As filed with the Securities and Exchange Commission on June 2, 2023.

File No. 001-41704

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to
FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934

Fortrea Holdings Inc.
(Exact name of registrant as specified in its charter)

Delaware	**92-2796441**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
8 Moore Drive Durham, North Carolina	**27709**
(Address of principal executive offices)	**(Zip Code)**

877-495-0816
(Registrant's telephone number, including area code)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class to be so registered	Name of each exchange on which each class is to be registered
Common Stock, $0.001 par value per share	**The NASDAQ Stock Market LLC**

Securities to be registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

FORTREA HOLDINGS INC.

INFORMATION REQUIRED AND INCORPORATED BY REFERENCE IN FORM 10

CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10

Certain information required to be included herein is incorporated by reference to specifically identified portions of the information statement filed herewith as Exhibit 99.1.

Item 1. Business.

The information required by this item is contained under the sections of the information statement entitled "Summary," "Business," "Certain Relationships and Related Transactions," "Relationship With Labcorp After the Spinoff" and "Where You Can Find More Information." Those sections are incorporated herein by reference.

Item 1A. Risk Factors.

The information required by this item is contained under the section of the information statement entitled "Risk Factors." That section is incorporated herein by reference.

Item 2. Financial Information.

The information required by this item is contained under the sections of the information statement entitled "Capitalization," "Unaudited Pro Forma Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures About Market Risk." Those sections are incorporated herein by reference.

Item 3. Properties.

The information required by this item is contained under the section of the information statement entitled "Business—Properties." That section is incorporated herein by reference.

Item 4. Security Ownership of Certain Beneficial Owners and Management.

The information required by this item is contained under the section of the information statement entitled "Security Ownership of Certain Beneficial Owners and Management." That section is incorporated herein by reference.

Item 5. Directors and Executive Officers.

The information required by this item is contained under the section of the information statement entitled "Management." That section is incorporated herein by reference.

Item 6. Executive Compensation.

The information required by this item is contained under the sections of the information statement entitled "Management—Compensation Committee Interlocks and Insider Participation," "Management—Director Compensation" and "Executive Compensation." Those sections are incorporated herein by reference.

Item 7. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item is contained under the sections of the information statement entitled "Certain Relationships and Related Transactions," "Relationship With Labcorp After the Spinoff" and "Management." Those sections are incorporated herein by reference.

Item 8. Legal Proceedings.

The information required by this item is contained under the section of the information statement entitled "Business—Legal Proceedings." That section is incorporated herein by reference.

Item 9. Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters.

The information required by this item is contained under the sections of the information statement entitled "Risk Factors," "The Spinoff," "Dividend Policy," "Security Ownership of Certain Beneficial Owners and Management" and "Description of Capital Stock." Those sections are incorporated herein by reference.

Item 10. Recent Sales of Unregistered Securities.

The information required by this item is contained under the section of the information statement entitled "Description of Certain Indebtedness and Other Financing." That section is incorporated herein by reference.

Item 11. Description of Registrant's Securities to be Registered.

The information required by this item is contained under the sections of the information statement entitled "Dividend Policy" and "Description of Capital Stock." Those sections are incorporated herein by reference.

Item 12. Indemnification of Directors and Officers.

The information required by this item is contained under the section of the information statement entitled "Indemnification of Directors and Officers." That section is incorporated herein by reference.

Item 13. Financial Statements and Supplementary Data.

The information required by this item is contained under the section of the information statement entitled "Index to Combined Financial Statements" and the financial statements referenced therein. That section is incorporated herein by reference.

Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

The information required by this item is contained under the section of the Information Statement entitled "Change in Labcorp's Independent Registered Public Accounting Firm." That section is incorporated herein by reference.

Item 15. Financial Statements and Exhibits.

(a) Financial Statements

The information required by this item is contained under the section of the information statement entitled "Index to Combined Financial Statements" and the financial statements referenced therein. That section is incorporated herein by reference.

(b) Exhibits

The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Description
2.1†	Form of Separation and Distribution Agreement
3.1*	Certificate of Incorporation of the registrant
3.2*	Certificate of Amendment of the Certificate of Incorporation of the registrant
3.3*	Amended and Restated By-Laws of the registrant
3.4*	Form of Amended and Restated Certificate of Incorporation of the registrant
3.5*	Form of Amended and Restated By-Laws of the registrant
10.1†	Form of Tax Matters Agreement
10.2†	Form of Employee Matters Agreement
10.3†	Form of Transition Services Agreement
10.4†*	Clinical Development and Laboratory Services Agreement
10.5†*	Executive Employment Agreement by and between Thomas H. Pike and Laboratory Corporation of America dated January 4, 2023
10.6*	Form of Fortrea Inc. Master Senior Executive Severance Plan
10.7*	Form of Fortrea Holdings Inc. 2023 Omnibus Incentive Plan
10.8*	Form of Fortrea Holdings Inc. Employee Stock Purchase Plan
10.9	Form of Deferred Compensation Plan
16.1*	Letter from PricewaterhouseCoopers LLP
21.1*	List of Subsidiaries
99.1	Information Statement, Subject to Completion, dated June 2, 2023
99.2	Form of Notice of Internet Availability of Information Statement Materials.

