient votes will be present to hold the annual meeting.

How do I vote if I am a holder of record (that is, I hold my shares in my name with the Company's transfer agent)?

If you are a holder of record, you may vote by submitting your proxy via mail, telephone or the Internet or by attending the annual meeting and voting in person. If you choose to submit your proxy by mail, simply mark, sign and date your proxy card and return it in the enclosed postage pre-paid envelope. You can also submit your proxy by calling 1-888-693-8683. If you choose to submit your proxy on the Internet, go to www.cesvote.com. The directions for telephone and Internet proxy submission are on your proxy card. If you return a signed proxy card without indicating your vote, your shares will be voted according to the Board's recommendation.

How do I vote if I hold my shares in street name (that is, through a broker, bank or other holder of record)?

If you hold your shares in street name, please follow the voting instructions forwarded to you by your bank, broker or other holder of record. If you want to vote in person at the annual meeting, you must obtain a legal proxy from your broker, bank or other holder of record authorizing you to vote and bring the proxy to the annual meeting. Please note that if you hold your shares in street name, you must cast your vote if you want your shares to count in the election of directors. In the past, if you did not indicate how you wanted your shares voted

in the election of directors, New York Stock Exchange member brokers were allowed to vote those shares on your behalf in the election of directors in their discretion. Recent regulatory changes eliminate a broker's ability to vote your uninstructed shares in the election of directors on a discretionary basis. Thus, if you do not instruct your broker how to vote in the election of directors, no vote will be cast on your behalf. Brokers continue, however, to have discretion to vote uninstructed shares on the ratification of the appointment of our independent registered public accounting firm.

How many votes will be required to elect directors?

Each director will be elected by a majority of votes cast with respect to such director. A majority of votes cast means that the number of votes cast for a director nominee exceeds the number of votes cast against that director nominee. Under Delaware law, if the director is not elected at the annual meeting, the director will continue to serve on the Board as a holdover director. As required by the Company's by-laws, each director nominee has submitted an irrevocable letter of resignation as director that becomes effective if he or she is not elected by the shareholders and the Board accepts the resignation. If a director is not elected, the Governance Committee will consider the director's resignation and recommend to the Board whether to accept or reject the resignation or take other action. The Board will decide whether to accept or reject the resignation or take other action and publicly disclose its decision and, if it rejects the resignation, the rationale behind the decision, within 120 days after the election results are certified.

How many votes will be required to adopt the other proposals?

The ratification of PwC's appointment requires the affirmative vote of a majority of the shares of common stock represented at the annual meeting and entitled to vote thereon.

Can I change or revoke my proxy?

Yes. You may revoke your proxy at any time before your shares are voted by:

submitting a
later proxy,
including by
telephone or the
Internet;

delivering a
written
revocation
notice to
William J.
O'Shaughnessy,
Jr., Corporate
Secretary,
Quest
Diagnostics
Incorporated,
Three Giralda
Farms,
Madison, New
Jersey 07940;
or

voting in person
at the annual
meeting.

What if I vote to abstain?

Shares voting abstain for any nominee for director will be excluded entirely from the vote and will have no effect on the election of that nominee. Shares voting abstain on any other proposal will be counted as present for purposes of that proposal and will have the effect of a vote against the proposal.

What happens if I do not vote?

If you are a record holder and do not vote your shares, your shares will not be voted.

If you hold your shares in street name, you must cast your vote if you want your shares to count in the election of directors. In the past, if you did not indicate how you wanted your shares voted in the election of directors, New York Stock Exchange member brokers were allowed to vote those shares on your behalf in the election of directors in their discretion. Recent regulatory changes eliminate a broker's ability to vote your uninstructed shares in the election of directors on a discretionary basis. Thus, if you do not instruct your broker how to vote in the election of directors, no vote will be cast on your behalf. Brokers continue, however, to have discretion to vote uninstructed shares on the ratification of the appointment of our independent registered public accounting firm.

If you are a participant in the Quest Diagnostics Profit Sharing Plan and you do not submit voting instructions in respect of shares held on your behalf in that plan, then, except as otherwise required by law, the plan trustee will vote your shares in the same proportion as the voting instructions that it receives from other participants in that plan. If you hold shares in the Company's Employee Stock Purchase Plan and you do not submit voting instructions in respect of shares held in that plan, those shares will not be voted.

What if there is voting on other matters?

We do not know of any other matters that may be presented for action at the meeting other than those described in this proxy statement. If any other matter properly is brought before the meeting, the proxy holders will have the discretion to vote on those matters for you.

How can I attend the annual meeting?

Only shareholders as of the record date (or their proxy holders) may attend the annual meeting. All shareholders seeking admission to the meeting must present photo identification. If you hold your shares in street name, to gain admission to the meeting you also must provide proof of ownership of your shares as of the record date. Proof of ownership may be a letter or account statement from your broker or bank.

What happens if the annual meeting is postponed or adjourned?

Your proxy will still be valid and may be voted at the postponed or adjourned annual meeting. You will still be able to change or revoke your proxy until it is voted.

Who will pay the expenses incurred in connection with the solicitation of my vote?

The Company pays the cost of preparing proxy materials and soliciting your vote. Our directors, officers and employees, who will receive no additional compensation for soliciting, may solicit proxies on our behalf by telephone, mail, electronic or facsimile transmission, in person or by other means of communication. We also have hired D. F. King & Co., Inc. to solicit proxies and for these services we will pay an estimated fee of \$10,000, plus expenses.

Whom should I call with other questions?

If you have additional questions about this proxy statement or the annual meeting or would like additional copies of this document or our 2009 Annual Report on Form 10-K, please contact Investor Relations, Quest Diagnostics Incorporated, 3 Giralda Farms, Madison, N.J. 07940; email address: Investor@QuestDiagnostics.com.

MATTER TO BE CONSIDERED AT THE ANNUAL MEETING

Proposal No. 1 Election of Directors

The Company's Restated Certificate of Incorporation requires that the Company have at least three but not more than twelve directors, as the Board determines from time to time. The Board presently consists of nine directors divided into three classes, each with three-year terms. At this meeting, three directors are seeking re-election for a three-year term expiring in 2013. The biographies of each of the nominees and continuing directors below contain information regarding the person's service as a director of the Company, business experience, other director positions and the experience, qualifications, attributes and skills that led the Board to conclude as of the date of this proxy statement that the person should serve as a director of the Company.

Nominees for Election

Based on the recommendation of the Governance Committee, the Board nominated three individuals to serve as directors for a term expiring at the 2013 annual meeting. Each nominee is currently a director of the Company. The Board believes that each nominee possesses the qualities and experience that nominees should possess in accordance with the Company's Corporate Governance Guidelines, which set forth the Board's philosophy regarding Board composition and identify key qualifications and other considerations (the relevant portion of the Company's Corporate Governance Guidelines is set forth below in the section entitled "Information About Our Corporate Governance Board

Nomination Process.) Each nominee has consented to serve if elected. The terms of these three directors seeking re-election expire at the adjournment of the 2010 annual meeting.