† Certain schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to furnish supplementally copies of any of the omitted schedules to the Securities and Exchange Commission upon its request.

* Previously filed

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Fortrea Holdings Inc.

By: /s/ Sandra van der Vaart
Name: Sandra van der Vaart
Title: President and Secretary

Date: June 2, 2023

FORM OF SEPARATION AND DISTRIBUTION AGREEMENT

BETWEEN

LABORATORY CORPORATION OF AMERICA HOLDINGS

AND

FORTREA HOLDINGS INC.

Dated [l], 2023

TABLE OF CONTENTS

SEPARATION AND DISTRIBUTION AGREEMENT

This Separation and Distribution Agreement (this "Agreement"), dated [l], 2023, is between Laboratory Corporation of America Holdings, a Delaware corporation ("Labcorp"), and Fortrea Holdings Inc., a Delaware corporation and wholly owned Subsidiary of Labcorp ("Fortrea"). Each of Labcorp and Fortrea is sometimes referred to individually as a "Party" and collectively they are sometimes referred to as the "Parties."

RECITALS

1. Labcorp is engaged, directly and indirectly through certain of its Subsidiaries, in the Fortrea Business.

2. The Board of Directors of Labcorp (the "Labcorp Board") has determined that it would be appropriate and in the best interests of Labcorp and its stockholders for Labcorp to separate its businesses into two publicly-traded companies: (i) Labcorp, which will continue to conduct, directly and through members of the Labcorp Group, the Retained Business, and (ii) Fortrea, which will continue to conduct, directly and through members of the Fortrea Group, the Fortrea Business (the "Separation").

3. Labcorp has formed Fortrea in order to facilitate such Separation and the Distribution.

4. Labcorp currently owns all of the issued and outstanding shares of common stock, par value $0.001 per share, of Fortrea (collectively with shares of common stock of Fortrea issued to Labcorp pursuant to the Fortrea Transfer, the "Fortrea Common Stock"), which is the only class of Fortrea stock outstanding.

5. As part of the Separation, (i) Labcorp or other members of the Labcorp Group have contributed or will contribute their interests in the Fortrea Assets to a member of the Fortrea Group, (ii) Fortrea or other members of the Fortrea Group have assumed or will assume the Fortrea Liabilities and (iii) Labcorp or another member of the Labcorp Group has retained or assumed, or will retain or assume the Labcorp Liabilities.

6. To effect the Separation and the Distribution, (i) Labcorp will transfer all of the equity interests of Fortrea Inc. to Fortrea, (ii) the Stock Issuance will occur as provided herein and (iii) the Special Cash Payment will be paid and the Stock Issuance will occur as provided herein (clauses (i)-(iii), together, the "Fortrea Transfer").

7. The Parties contemplate that, immediately following the Fortrea Transfer, Labcorp will distribute all of the shares of Fortrea Common Stock to Labcorp's stockholders without consideration on a pro rata basis (the "Distribution").

8. The Parties intend that the Intended Tax Treatment apply with respect to the Separation, the Fortrea Transfer and the Distribution.

9. Fortrea and Labcorp have prepared, and Fortrea has filed with the SEC, the Form 10, which includes the Information Statement, and which sets forth disclosures concerning Fortrea, the Separation and the Distribution.

10. The Parties acknowledge that this Agreement and the other Transaction Documents represent the integrated agreement of Labcorp and Fortrea relating to the Separation and the Distribution, are being entered into together, and would not have been entered into independently.

Accordingly, the Parties agree as follows:

ARTICLE I.
FORTREA TRANSFER AND RESTRUCTURING

Section 1.01 Business Transfer Time; Internal Restructuring; Transfer of Assets and Liabilities.

(a) Business Transfer Time. Subject to the satisfaction and waiver of the conditions set forth in Article II, the effective time and date of each Conveyance and assumption of any Asset or Liability in accordance with this Article I that has not occurred prior to the Distribution Date will be 12:01 a.m. Eastern Time on the Distribution Date (the "Business Transfer Time").

(b) Internal Restructuring. Prior to consummating the Distribution, to the extent not already completed, each of Labcorp and Fortrea will, and will cause their Affiliates to, consummate the Internal Restructuring.