Directors with Terms Expiring at the 2010 Annual Meeting

John C. Baldwin, M.D., 61, is Senior Advisor for Health Affairs to the Texas Tech University System and a tenured professor. He oversees health research, education, and accreditation issues for the university. From 2007 to 2009, he served as President of Texas Tech University Health Sciences Center. From 2005 to 2007, he was President and Chief Executive Officer of CBR Institute for Biomedical Research. From 1998 to 2005, Dr. Baldwin was the Associate Provost for Health Affairs at Dartmouth College and Professor of Surgery at Dartmouth Medical School. From 1994 to 1998, Dr. Baldwin was the head of the surgical programs at Baylor College of Medicine and its affiliated hospitals. Dr. Baldwin was also the Governor of the American College of Surgeons from 1991 through 1997 and the President of the International Society of Cardiothoracic Surgeons in 1999. Dr. Baldwin has served as the Vice-Chair of the Board of Overseers of Harvard University. Dr. Baldwin served as a director of Massey Energy Company from 2004 until 2006. He has been a director of Quest Diagnostics since May 2004. Dr. Baldwin has extensive executive experience, including in strategic planning, with major organizations, and extensive experience with healthcare issues and the operation of the U.S. healthcare system, including as a practicing physician.

Surya N. Mohapatra, Ph.D., 60, is Chairman of the Board, President and Chief Executive Officer of Quest Diagnostics. Prior to joining the Company in February 1999 as Senior Vice President and Chief Operating Officer, he was Senior Vice President of Picker International, a worldwide leader in advanced medical imaging technologies, where he served in various executive positions during his 18-year tenure. Dr. Mohapatra was appointed President and Chief Operating Officer of the Company in June 1999, Chief Executive Officer in May 2004, and Chairman of the Board in December 2004. Dr. Mohapatra also is a director of ITT Corporation. Dr. Mohapatra served as a director of Vasogen, Inc. from 2002 to 2006. He has been a director of Quest Diagnostics since October 2002. Dr. Mohapatra has experience at Quest Diagnostics, including as President and Chief Executive Officer, that provides him unique insights into the Company's operations, challenges and opportunities, and he has extensive executive experience in international operations and medical diagnostics.

Gary M. Pfeiffer, 60, retired in 2006 as the Senior Vice President and Chief Financial Officer of E.I. du Pont de Nemours and Company. He joined DuPont in 1974, where he held positions of increasing responsibility in finance and international operations, as well as in various DuPont divisions. Mr. Pfeiffer served as Secretary of Finance for the state of Delaware from January through June 2009. Mr. Pfeiffer is a director of InterNAP Network Services Corporation and the non-executive chair of the board of Talbots, Inc. Mr. Pfeiffer has been a director of Quest Diagnostics since December 2004. He has extensive executive experience, including in corporate finance, accounting, international operations, and strategic planning, with a multinational corporation operating in complex industries.

Directors Continuing in Office

Directors with Terms Expiring at the 2011 Annual Meeting

William F. Buehler, 70, retired in 2001 as Vice Chairman of Xerox Corporation, which he joined in 1991. At Xerox, Mr. Buehler was responsible for five business groups: Production Systems, Office Document Products, Document Services, Channels and Supplies. He also oversaw Corporate Strategic Services, Business Development and Systems Software and Architecture. Prior to joining Xerox, Mr. Buehler spent 27 years with AT&T, primarily in sales, marketing and general management positions. Mr. Buehler is a director of A.O. Smith Corporation. Mr. Buehler has been a director of Quest Diagnostics since July 1998. He has extensive executive experience, including in sales, marketing and strategic planning, with multinational corporations operating in complex industries.

Rosanne Haggerty, 49, is the founder and President of Common Ground Community, a not-for-profit organization that develops strategies to end homelessness in New York City. Prior to founding Common Ground Community in 1990, she was the coordinator of housing development at Brooklyn Catholic Charities. Ms. Haggerty is a 2001 MacArthur Foundation Fellow. Ms. Haggerty has been a director of Quest Diagnostics since February 2002. She has extensive entrepreneurial and executive experience, including in strategic planning and social responsibility issues, with a not-for profit entity operating in a complex environment.

Daniel C. Stanzione, Ph.D., 64, retired from Lucent Technologies Incorporated in 2000 and is President Emeritus of Bell Laboratories and an independent consultant. Dr. Stanzione began his career in 1972 with Bell Laboratories, where he led the teams working on the first microprocessors and digital signal processors. He was appointed President of Network Systems, Lucent's largest business unit, in 1996 and was appointed Chief Operating Officer of Lucent in 1997. Dr. Stanzione is a director of InterNAP Network Services Corporation, where he serves as non-executive chairman of the board. Dr. Stanzione served as a director of Avaya Inc. from 2000 until 2007. He has been a director of Quest Diagnostics since January 1997. Dr. Stanzione has extensive executive experience, including in general management and strategic planning, with multinational corporations operating in complex industries.

Directors with Terms Expiring at the 2012 Annual Meeting

Jenne K. Britell, Ph.D., 67, joined Brock Capital Group LLC in March 2010 as a Senior Managing Director, advising companies and investors regarding strategy, acquisitions and asset deployment, including in connection with financial services. From 2001 to 2009, she was the Chairman and Chief Executive Officer of Structured Ventures, Inc., which advised domestic and foreign companies on financial services products and strategy. From 1996 to 2000, she was a senior officer of GE Capital, serving as President of GE Capital Global Commercial & Mortgage Banking and Executive Vice President of GE Capital Global Consumer Finance from 1999 to 2000 and serving as President and Chief Executive Officer of GE Capital Central and Eastern Europe from 1998 to mid-1999. Dr. Britell is the non-executive chair of United Rentals, Inc. and a director of Crown Holdings, Inc. She is a trustee of the Fox Chase Cancer Center and a director of the U.S. Russia Foundation for Entrepreneurship and the Rule of Law. Dr. Britell served as a director of Lincoln National Corporation from 2001 to 2006, of West Pharmaceuticals Corporation from 2005 until 2008 and of Aames Investment Corporation from 2001 until 2006. She has been a director of Quest Diagnostics since August 2005. She has extensive executive and advisory experience, including in corporate finance, capital markets, international business and strategic planning, with multinational corporations operating in complex, regulated industries.

Gail R. Wilensky, Ph.D., 66, is a Senior Fellow at Project HOPE, an international non-profit health foundation, which she joined in 1993. From 2008 through 2009, Dr. Wilensky served as President of the Defense Health Board, an advisory board in the Department of Defense. From 1997 to 2001, she was the chair of the Medicare Payment Advisory Commission. From 1995 to 1997, she chaired the Physician Payment Review Commission. In 1992 and 1993, Dr. Wilensky served as a deputy assistant to the President of the United States for policy development relating to health and welfare issues. From 1990 to 1992, she was the administrator of the Health Care Financing Administration where she directed the Medicare and Medicaid programs. Dr. Wilensky is a director of Cephalon Inc., SRA International, Inc. and UnitedHealthcare Corporation. She served as a director of Manor Care Inc. from 1998 until 2007 and of Gentiva Health Services, Inc. from 2000 until 2009. Dr. Wilensky also served as a Commissioner of the World Health Organization's Commission on the Social Determinants of Health and as the Non-Department Co-Chair of the Defense Department's Task Force on the Future of Military Health Care. She has been a director of Quest Diagnostics since January 1997. Dr. Wilensky has extensive experience, including in strategic planning, as a senior advisor to the U.S. government and private enterprises regarding healthcare issues and the operation of the U.S. healthcare system.

John B. Ziegler, 64, retired in January 2006 as the President, Worldwide Consumer Healthcare, of GlaxoSmithKline plc (the parent of SmithKline Beecham plc). Mr. Ziegler joined SmithKline Beecham in 1991 as the head of SB Consumer Healthcare - North American Division. He was Executive Vice President of SmithKline Beecham from 1996 to 1998 and became President, Worldwide Consumer Healthcare in 1998. He has been a director of Quest Diagnostics since May 2000. Mr. Ziegler has been recommended by SmithKline Beecham for nomination as a director of Quest Diagnostics pursuant to the Stockholders Agreement with SmithKline Beecham. See Related Person Transactions GlaxoSmithKline on page 14. He has extensive executive experience, including in sales, marketing, strategic planning and international operations, with multinational corporations operating in the healthcare industry.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH NOMINEE FOR DIRECTOR. PROXIES SOLICITED BY THE BOARD WILL BE VOTED FOR THESE NOMINEES UNLESS OTHERWISE INSTRUCTED.

INFORMATION ABOUT OUR CORPORATE GOVERNANCE

Governance Practices

The Board of Directors believes that good corporate governance is important. The Board has adopted a set of Corporate Governance Guidelines to enhance its own effectiveness and to demonstrate its commitment to strong corporate governance for the Company. The Board reviews these Guidelines from time to time for possible revision, including to respond to changing regulatory requirements, evolving practices and the concerns of our shareholders. The Company also has adopted a Code of Business Ethics applicable to all directors, officers and employees. The Corporate Governance Guidelines and Code of Business Ethics are published on our corporate governance website at www.QuestDiagnostics.com/governance. Additional highlights of our corporate governance practices are described below.

Director Independence

The Board of Directors assesses annually the independence of each director in accordance with the Company's Corporate Governance Guidelines and New York Stock Exchange listing standards. The independence guidelines in the Company's Corporate Governance Guidelines are consistent with the independence requirements in the New York Stock Exchange listing standards and include guidelines as to categories of relationships that are considered not material for purposes of director independence. Our Corporate Governance Guidelines are available on our corporate governance website at www.QuestDiagnostics.com/governance.

The Board has determined that a substantial majority (eight of nine) of our directors is independent. Each member, including the chair, of each of the Audit and Finance Committee, the Compensation Committee, the Governance Committee and the Quality, Safety & Compliance Committee qualifies as independent. The Board has determined the following directors to be independent: John C. Baldwin, Jenne K. Britell, William F. Buehler, Rosanne Haggerty, Gary M. Pfeiffer, Daniel C. Stanzione, Gail R. Wilensky and John B. Ziegler. Surya N. Mohapatra, the Chairman of the Board, President and Chief Executive Officer of the Company, is not independent because he is a Company officer.

In considering the independence of Mr. Ziegler, the Board considered that prior to January 31, 2006, when he retired from GlaxoSmithKline, Mr. Ziegler was President, Worldwide Consumer Healthcare of GlaxoSmithKline, which beneficially owned approximately 17% of the Company's outstanding common stock as of February 15, 2010. The Board also considered that Mr. Ziegler has been recommended by SmithKline Beecham for nomination as a director of the Company, and the Company's relationship with GlaxoSmithKline, including the transactions between the Company and GlaxoSmithKline during 2009. For a discussion of the Company's relationship with GlaxoSmithKline, including transactions between the Company and GlaxoSmithKline during 2009, see [Related Person Transactions GlaxoSmithKline](#) on page 14. Mr. Ziegler was not involved with the negotiation of any of these arrangements or transactions.

Shareholder Access

Shareholders and any other person may communicate with the Board by sending an email to our Lead Independent Director at LeadIndependentDirector@QuestDiagnostics.com or by writing to the full Board or any individual director or any group or committee of directors, c/o Corporate Secretary, Three Giralda Farms, Madison, New Jersey 07940. Communications

received at the email address are automatically routed to our Lead Independent Director with a copy to our General Counsel and Corporate Secretary. The Lead Independent Director determines whether any such communication should be distributed to other members of the Board. All communications received by the Corporate Secretary addressed as set forth above, other than communications unrelated to the duties and responsibilities of the Board of Directors, are forwarded to the intended directors.

The Audit and Finance Committee established a procedure whereby complaints and concerns with respect to accounting, internal controls and auditing matters may be submitted to the Audit and Finance Committee. All communications received by a director relating to the Company's accounting, internal controls or auditing matters are immediately forwarded to the Chairman of the Audit and Finance Committee and are investigated and responded to in accordance with the procedures established by the Audit and Finance Committee. In addition, the Company has established a hotline (known as CHEQline)

pursuant to which employees can anonymously report accounting, internal controls and financial irregularities (as well as compliance concerns on other laws).

Our policy is, where practical, to schedule the annual shareholders meeting on a day on which we also schedule a regular Board meeting. This year, we have scheduled a regular Board meeting on the date of the annual meeting. We encourage our directors to attend each annual shareholders meeting and expect that all of our directors will attend the annual meeting this year. 7 of our 9 directors attended the 2009 annual

shareholders
meeting.

Board Nomination Process

The Governance Committee is responsible for reviewing with the Board, on an annual basis, the composition of the Board as a whole and whether the Company is being well served by the directors, taking into account each director's independence, skills, experience, availability for service to the Company and other factors the Governance Committee deems appropriate. The Governance Committee is responsible for recommending director nominees to the Board, including renomination of persons who are already directors. The Governance Committee does not set specific, minimum qualifications that nominees must meet in order for the Governance Committee to recommend them to the Board, but rather believes that each nominee

should be evaluated based on his or her own merits, taking into account the Company's needs and the composition of the Board.

Recommendations are made by the Governance Committee in accordance with the Company's Corporate Governance Guidelines, which set forth the Board's philosophy regarding Board composition and identify key qualifications and other considerations.

The Governance Committee believes that the Board should be comprised of individuals whose backgrounds and experience complement those of other Board members, and also considers whether a prospective nominee promotes a diversity of talent, skill, expertise, background, perspective and experience, including with respect to age, gender, ethnicity, place of residence and specialized

experience. The Governance Committee does not assign specific weights to particular criteria and nominees are not required to possess any particular attribute. The key qualifications and other considerations set forth in the Company's Corporate Governance Guidelines are set forth below.