(c) Conveyance of Assets; Assumption and Discharge of Liabilities. Except as otherwise expressly provided herein or in any of the other Transaction Documents, and except to the extent previously effected pursuant to the Internal Restructuring, upon the terms and subject to the conditions set forth in this Agreement, effective as of the Business Transfer Time:

(i) Labcorp shall, and shall cause the applicable members of its Group to, contribute, assign, transfer, convey and deliver ("Convey") to Fortrea, or the applicable member of the Fortrea Group, and Fortrea or such member of the Fortrea Group shall accept from Labcorp and the applicable members of the Labcorp Group, all of Labcorp's and such Labcorp Group member's respective direct or indirect right, title and interest in and to all of the Fortrea Assets (it being understood that if any Fortrea Asset shall be held by a Fortrea Entity or a wholly owned subsidiary of a Fortrea Entity, such Fortrea Asset shall be deemed Conveyed to Fortrea as a result of the Conveyance of all of the equity interests in such Fortrea Entity from Labcorp or the applicable

members of the Labcorp Group to Fortrea or the applicable member of the Fortrea Group);

(ii) Fortrea and the applicable member of the Fortrea Group shall accept, assume and agree faithfully to perform, discharge and fulfill all of the Fortrea Liabilities in accordance with their respective terms. Fortrea and such member of the Fortrea Group shall be responsible for all Fortrea Liabilities, regardless of when or where such Fortrea Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Business Transfer Time, regardless of where or against whom such Fortrea Liabilities are asserted or determined (including any Fortrea Liabilities arising out of claims made by Labcorp's or Fortrea's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Labcorp Group or the Fortrea Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Labcorp Group or the Fortrea Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates;

(iii) Labcorp and Fortrea shall cause Fortrea and the Fortrea Designees to Convey to Labcorp or certain members of the Labcorp Group designated by Labcorp, and Labcorp or such other members of the Labcorp Group shall accept from Fortrea and the Fortrea Designees, all of Fortrea's and such Fortrea Designees' respective direct or indirect right, title and interest in and to all Labcorp Assets held by Fortrea or a Fortrea Designee; and

(iv) Labcorp and certain members of the Labcorp Group designated by Labcorp shall accept and assume and agree faithfully to perform, discharge and fulfill all of the Labcorp Liabilities held by Fortrea or any Fortrea Designee and Labcorp and the applicable members of the Labcorp Group shall be responsible for all Labcorp Liabilities in accordance with their respective terms, regardless of when or where such Labcorp Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Business Transfer Time, regardless of where or against whom such Labcorp Liabilities are asserted or determined (including any such Labcorp Liabilities arising out of claims made by Labcorp's or Fortrea's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Labcorp Group or the Fortrea Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Labcorp Group or the Fortrea Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(d) Transfer Documents. In furtherance of the Conveyance of the Assets and the assumption of the Liabilities in accordance with Section 1.01(c), and without prejudice to any actions taken to implement, or documents entered into between or among any of the Parties or members of their respective Groups to implement, or in

furtherance of, the Internal Restructuring prior to the date hereof, (i) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, to the other Party, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of such Party's and the applicable members of its Group's right, title and interest in and to such Assets to the other Party and the applicable members of its Group in accordance with Section 1.01(c), and (ii) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, to the other Party, such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the Liabilities by such Party and the applicable members of its Group in accordance with Section 1.01(c). All of the foregoing documents contemplated by this Section 1.01(d) (including any documents entered into between or among any of the Parties or members of their respective Groups to implement or in furtherance of the Internal Restructuring prior to the date hereof) shall be referred to collectively herein as the "Transfer Documents."

(e) Misallocations. In the event that at any time or from time to time (whether prior to, at or after the Business Transfer Time), one Party (or any member of such Party's Group) shall receive or otherwise possess any Asset that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any other Transaction Document, such Party shall promptly transfer, or cause to be transferred, such Asset to the Party so entitled thereto (or to any member of such Party's Group), and such Party (or member of such Party's Group) so entitled thereto shall accept such Asset. Prior to any such transfer, the Person receiving or possessing such Asset shall hold such Asset in trust for such other Person. In the event that at any time or from time to time (whether prior to, at or after the Business Transfer Time), one Party hereto (or any member of such Party's Group) shall receive or otherwise assume any Liability that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any other Transaction Document, such Party shall promptly transfer, or cause to be transferred, such Liability to the Party responsible therefor (or to any member of such Party's Group), and such Party (or member of such Party's Group) responsible therefor shall accept, assume and agree to faithfully perform such Liability.

(f) Waiver of Bulk-Sale and Bulk-Transfer Laws. To the extent permissible under applicable Law, Fortrea hereby waives compliance by each and every member of the Labcorp Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the Fortrea Assets to any member of the Fortrea Group. To the extent permissible under applicable Law, Labcorp hereby waives compliance by each and every member of the Fortrea Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may

otherwise be applicable with respect to the transfer or sale of any or all of the Labcorp Assets to any member of the Labcorp Group.

Section 1.02 Preservation of Tax-Free Status. Notwithstanding anything in this Agreement to the contrary, neither any Labcorp Group member nor any of its Affiliates will be required to undertake any action or arrangement contemplated by this Article I that would result in, or could reasonably be expected to result in, Tax treatment that is inconsistent with the Intended Tax Treatment, as determined by Labcorp in its sole discretion.

Section 1.03 Fortrea Assets; Labcorp Assets. (a) For purposes of this Agreement and subject to the exclusions set forth in Section 1.03(b), "Fortrea Assets" means all Assets owned or held by any member of the Labcorp Group that are included in any of clauses (i) through (xiii) below or that are otherwise exclusively used or held for exclusive use in the Fortrea Business and are of a nature not otherwise addressed in such clauses, in each case whether now existing or hereafter acquired prior to the Business Transfer Time:

(i) (A) all tangible machinery, molds, tools (including special and general tools), equipment, furniture and other tangible personal property exclusively used or held for exclusive use in the Fortrea Business, (B) computers, smartphones and similar communications equipment provided by the Labcorp Group in connection with a Fortrea Employee's performance of services, (C) all motor vehicles and other transportation equipment exclusively used or held for exclusive use in the Fortrea Business or provided for the use of a Fortrea Employee, and (D) the items listed on Schedule 1.03(a)(i);

(ii) all Real Property Interests in the land and facilities listed on Schedule 1.03(a)(ii), together with the improvements, structures and fixtures located thereon (the "Fortrea Facilities");

(iii) all issued and outstanding capital stock or other equity interests of any Person that may be designated as part of the Fortrea Group in the Internal Restructuring, including the Persons listed on Schedule 1.03(a)(iii) (such capital stock or other equity interests, the "Fortrea Equity Interests", and such Persons, the "Fortrea Entities");

(iv) all interests, rights, claims and benefits of Labcorp and any of its Subsidiaries pursuant to all Fortrea Contracts, including the Fortrea Contracts listed on Schedule 1.03(a)(iv);

(v) all Governmental Permits (and all pending applications therefor) that are exclusively used or held for exclusive use in the Fortrea Business;

(vi) all Intellectual Property owned by Labcorp or any of its Subsidiaries exclusively used or held for exclusive use in the Fortrea Business,

including the Registered Intellectual Property listed on Schedule 1.03(a)(vi), including all goodwill related to any of the foregoing and all rights to sell or recover and retain damages and costs and attorney's fees for infringement, misappropriation or other violations of any of the foregoing, whether occurring prior to, on or after the Business Transfer Time (the "Fortrea IP Assets"), together with any tangible embodiments thereof;

(vii) (A) all business records to the extent exclusively related to the Fortrea Business, including the corporate minute books and related stock records of the members of the Fortrea Group, and employment records of the Fortrea Employees, and (B) all other books, records, ledgers, files, documents and correspondence, in whatever form, that are exclusively related to the Fortrea Business (collectively, the "Fortrea Books and Records"); provided, however, that Labcorp will be entitled to retain a copy of the Fortrea Books and Records;

(viii) all Software exclusively used or held for exclusive use in the Fortrea Business (all of the foregoing, the "Fortrea Software");

(ix) all goodwill of the Fortrea Business, other than any goodwill associated with the Labcorp IP Assets;

(x) all rights to causes of Action, lawsuits, judgments, claims and demands that are exclusively related to the Fortrea Business;

(xi) all Assets expressly allocated to any member of the Fortrea Group pursuant to the Employee Matters Agreement;

(xii) all rights of Fortrea and the Fortrea Entities under this Agreement or any other Transaction Document and the certificates, instruments and Transfer Documents delivered in connection herewith; and

(xiii) all accounts receivable and prepaid assets, in each case, to the extent they exclusively relate (and only to the extent so related) to the Fortrea Business.