Qualifications:

< Reputation for highest ethical standards and integrity consistent with Quest Diagnostics values of Quality, Integrity, Innovation, Accountability, Collaboration and Leadership; and

< Relevant experience such as:

Chief Executive Officer or Chief Operating Officer (or similar responsibilities) current or past;

Demonstrated expertise in business function(s) such as sales, operations, finance, strategy, legal or human resources; or

Medical practitioner and/or science and health thought leader.

Other considerations:

- < Independence;
- < Prior experience as a director or executive officer of a public company;
- < Number of current board positions and other time commitments; and
- < Overall range of skills, experience and seniority represented by the Board as a whole.

The Governance Committee considers suggestions from many sources, including shareholders, regarding possible candidates for director. Shareholders may recommend candidates for consideration as director by sending an email to our Lead Independent Director at

LeadIndependentDirector@QuestDiagnostics.com
or writing to the full Board or any independent
Board member, c/o Corporate Secretary, Three
Giralda Farms, Madison, New Jersey 07940. The
recommendation should contain the proposed
nominee's name, biographical information and
relationship to the shareholder. The Governance
Committee evaluates shareholder
recommendations for director candidates in the
same manner as other director candidate
recommendations. Shareholders may also
nominate director candidates. See Information
About Our 2011

Annual Meeting on page 44 for information regarding the process and deadline for shareholders to submit director nominations for the 2011 annual meeting.

When the Governance Committee identifies a need to add a new Board member, the Governance Committee identifies candidates by seeking input from Board members and considering recommendations for nominees submitted by other sources, including shareholders. The Governance Committee may also hire third-party search firms to assist in identifying and evaluating candidates for nomination. After the Governance Committee ranks the candidates, the Chairman of the Board, President and Chief Executive Officer, the Lead Independent Director and other

Board members interview the candidates selected by the Governance Committee. Members of senior management also may interview candidates. After the interview process, the Governance Committee re-assesses the candidates and then makes its recommendation for director candidates to the Board, which determines which candidates are nominated for election by the shareholders or elected by the Board.

Board Practices

Non-management directors meet privately in executive sessions with the Lead Independent Director presiding at all regularly scheduled meetings. Independent directors meet privately in executive sessions at least once per year with the Lead Independent Director presiding.

The Board performs an annual assessment of its structure and performance, including reviewing the Board's activities against those set out in its Corporate Governance Guidelines and committee charters and making recommendations for changes or improvements in practices or structure.

The Board reviews annually senior management succession planning and reviews Company policies for the development of management personnel.

Independent directors have unlimited access to officers and employees of the Company.

Directors are regularly updated by senior management, our independent registered public accounting firm and compensation consultants on

changes in the Company's businesses, its markets and best practices in general. Directors also are offered the opportunity to attend director education programs offered by third parties.

Independent directors receive a significant portion of their annual compensation in equity to further align their interests with the interests of our shareholders.

The Board and each committee have access to independent legal, financial or other advisors as they deem necessary, without obtaining management approval, but no committee may engage the Company's independent registered public accounting firm to perform any services without the approval of the Audit and Finance Committee.

In considering committee assignments for directors, the

Governance
Committee
considers the
rotation of
committee chairs
and members with
a view toward
balancing the
benefits derived
from continuity
against the
benefits derived
from the diversity
of experience and
viewpoints of the
various directors.

Committees report
on their activities
to the Board at
each Board
meeting.

Materials related
to agenda items
are provided to
directors
sufficiently in
advance of
meetings to allow
the directors to
prepare for
discussion of the
items.

Board Committees

In order to fulfill its responsibilities, the Board has delegated certain authority to its committees. There are five standing committees. During 2009, the Board held 7 meetings. Each of our directors attended at least 75% of the total number of meetings of the Board and the committees on which he or she served. Any director may attend meetings of any committee of which the director is not a member. The following table shows the membership of each of the committees since the 2009 annual shareholders meeting and the number of meetings held by each committee in 2009.

	Audit and Finance	Compensation	Governance	Quality, Safety & Compliance	Executive
John C. Baldwin, M.D					
Jenne K. Britell, Ph.D					
William F. Buehler					
Rosanne Haggerty					
Surya N. Mohapatra, Ph.D.					
Gary M. Pfeiffer					
Daniel C. Stanzione, Ph.D.					
Gail R. Wilensky, Ph.D.					
John B. Ziegler					
Number of meetings	13	9	4	6	0

For each year, a schedule of Board meetings is established before the year begins. Committee meetings are generally scheduled for the day before, or the day of, meetings of the full Board. The Board and each committee also hold such additional meetings as the Board or committee, respectively, determines necessary or appropriate.

A brief description of each of the Board committees and their functions is set forth below. Additional information about the committees can be found in their charters, which are available on our corporate governance website at www.QuestDiagnostics.com/governance.

Audit and Finance Committee

The Audit and Finance Committee:

Assists the Board in monitoring the quality and integrity of the financial statements and financial reporting procedures of the Company and the Company's compliance with legal and regulatory requirements.

Oversees management's accounting for the Company's financial results and reviews the

timeliness and adequacy of the reporting of those results and related judgments.

Oversees the internal audit function and makes inquiry into the audits of the Company's books performed internally and by the outside independent registered public accounting firm.

Appoints the independent registered public accounting firm, monitors its qualifications, independence and performance, approves its compensation and pre-approves the services it performs.

Reviews with the Company's independent registered public accounting firm, and informs the Board of, any significant accounting matters, including critical accounting policies and judgments.

Advises and makes recommendations with regard to

certain financing transactions and other significant financial policies and actions.

Establishes procedures for the receipt, retention and treatment of complaints relating to accounting, internal accounting controls, and for the confidential, anonymous submission by employees of concerns regarding accounting or auditing matters.

Reviews and reports to the Board on the Company's management of its financial resources.

Reviews annually its performance.

The Board has determined that Jenne K. Britell and Gary M. Pfeiffer qualify as audit committee financial experts as defined by the Securities and Exchange Commission. For descriptions of the experience of Dr. Britell and Mr. Pfeiffer, see Proposal No. 1 Election of Directors beginning on page 3.

Compensation Committee

The Compensation Committee:

Reports to the Board with respect to the performance of the Chief Executive Officer and reviews and approves the compensation of the Chief Executive Officer based on the directors evaluation of the Chief Executive Officer and the Company's financial performance, competitive compensation data and other factors.

Oversees the performance of other executive officers and annually reviews and approves their annual base salary, annual incentive compensation and long-term incentive compensation.

Annually reviews and recommends to the Board the compensation of the Company's non-employee directors.

Administers, or makes recommendations to the Board regarding, the equity-based, incentive compensation and retirement plans, policies and programs of the Company. The Committee may delegate the administration of plans, policies and programs as appropriate, including to executive officers of the Company and to the Company's Human Resources department.