(b) Notwithstanding Section 1.03(a) or any other provision hereof, the Fortrea Assets will not in any event include any of the following Assets (the "Labcorp Assets"):

(i) the Assets listed or described on Schedule 1.03(b)(i);

(ii) the Labcorp IP Assets;

(iii) all Assets in respect of Labcorp Plans or corresponding to any Liabilities allocated to Labcorp or any of its Affiliates or for which Labcorp is expressly liable pursuant to the Employee Matters Agreement and all Assets in respect of all other compensation and benefit plans sponsored by the Labcorp Group, in each case other

than Assets expressly allocated to any member of the Fortrea Group pursuant to the Employee Matters Agreement;

(iv) all financial and Tax records relating to the Fortrea Business that form part of the general ledger of Labcorp or any of its Subsidiaries (other than the members of the Fortrea Group), any work papers of Labcorp's auditors and any other Tax records (including accounting records) of Labcorp or any of its Subsidiaries (other than Tax records exclusively related to the members of the Fortrea Group);

(v) except as otherwise provided by Section 3.05, all rights to insurance policies or practices of Labcorp and its Subsidiaries (including any captive insurance policies, fronted insurance policies, surety bonds or corporate insurance policies or practices, or any form of self-insurance whatsoever, any refunds paid or payable in connection with the cancellation or discontinuance of any such policies or practices and any claims made under such policies);

(vi) all records prepared by or on behalf of Labcorp or its Subsidiaries relating to the transactions contemplated by this Agreement and all records prepared by or on behalf of Labcorp or its Subsidiaries in connection with the potential divestiture of all or a part of the Fortrea Business or any other business or Asset of Labcorp or its Subsidiaries, including, communications with legal counsel representing Labcorp or its Affiliates and the right to assert the attorney-client privilege with respect thereto;

(vii) all rights of Labcorp or its Affiliates (other than members of the Fortrea Group) under this Agreement or any other Transaction Document and the certificates, instruments and Transfer Documents delivered in connection therewith;

(viii) all cash and cash equivalents of Labcorp and its Affiliates, except as specifically provided in Schedule 1.03(b)(viii); and

(ix) any and all Assets that are expressly contemplated by this Agreement as Assets to be retained by Labcorp or any other member of the Labcorp Group.

Section 1.04 Fortrea Liabilities; Labcorp Liabilities. (a) For the purposes of this Agreement, "Fortrea Liabilities" will mean each of the following, regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Business Transfer Time, or where or against whom such Liabilities are asserted or determined or whether asserted or determined prior to the date hereof:

(i) any and all Liabilities of Labcorp and its Affiliates (including the members of the Fortrea Group) to the extent relating to, resulting from or arising out of the ownership or use of the Fortrea Assets or the operation or the conduct of the Fortrea Business, whether before, at or after the Business Transfer Time;

(ii) all Liabilities that are provided by this Agreement or any other Transaction Document as Liabilities to be assumed by Fortrea or any other member of the Fortrea Group and all Liabilities of Fortrea or any other member of the Fortrea Group under this Agreement or any other Transaction Document, including all Liabilities allocated to or expressly assumed by any member of the Fortrea Group pursuant to the Employee Matters Agreement;

(iii) all Liabilities under the Fortrea Contracts;

(iv) all Liabilities to the extent relating to, resulting from or arising out of (A) any Environmental Conditions at the Fortrea Facilities or that otherwise relate to, result from or arise out of (1) any Assets to be transferred to the Fortrea Group or (2) the operation or conduct of the Fortrea Business, (B) any presence or Release of Hazardous Materials that occurs at, on, under, or migrating to or from (1) any of the Fortrea Facilities or (2) any third-party site, to the extent such presence or Release of Hazardous Materials relate to, result from or arise out of the operation or conduct of the Fortrea Business, (C) any property or facility formerly owned, leased, operated or used in connection with the Fortrea Business, (D) any locations at which any Hazardous Materials generated by, from or in connection with the Fortrea Business or any Asset to be transferred to the Fortrea Group have been transported for treatment, storage, disposal or recycling, or (E) any violation of or remediation or other requirements or liability under any Environmental Law as a result of or relating to the operation or conduct of the Fortrea Business; and

(v) all Liabilities listed or described on Schedule 1.04(a)(v);

provided that, the Parties agree that the Liabilities listed or described on Schedule 1.04(b)(i) and any Liabilities of any member of the Labcorp Group pursuant to the other Transaction Documents shall not be Fortrea Liabilities but instead shall be Labcorp Liabilities.

(b) Notwithstanding anything to the contrary in this Agreement, the Fortrea Liabilities will not include the following Liabilities (such Liabilities, the "Labcorp Liabilities"):

(i) all Liabilities listed or described on Schedule 1.04(b)(i);

(ii) all Liabilities of either Party or the members of its Group as of the Business Transfer Time, in each case that are not Fortrea Liabilities; and

(iii) all Liabilities that are expressly contemplated by this Agreement or any other Transaction Document as Liabilities to be retained or assumed by Labcorp or any other member of the Labcorp Group, and all Liabilities of any member of the Labcorp Group under this Agreement or any of the Transaction Documents.

Section 1.05 Approvals and Notifications; Delayed Transfers.