Supports the Board in the senior management succession planning process.

Reviews and approves, for executive officers, employment agreements, severance benefits and other special benefits.

Reviews annually its performance.

For a discussion of the role of executive officers and compensation consultants in connection with determining or recommending executive compensation, see "Compensation Discussion and Analysis" on page 18.

Governance Committee

The Governance Committee:

Identifies individuals qualified to become Board members, and reviews and recommends possible candidates for Board membership, taking into account such criteria as independence, diversity, age, skills, occupation and experience in the context of the needs of the Board.

Reviews the structure of the Board, its committee structure and overall size.

Monitors developments in corporate governance.

Reviews the Company's Corporate Governance Guidelines and recommends to the Board such changes to the Guidelines, if any, as the Committee may determine.

Recommends for Board

approval
assignments of
directors to
Board
committees.

Reviews
relationships
and transactions
of directors,
executive
officers and
senior financial
officers for
possible
conflicts of
interest.

Monitors
compliance
with the
Company's
Code of
Business
Ethics.

Reviews and
approves
transactions or
proposed
transactions in
which a related
person is likely
to have a direct
or indirect
material interest
pursuant to the
Company's
Statement of
Policy and
Procedures for
the Review and
Approval of
Related Person
Transactions.

Oversees the
Board and each
Board
committee in
their annual

self-evaluation.

Reviews
annually its
performance.

Quality, Safety & Compliance Committee

The Quality, Safety & Compliance Committee:

Reviews the
Company's
policies,
programs and
performance
relating to
billing
compliance,
environmental
health and
safety, equal
opportunity
employment
practices,
fraud and
abuse, and
medical
quality
assurance.

Reviews the organization, responsibilities, plans, results, budget and staffing of the Company's Compliance Department, and reviews significant reports to management, or summaries thereof, regarding the Company's compliance policies, practices, procedures and programs and management's responses thereto.

Monitors significant external and internal investigations of the Company's business as they relate to possible violations of law by the Company or its directors, officers, employees or agents.

Monitors significant regulatory, legislative and legal developments affecting the

Company's
business.

Monitors
material legal
and medical
quality matters
and compliance
with legal and
regulatory
requirements,
and reports to
the Audit and
Finance
Committee
regarding the
same.

Reviews
annually its
performance.

Executive Committee

The Executive Committee:

May act for
the Board,
except with
respect to
certain
major
corporate
matters,
such as
mergers,
election of
directors,
removal of
directors or
the Chief
Executive
Officer,
amendment
of the
Company's
charter or
by-laws,
declaration
of dividends
and matters

delegated to
other Board
committees.

Board Leadership Structure and Role in Risk Oversight

The Board operates under the leadership of our Chairman. At this time, the Board has determined that the Company's President and Chief Executive Officer is best positioned to serve as Chairman. The Board believes that this leadership structure is in the best interest of the Company and its shareholders for the following reasons.

The President and Chief Executive Officer has primary responsibility for managing the Company on a daily basis. By serving as Chairman, the President and Chief Executive Officer helps ensure that key business issues and other important matters are brought to the Board's attention.

We have numerous mechanisms in place to promote the appropriate level of independence and oversight in Board decisions:

Our Corporate
Governance
Guidelines

provide that at least a majority of the Company's directors shall be independent. At this time eight of nine directors are independent, and all the members of the Audit and Finance, Compensation, Governance and Quality, Safety and Compliance Committees also are independent.

The Board and each of its committees have complete access to management and the authority to retain independent advisors, as they deem appropriate.

The independent directors review the performance of the President and Chief Executive Officer annually.

We have published procedures for

interested parties, including shareholders, to communicate with our directors.

We also have a Lead Independent Director. The Board believes that having a Lead Independent Director helps the administration and organization of the Board and facilitates the effective conduct of its duties, including the activities of the independent directors. Daniel C. Stanzione, Ph.D. currently serves as the Lead Independent Director. The principal responsibilities of the Lead Independent Director are to:

Preside over any executive session of the non-management directors or the independent directors;

Participate with the Chairman and Chief Executive Officer in the preparation of the agendas for Board meetings;

Serve as a member of the Executive Committee;

Coordinate providing timely feedback from the directors to the Chairman and Chief Executive Officer;

Serve as the principal contact for shareholder communications with the Board; and

Monitor, and if appropriate discuss with other directors, communications received from shareholders and others.

The Board retains the flexibility to revise our leadership structure if, in the exercise of its fiduciary duty, the Board determines that a different structure is appropriate.

The Board plays an active role in overseeing the Company's key risks and has considered its role in risk oversight in determining the Company's current leadership structure. The Company's management is responsible for managing the risks, which it does through a committee of senior managers that leads the Company's enterprise risk management program. The Board has delegated to its Audit and Finance Committee primary responsibility for overseeing that program. The Audit and Finance Committee receives periodic updates regarding the program. In addition, the Board's Quality, Safety and Compliance Committee reviews the adequacy and effectiveness of policies and programs to ensure the Company's compliance with laws and regulations applicable to its business (other than securities and accounting laws and regulations, which the Audit and Finance Committee oversees), and regularly receives reports regarding these topics. Each of these committees regularly updates the Board regarding its activities. In addition, each

year the full Board of Directors reviews the enterprise risk management program.

Related Person Transactions

Review and Approval of Related Person Transactions

The Company has a written policy pursuant to which it evaluates proposed transactions involving a related person and the Company in which the amount involved exceeds \$120,000. A related person is any director or executive officer of the Company, any immediate family member of a director or executive officer, or any person who owns 5% or more of the Company's outstanding common stock. The office of the General Counsel is primarily responsible for the administration of the policy and for determining, based on the facts and circumstances, whether the Company or a related person has a direct or indirect material interest in the transaction. Certain transactions are defined not to be related person transactions under the policy.

The Governance Committee reviews any proposed transaction in which a related person has a direct or indirect material interest, except for any compensation arrangements involving an immediate family member of a director or an executive officer. In the event that the General Counsel becomes aware of a related person transaction not approved in advance, the General Counsel will arrange for the related person transaction to be reviewed and, if appropriate, ratified at the next regularly scheduled meeting of the Governance Committee. Any member of the Governance Committee who is a related person with respect to a transaction under review may not participate in any review, consideration or approval of the transaction.

In considering any related person transaction, the Governance Committee determines whether the transaction is fair to the Company. In considering a proposed transaction involving a director or the immediate family member of a director, the Governance Committee also assesses whether the proposed transaction could reasonably be expected to impact the independence of the director under the Company's Corporate Governance Guidelines, the New York Stock Exchange listing standards or other applicable rules.

Compensation arrangements involving an immediate family member of an executive officer are reviewed and approved by the Chief Executive Officer and the Vice President, Human Resources, unless such person is an immediate family member of the Chief Executive Officer, in which case the compensation arrangement is approved by the Compensation Committee. Compensation arrangements involving an immediate family member of a director are reviewed and approved by the Compensation Committee.

GlaxoSmithKline

As of February 15, 2010, SB Holdings Capital Inc., a subsidiary of SmithKline Beecham Corporation (SmithKline Beecham), owns 30,755,151 shares of the Company's common stock. SmithKline Beecham, which is a subsidiary of GlaxoSmithKline plc. (GSK), obtained the shares on August 16, 1999 as partial consideration for its sale of SmithKline Beecham Clinical Laboratories, Inc. to the Company. In connection with the purchase, SmithKline Beecham agreed to indemnify Quest Diagnostics, on an after-tax basis, against certain matters primarily related to taxes and billing and professional liability claims.

At the closing of the acquisition, SmithKline Beecham and the Company entered into a stockholders agreement. During the term of the stockholders agreement, SmithKline Beecham has the right to designate two nominees to the Board (or, if required by UK Generally Accepted Accounting Principles, three nominees if the Board consists of more than ten directors) as long as SmithKline Beecham owns at least 20% of our outstanding common stock and one nominee to the Board as long as SmithKline Beecham owns at least 10% of our outstanding common stock. The stockholders agreement currently imposes limitations on the right of SmithKline Beecham to sell or vote its shares and prohibits SmithKline Beecham from acquiring in excess of 29.5% of our outstanding common stock.

Since the closing of the acquisition, SmithKline Beecham (or an affiliate) and the Company have been parties to a global clinical trials testing agreement under which the Company would serve as the primary or exclusive provider of SmithKline Beecham's clinical trials testing requirements. Effective January 1, 2008, SmithKline Beecham, together and on behalf of its affiliates, and the Company entered into a new agreement, which has a scheduled termination date of December 31, 2014, under which the Company will be the principal provider of central laboratory testing services to support GSK's clinical trials testing. In addition, on a selected basis, the Company may provide support for other early stage research and development activity. The new agreement was approved by the Board's Governance Committee pursuant to the Company's related person transaction policy. GSK pays the Company based upon a fee schedule attached to the agreement, subject to adjustment. Net revenues with respect to services provided to GSK under the clinical trials agreement were approximately \$72 million in 2009. This amount represents approximately one percent of the 2009 net revenues of the Company and less than one percent of the 2009 net revenues of GSK.

During 2009, the Company and GSK purchased additional goods and services from each other. These transactions were in the ordinary course of business and at prevailing market prices and were not material to either party.

Pursuant to its existing share repurchase authority, on March 19, 2009, the Company repurchased 4,511,657 shares of its common stock from SB Holdings Capital Inc., for an aggregate purchase price of \$200,000,013.31. The purchase price for the common stock reflected a negotiated discount to the volume-weighted average trading price of the common stock in a trading period preceding the purchase. In addition, during 2009, the Company and SmithKline Beecham extended the term of their existing stockholders agreement. Both the repurchase of the common stock from SB Holdings Capital Inc. and the extension of the term of the stockholders agreement were approved by the Board's Governance Committee pursuant to the Company's related person transaction policy.

STOCK OWNERSHIP INFORMATION

We encourage our directors, officers and employees to own our common stock; owning our common stock aligns their interests with your interests as shareholders. The Board's stock ownership guidelines require each non-management director to own at least 6,000 shares of our common stock before the director can receive full cash settlement for his or her stock option exercises. The Company's stock ownership guidelines require officers to maintain a minimum ownership position in our common stock before they can receive full cash settlement for their stock option exercises. See also Compensation Discussion and Analysis beginning on page 18.

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The following table shows the number of shares of the Company's common stock beneficially owned by (1) each person who is known to the Company to own beneficially more than 5% of the Company's common stock, (2) each director of the Company and each nominee, (3) each named executive officer and (4) all directors, nominees and executive officers of the Company as a group. Information in the table regarding the Company's directors and executive officers is provided as of February 15, 2010.

Name	Number of Shares Beneficially Owned	Percentage of Class
GSK (1)	30,755,151	17.17 %
Barrow, Hanley, Mewhinney & Strauss, LLC (2)	10,038,476	5.60 %
BlackRock, Inc. (3)	10,052,172	5.61 %
Vanguard Windsor II Fund (4)	9,593,300	5.36 %
Named Executive Officers (5)(6)(7)		
Surya N. Mohapatra (8)	1,798,886	1.00
Robert A. Hagemann	711,698	*
Jon R. Cohen	15,179	*
Joan E. Miller	225,583	*
Michael E. Prevoznik	459,891	*
Directors (5)(7)(9)		
John C. Baldwin	54,888	*
Jenne K. Britell	31,221	*
William F. Buehler	105,186	*
Rosanne Haggerty	85,620	*
Gary M. Pfeiffer	44,888	*
Daniel C. Stanzione	121,112	*
Gail R. Wilensky	120,112	*
John B. Ziegler (10)	109,699	*
All directors and executive officers as a group (14 persons) (5, 6, 7, 8, 9, 10)	4,078,761	2.28 %

* Less than 1%.

(1) The business address of GSK is 980 Great West Road, Brentford, Middlesex TW8 9GS England. The ownership information is based on the information

contained on a Schedule 13D amendment filed by GSK with the SEC on March 20, 2009. SB Holdings Capital Inc., a wholly owned subsidiary of GSK, holds the shares of record. The Schedule 13D also discloses that GSK has shared voting and dispositive power with respect to all of the shares owned by it.

- (2) The business address of Barrow, Hanley, Mewhinney & Strauss, LLC (Barrow) is 2200 Ross Avenue, 31st Floor, Dallas, TX 75201. Of the shares beneficially owned by Barrow, 8,413,702 shares were held by Barrow on behalf of Vanguard Windsor II Fund. The ownership information is based on the information contained on a

Schedule
13G/A filed by
Barrow with
the SEC on
February 9,
2010 and
additional
information
provided by
Barrow.

(3) The business
address of
BlackRock,
Inc. is 40 East
52nd Street,
New York, NY
10022. The
ownership
information is
based on the
information
contained on a
Schedule 13G
filed by
BlackRock,
Inc. with the
SEC on January
29, 2010.

(4) The business
address of
Vanguard
Windsor II
Fund is 100
Vanguard
Boulevard,
Malvern, PA
19355. The
ownership
information is
based on the
information
contained on a
Schedule 13G
filed by
Vanguard with
the SEC on
February 4,
2010.

- (5) All directors and executive officers have sole voting power and sole dispositive power over all shares of common stock beneficially owned by them.

- (6) Includes shares of common stock which are subject to options issued under the Employee Long-Term Incentive Plan that are exercisable as of, or will become exercisable within 60 days of, February 15, 2010. Dr. Mohapatra, Mr. Hagemann, Mr. Prevoznik, Dr. Miller and Dr. Cohen have the right to purchase 1,525,056; 640,263; 419,195; 171,528 and 12,222 shares, respectively, pursuant to such options.