(a) Approvals and Notifications for Fortrea Assets and Liabilities. To the extent that the Conveyance of any Fortrea Asset, the assumption of any Fortrea Liability, the Separation, or the Distribution requires any Approvals or Notifications, the Parties shall use their Commercially Reasonable Efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement or any of the Transaction Documents or as otherwise agreed between Labcorp and Fortrea, neither Labcorp nor Fortrea shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(b) Delayed Fortrea Asset and Liability Transfers. If and to the extent that the valid, complete and perfected transfer or assignment to the Fortrea Group of any Fortrea Asset or assumption by the Fortrea Group of any Fortrea Liability in connection with the Separation or the Distribution would be a violation of applicable Law or require any Approval or Notification that has not been obtained or made by the Business Transfer Time, then, unless the Parties shall otherwise mutually determine, the transfer or assignment to the Fortrea Group of such Fortrea Assets or the assumption by the Fortrea Group of such Fortrea Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approval or Notification has been obtained or made. Notwithstanding the foregoing, any such Fortrea Assets or Fortrea Liabilities shall continue to constitute Fortrea Assets and Fortrea Liabilities for all other purposes of this Agreement.

(c) Treatment of Delayed Fortrea Assets and Delayed Fortrea Liabilities. If any transfer or assignment of any Fortrea Asset (or a portion thereof) or any assumption of any Fortrea Liability (or a portion thereof) intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Business Transfer Time, whether as a result of the provisions of Section 1.05(b) or for any other reason (any such Fortrea Asset (or a portion thereof), a "Delayed Fortrea Asset" and any such Fortrea Liability (or a portion thereof), a "Delayed Fortrea Liability"), then, insofar as reasonably possible and subject to applicable Law, the member of the Labcorp Group retaining such Delayed Fortrea Asset or such Delayed Fortrea Liability, as the case may be, shall thereafter hold such Delayed Fortrea Asset or Delayed Fortrea Liability, as the case may be, for the use and benefit of the member of the Fortrea Group entitled thereto (at the expense of the member of the Fortrea Group entitled thereto). In addition, the member of the Labcorp Group retaining such Delayed Fortrea Asset or such Delayed Fortrea Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Delayed Fortrea Asset or Delayed Fortrea Liability in the ordinary course of business in accordance with Fortrea Group past practice and take such other actions as may be reasonably requested by the member of the Fortrea Group to whom such Delayed Fortrea Asset is to be transferred

or assigned, or which will assume such Delayed Fortrea Liability, as the case may be, in order to place such member of the Fortrea Group in a substantially similar position as if such Delayed Fortrea Asset or Delayed Fortrea Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens relating to such Delayed Fortrea Asset or Delayed Fortrea Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such Delayed Fortrea Asset or Delayed Fortrea Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Business Transfer Time to the Fortrea Group.

(d) Transfer of Delayed Fortrea Assets and Delayed Fortrea Liabilities. If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Delayed Fortrea Asset or the deferral of assumption of any Delayed Fortrea Liability, are obtained or made, and, if and when any other legal impediments to the transfer or assignment of any Delayed Fortrea Asset or the assumption of any Delayed Fortrea Liability have been removed, the transfer or assignment of the applicable Delayed Fortrea Asset or the assumption of the applicable Delayed Fortrea Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Transaction Document.

(e) Costs for Delayed Fortrea Assets and Delayed Fortrea Liabilities. Any member of the Labcorp Group retaining a Delayed Fortrea Asset or Delayed Fortrea Liability due to the deferral of the transfer or assignment of such Delayed Fortrea Asset or the deferral of the assumption of such Delayed Fortrea Liability, as the case may be, shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by Fortrea or the member of the Fortrea Group entitled to the Delayed Fortrea Asset or Delayed Fortrea Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by Fortrea or the member of the Fortrea Group entitled to such Delayed Fortrea Asset or Delayed Fortrea Liability; provided, however, that the Labcorp Group shall not knowingly allow the loss or diminution of value of any Delayed Fortrea Asset without first providing the Fortrea Group commercially reasonable notice of such potential loss or diminution in value and affording the Fortrea Group a commercially reasonable opportunity to take action to prevent such loss or diminution in value.

(f) Approvals and Notifications for Labcorp Assets. To the extent that the transfer or assignment of any Labcorp Asset, the assumption of any Labcorp Liability, the Separation or the Distribution requires any Approvals or Notifications, the Parties shall use their Commercially Reasonable Efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in this Agreement or any of the Transaction Documents or as otherwise agreed between Labcorp and Fortrea, neither Labcorp nor Fortrea shall be obligated to contribute capital or pay any consideration in any form

(including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(g) Delayed Labcorp Transfers. If and to the extent that the valid, complete and perfected transfer or assignment to the Labcorp Group of any Labcorp Asset or assumption by the Labcorp Group of any Labcorp Liability in connection with the Separation or the Distribution would be a violation of applicable Law or require any Approval or Notification that has not been obtained or made by the Business Transfer Time then, unless the Parties shall otherwise mutually determine, the transfer or assignment to the Labcorp Group of such Labcorp Assets or the assumption by the Labcorp Group of such Labcorp Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approval or Notification has been obtained or made. Notwithstanding the foregoing, any such Labcorp Assets or Labcorp Liabilities shall continue to constitute Labcorp Assets and Labcorp Liabilities for all other purposes of this Agreement.

(h) Treatment of Delayed Labcorp Assets and Delayed Labcorp Liabilities. If any transfer or assignment of any Labcorp Asset (or a portion thereof) or any assumption of any Labcorp Liability (or a portion thereof) intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Business Transfer Time whether as a result of the provisions of Section 1.05(g) or for any other reason (any such Labcorp Asset (or a portion thereof), a "Delayed Labcorp Asset" and any such Labcorp Liability (or a portion thereof), a "Delayed Labcorp Liability"), then, insofar as reasonably possible and subject to applicable Law, the member of the Fortrea Group retaining such Delayed Labcorp Asset or such Delayed Labcorp Liability, as the case may be, shall thereafter hold such Delayed Labcorp Asset or Delayed Labcorp Liability, as the case may be, for the use and benefit of the member of the Labcorp Group entitled thereto (at the expense of the member of the Labcorp Group entitled thereto). In addition, the member of the Fortrea Group retaining such Delayed Labcorp Asset or such Delayed Labcorp Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Delayed Labcorp Asset or Delayed Labcorp Liability in the ordinary course of business in accordance with Labcorp Group past practice and take such other actions as may be reasonably requested by the member of the Labcorp Group to which such Delayed Labcorp Asset is to be transferred or assigned, or which will assume such Delayed Labcorp Liability, as the case may be, in order to place such member of the Labcorp Group in a substantially similar position as if such Delayed Labcorp Asset or Delayed Labcorp Liability had been transferred, assigned or assumed and so that all the benefits and burdens relating to such Delayed Labcorp Asset or Delayed Labcorp Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such Delayed Labcorp Asset or Delayed Labcorp Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Business Transfer Time to the Labcorp Group.

(i) Transfer of Delayed Labcorp Assets and Delayed Labcorp Liabilities. If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Delayed Labcorp Asset or the deferral of assumption of any Delayed Labcorp Liability pursuant to Section 1.05(g), are obtained or made, and, if and when any other legal impediments to the transfer or assignment of any Delayed Labcorp Asset or the assumption of any Delayed Labcorp Liability have been removed, the transfer or assignment of the applicable Delayed Labcorp Asset or the assumption of the applicable Delayed Labcorp Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Transaction Document.

(j) Costs for Delayed Labcorp Assets and Delayed Labcorp Liabilities. Any member of the Fortrea Group retaining a Delayed Labcorp Asset or Delayed Labcorp Liability due to the deferral of the transfer or assignment of such Delayed Labcorp Asset or the deferral of the assumption of such Delayed Labcorp Liability, as the case may be, shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by Labcorp or the member of the Labcorp Group entitled to the Delayed Labcorp Asset or Delayed Labcorp Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by Labcorp or the member of the Labcorp Group entitled to such Delayed Labcorp Asset or Delayed Labcorp Liability; provided, however, that the Fortrea Group shall not knowingly allow the loss or diminution of value of any Delayed Labcorp Asset without first providing the Labcorp Group commercially reasonable notice of such potential loss or diminution in value and affording the Labcorp Group a commercially reasonable opportunity to take action to prevent such loss or diminution in value.

Section 1.06 Novation of Liabilities.

(a) Novation of Fortrea Liabilities.

(i) Except as set forth in Schedule 1.06(a), each of Labcorp and Fortrea, at the request of the other, shall use its Commercially Reasonable Efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all Fortrea Liabilities and obtain in writing the unconditional release of each member of the Labcorp Group that is a party to any such arrangements, so that, in any such case, the members of the Fortrea Group shall be solely responsible for such Fortrea Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement or any of the Transaction Documents, neither Labcorp nor Fortrea shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Third Party from whom any such consent, substitution, approval, amendment or release is requested.

(ii) If Labcorp or Fortrea is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and

the applicable member of the Labcorp Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an "Unreleased Fortrea Liability"), Fortrea shall, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for such member of the Labcorp Group, as the case may be, (x) pay, perform and discharge fully all the obligations or other Liabilities of such member of the Labcorp Group that constitute Unreleased Fortrea Liabilities from and after the Business Transfer Time and (y) use its Commercially Reasonable Efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the Labcorp Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased Fortrea Liabilities shall otherwise become assignable or able to be novated, Labcorp shall promptly assign, or cause to be assigned, and Fortrea or the applicable Fortrea Group member shall assume, such Unreleased Fortrea Liabilities without exchange of further consideration.