- (7) Does not include shares of common stock corresponding to unvested

restricted share units held by the directors and executive officers. Mr. Hagemann, Mr. Prevoznik, Dr. Miller and Dr. Cohen held 33,984; 16,534; 21,282; and 22,851 restricted share units, respectively, all of which were part of equity awards made in 2009 and February 2010 (Dr. Mohapatra's 2009 and February 2010 equity awards were in the form of restricted shares, which are included in the table above). Each nonemployee director held 2,779 restricted share units, except Dr. Britell, who held 4,446 restricted stock units (of which 1,667 were vested) and Mr. Ziegler, who held 5,001 restricted stock units (of which 2,222 were vested).

Includes 39,945 shares of common stock beneficially owned indirectly by Dr. Mohapatra as grantor/trustee of a qualified grantor retained annuity trust.

(9) Includes options issued under the Long-Term Incentive Plan for Non-Employee Directors that are exercisable as of, or will become exercisable within 60 days of, February 15, 2010. Dr. Baldwin, Dr. Britell, Mr. Buehler, Ms. Haggerty, Mr. Pfeiffer, Dr. Stanzione, Dr. Wilensky and Mr. Ziegler have the right to purchase 49,332; 26,832; 89,332; 80,732; 39,332; 109,332; 109,332; and 99,663 shares, respectively, pursuant to such options.

(10) Mr. Ziegler disclaims beneficial

ownership of
the shares of
common stock
owned by GSK.

2009 DIRECTORS COMPENSATION TABLE

The following table sets forth the 2009 compensation of our non-employee directors. Dr. Mohapatra, the only employee director, received no additional compensation for serving as a director.

Director	Fees Earned or Paid in Cash \$(1)	Stock Awards \$(2)	Option Awards \$(3)	Total (\$)
John C. Baldwin	64,250	85,934	120,962	271,146
Jenne K. Britell	65,750	85,934	120,962	272,646
William F. Buehler	65,000	85,934	120,962	271,896
Rosanne Haggerty	58,250	85,934	120,962	265,146
Gary M. Pfeiffer	103,250	85,934	120,962	310,146
Daniel C. Stanzione	104,000	85,934	120,962	310,896
Gail R. Wilensky	64,250	85,934	120,962	271,146
John B. Ziegler	62,000	85,934	120,962	268,896

(1) Includes amounts earned for 2009, including meeting fees for the fourth quarter of 2009 that were paid in January 2010. Does not include amounts paid in 2009 for 2008 meeting fees.

(2) The values in this column represent the aggregate grant date fair values of the awards. Each of our non-employee directors received a single award

of restricted share units on May 14, 2009, which was the date of our 2009 annual shareholders meeting.

Restricted share units reported in this column were valued based on the average of the high and low prices of our common stock on the grant date. As of December 31, 2009, each non-employee director held 2,779 restricted share units, except Dr. Britell who held 4,446 restricted share units and Mr. Ziegler who held 5,001 restricted share units.

- (3) The values in this column represent the aggregate grant date fair values of the awards. Each of our non-employee directors received a single award of stock options on

May 14, 2009, which was the date of our 2009 annual shareholders meeting. The assumptions made when calculating the amounts in this column for 2009 awards are found in footnote 13 to the Consolidated Financial Statements of Quest Diagnostics Incorporated and its Subsidiaries, as filed with the SEC on Form 10-K for 2009. As of December 31, 2009, each non-employee director held options to purchase the following number of shares of the Company's common stock: Dr. Baldwin: 66,000; Dr. Britell: 43,500; Mr. Buehler: 106,000; Ms. Haggerty: 97,400; Mr. Pfeiffer: 56,000; Dr. Stanzione:

126,000; Dr.
Wilensky:
126,000; and
Mr. Ziegler:
116,331.

Fees and Plans for Non-Employee Directors

None of our non-employee directors receives any consulting or other non-director fees from the Company.

Annual Cash Retainer Fees. Non-employee directors receive an annual cash retainer fee of \$35,000, payable in quarterly installments of \$8,750.

Meeting Fees. Non-employee directors receive a meeting fee of \$1,500 for attending each Board or committee meeting at which a majority of directors attend in person and \$750 for attending a meeting at which a majority of directors attend by telephone. Each director who serves as committee chair receives an additional \$6,000 annual fee, except the Chair of the Audit and Finance Committee and the Lead Independent Director (who is also the Chair of the Governance Committee), each of whom receives an additional \$30,000 annual fee.

Long-Term Incentive Plan for Non-Employee Directors. Each non-employee director participates in the Company's Long-Term Incentive Plan for Non-Employee Directors (Director Plan). The Director Plan currently authorizes the grant of non-qualified stock options and/or a stock award (which may be in the form of shares or restricted share units) on the date of the annual shareholders meeting, in such proportions as the Board may determine, covering an aggregate of not more than 20,000 shares of the Company's common stock. If a person is appointed or elected as a director other than on the date of the annual shareholders meeting, the Board may grant to such director a prorated option and/or stock award, in such proportions as the Board may determine. The Director Plan also permits a one-time grant to a non-employee director of stock options and stock awards covering an aggregate of not more than 40,000 shares of common stock of the Company upon initial election to the Board. The annual option grants become exercisable, and annual restricted share units generally vest and convert to shares of our common stock, in three equal annual installments, beginning on the first anniversary of the grant date, regardless of whether the non-employee director remains a director.

A director may elect to receive annual retainer and meeting fees in stock options or stock awards in lieu of cash. The number of options issued in lieu of cash for the retainer and meeting fees is based on the estimated value of such options using the lattice-based option-valuation model for recognizing expense for financial statement reporting purposes. The number of shares issued in lieu of cash for the retainer and meeting fees is based on the fair market value of the stock on the date that the cash payment would

otherwise be made. Options granted in lieu of retainer and meeting fees vest immediately. Options granted in 2010 under the Director Plan, once vested, will be exercisable through the tenth anniversary of the date of grant even if the director's service on the Board terminates. The aggregate number of shares of the Company's common stock which may be issued pursuant to stock awards or the exercise of options granted under the Director Plan may not exceed 2,400,000 (subject to adjustments in certain circumstances). The exercise price of all stock options issued under the Director Plan is the fair market value of our common stock on the grant date.

Deferred Compensation Plan for Directors. Under the Company's Deferred Compensation Plan for Non-Employee Directors, each non-employee director may elect to defer, until a date specified by the director or until the director's termination of service as a director, all or a portion of the director's cash compensation or any stock grants awarded pursuant to the Director Plan. Cash amounts deferred may be indexed to (i) a cash account under which amounts deferred earn interest, compounded quarterly, at the prime rate of Citibank, N.A. in effect on the first date of each calendar quarter or (ii) the Company's common stock.

No Changes in Director Compensation Program for 2010. Based on the recommendation of the Compensation Committee, the Board has determined that there will be no change in the director compensation program for 2010.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

The Compensation Committee (the Committee), in consultation with senior management and outside consultants, determined 2009 executive compensation after considering, among other things, the Company's performance, the current challenging economic environment and the general market focus on executive pay. We believe that our compensation programs are balanced and reasonable. They focus on the long term and do not rely on highly leveraged incentives that encourage risky short-term behavior. Our equity programs, including the vesting features of our equity awards, combined with our senior management share retention and ownership guidelines, are designed to link executive compensation to long-term stock performance. Our performance share awards, which are generally based on a three-year performance period, reward longer term financial and operational performance. Our annual cash incentives reward the achievement of annual performance, operating and strategic goals (both financial and non-financial). Our executive compensation in 2009 reflects our strong financial results and that the Company is financially sound and well positioned for continued growth.

Executive Compensation Philosophy and Components

The objectives of our executive compensation program are to attract and retain talented executives who have the skills and experience required to help us achieve our strategic objectives and advance the long-term interests of our shareholders. The compensation opportunity for our named executive officers is directly tied to corporate performance, both financial and non-financial results, and individual performance.

The principal components of compensation for our named executive officers are:

Base salary;

Annual performance-based cash incentives paid under the Senior Management Incentive Plan (SMIP);

Long-term incentive awards issued under the Employee Long-Term Incentive Plan (Employee Plan) in the form of stock options, restricted share units, restricted shares and performance shares;

Deferred compensation, including Company matching contributions or credits, under the tax-qualified Quest Diagnostics Profit Sharing Plan (401(k) Plan) and the non-qualified Supplemental Deferred Compensation Plan (SDCP); and

Retirement income for our Chief Executive Officer under a Supplemental Executive Retirement Plan (SERP).

Our executive compensation program is designed to:

Attract and retain talented executives;

Incent executives to achieve results that appropriately balance the short-term and the long-term interests of our shareholders, employees and customers;

Reward corporate and individual performance;

Support our business

strategy and
financial
objectives; and

Provide
flexibility and
responsiveness
to changing
business
conditions, as
well as the
growth and
diversification
of the
Company.

Setting Executive Compensation

The Committee establishes the Company's general compensation philosophy in consultation with our Chief Executive Officer and Vice President of Human Resources. The Committee oversees our executive compensation program and regularly monitors our executive compensation to ensure adherence to our compensation philosophy. The Committee has engaged Towers Watson as its external compensation consultant. At the Committee's request, the consultant provides analyses and information regarding executive compensation trends and market practices, including, during 2009, an analysis of executive officer compensation and information regarding director compensation. The consultant also performed calculations

related to certain severance payments included in the tally sheets discussed below. In 2009, the consultant performed services for the Committee, but not for the Company.

Role of Executive Officers in Compensation Process

The Chief Executive Officer recommends to the Committee individual compensation adjustments for the executive officers, other than himself, based on market data and Company and individual performance. He also recommends incentive compensation measures to align compensation with our corporate objectives. The Chief Executive Officer is present during the portions of Committee meetings in which compensation decisions regarding the named executive officers other than the Chief Executive Officer are reviewed and decided, but the Committee retains the final authority for all such decisions.

Competitive Pay Information

For each named executive officer, the Committee annually reviews performance and approves all elements of compensation, including cash and equity awards, except for our broad-based employee benefit programs. After the Committee approves the compensation of our named executive officers, the Committee reports the compensation to the full Board.

To assist the Committee with its review, our Human Resources department, in consultation with the Committee's consultant, annually prepares analyses of each named executive officer's compensation, including tally sheets. The review includes current and prior year compensation information regarding base salary, target and paid annual incentive compensation, deferred compensation activity and balances, aggregate equity grant values, SERP benefits, perquisites, and all other compensation, as well as estimates of the amounts payable to each named executive officer upon termination of employment under various circumstances, including termination in connection with a change in control.

The compensation targets for, and compensation earned by, each named executive officer are analyzed relative to market data for comparable positions in a peer group. The peer group is used as a reference for all compensation comparisons except measuring payouts under our performance share awards, as discussed below. For several years until early 2009, the peer group had been comprised of the companies in the S&P 500 Healthcare Equipment and Services Index¹, which includes Quest Diagnostics. Each company in that index is in the business of healthcare service, equipment or distribution. We used this peer group for purposes of the 2009 base salaries, annual incentive awards and long-term incentive awards.

We periodically review our peer group to determine if it continues to be appropriate for comparison purposes. In 2009, the Committee's consultant did a separate, independent analysis of our peer group. We determined, based on the consultant's recommendation, to adopt a revised peer group for compensation comparisons (except for purposes of measuring payouts under our older performance share awards). The new peer group consists of the following 17 companies in the healthcare services, equipment and distribution industries.

¹ The companies in the Index as of December 31, 2008 were: Aetna Inc.; AmerisourceBergen Corp.; C.R. Bard, Inc.; Baxter International Inc.; Becton, Dickinson and Co.; Boston Scientific Corporation; CIGNA Corporation; Cardinal Health, Inc.; Coventry Health Care, Inc.; Covidien Ltd.; Quest Diagnostics Incorporated; DaVita Inc.; Dentsply International Inc.; Express Scripts, Inc.; Hospira, Inc.; Humana Inc.; Intuitive Surgical, Inc.; Laboratory Corp. of America Holdings; McKesson Corporation; Medco Health Solutions Inc.; Medtronic, Inc.; Patterson Companies,

Inc.; IMS Health, Inc.; St. Jude Medical; Stryker Corporation; Tenet Healthcare Corporation; UnitedHealth Group Inc.; Varian Medical Systems, Inc.; WellPoint, Inc.; and Zimmer Holdings, Inc.

C.R. Bard, Inc.
Baxter International, Inc.
Beckman Coulter Inc.
Becton Dickinson & Co.
Boston Scientific Corp.
Covidien PLC
TC Equity Partners IV, L.L.C.

Hospira Inc.
Laboratory Corp. of America Holdings
Medtronic Inc.
Omnicare Inc.
Owens & Minor Inc.
St. Jude Medical Inc.

Its: General Partner

By: Thayer i Hidden Creek
Partners, L.L.C.

Its: Managing Member

By: /s/ Lisa M. Withers

Name: Lisa M. Withers

Its: Attorney-in-Fact

TC MANUFACTURING HOLDINGS, L.L.C.

By: TC Co-Investors IV, L.L.C.

Its: Managing Member

By: Thayer i Hidden Creek
Management, L.P.

Its: Sole Manager

By: Thayer i Hidden Creek
Partners, L.L.C.

Its: General Partner

By: /s/ Lisa M. Withers

Name: Lisa M. Withers

Its: Attorney-in-Fact

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Its: General Partner

By: /s/ Lisa M. Withers
Name: Lisa M. Withers
Its: Attorney-in-Fact

**BLUM (K*TEC) CO-INVESTMENT PARTNERS,
L.P.**

By: Blum Strategic GP, L.L.C.
Its: General Partner

By: /s/ Gregory D. Hitchan
Name: Gregory D. Hitchan
Its: Member

BLUM STRATEGIC PARTNERS, L.P.

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