(b) Novation of Labcorp Liabilities.

(i) Each of Labcorp and Fortrea, at the request of the other, shall use its Commercially Reasonable Efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all Labcorp Liabilities and obtain in writing the unconditional release of each member of the Fortrea Group that is a party to any such arrangements, so that, in any such case, the members of the Labcorp Group shall be solely responsible for such Labcorp Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement or any of the Transaction Documents, neither Labcorp nor Fortrea shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Third Party from whom any such consent, substitution, approval, amendment or release is requested.

(ii) If Labcorp or Fortrea is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the Fortrea Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an "Unreleased Labcorp Liability"), Labcorp shall, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for such member of the Fortrea Group, as the case may be, (x) pay, perform and discharge fully all the obligations or other Liabilities of such member of the Fortrea Group that constitute Unreleased Labcorp Liabilities from and after the Business Transfer Time and (y) use its Commercially Reasonable Efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the Fortrea Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased Labcorp Liabilities shall otherwise become assignable or able to be novated, Fortrea shall promptly assign, or cause to be

assigned, and Labcorp or the applicable Labcorp Group member shall assume, such Unreleased Labcorp Liabilities without exchange of further consideration.

Section 1.07 Treatment of Shared Contracts. (a) Subject to applicable Law and without limiting the generality of the obligations set forth in Section 1.01(c), unless the Parties otherwise agree or the benefits of any contract, agreement, arrangement, commitment or understanding described in this Section 1.07 are expressly conveyed to the applicable Party pursuant to this Agreement or any Transaction Document, any Contract, a portion of which is a Fortrea Contract, but the remainder of which is a Labcorp Asset (any such Contract, a "Shared Contract"), including those set forth on Schedule 1.07, shall be assigned in relevant part to the applicable member(s) of the applicable Group, if so assignable, or appropriately amended prior to, on or after the Business Transfer Time, so that each Party or the member of its Group shall, as of the Business Transfer Time, be entitled to the rights and benefits, and shall assume the related portion of any Liabilities, inuring to its respective businesses; provided, however, that (i) in no event shall any member of any Group be required to assign (or amend) any Shared Contract in its entirety or to assign a portion of any Shared Contract which is not assignable (or cannot be amended) by its terms (including any terms imposing consents or conditions on an assignment where such consents or conditions have not been obtained or fulfilled) and (ii) if any Shared Contract cannot be so partially assigned by its terms or otherwise, or cannot be amended or if such assignment or amendment would impair the benefit the parties thereto derive from such Shared Contract, then the Parties shall, and shall cause each of the members of their respective Groups to, take such other reasonable and permissible actions (including by providing prompt notice to the other Party with respect to any relevant claim of Liability or other relevant matters arising in connection with a Shared Contract so as to allow such other Party the ability to exercise any applicable rights under such Shared Contract) to cause a member of the Fortrea Group or the Labcorp Group, as the case may be, to receive the rights and benefits of that portion of each Shared Contract that relates to the Fortrea Business or the Retained Business, as the case may be (in each case, to the extent so related), as if such Shared Contract had been assigned to a member of the applicable Group (or amended to allow a member of the applicable Group to exercise applicable rights under such Shared Contract) pursuant to this Section 1.07, and to bear the burden of the corresponding Liabilities (including any Liabilities that may arise by reason of such arrangement), as if such Liabilities had been assumed by a member of the applicable Group pursuant to this Section 1.07.

(b) Except as otherwise required by applicable Law, each of Labcorp and Fortrea shall, and shall cause the members of its Group to, (i) treat for all Tax purposes the portion of each Shared Contract inuring to its respective businesses as an Asset owned by, and/or a Liability of, as applicable, such Party, or the members of its Group, as applicable, not later than the Business Transfer Time, and (ii) neither report nor take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment.

(c) Nothing in this Section 2.07 shall require any member of any Group to make any non-de minimis payment (except to the extent advanced, assumed or agreed in advance to be reimbursed by any member of the other Group), incur any non-de minimis obligation or grant any non-de minimis concession for the benefit of any member of any other Group in order to effect any transaction contemplated by this Section 2.07.

Section 1.08 Termination of Intercompany Agreements; Settlement of Intercompany Accounts. (a) Fortrea, on behalf of itself and each other member of the Fortrea Group, on the one hand, and Labcorp, on behalf of itself and each other member of the Labcorp Group, on the other hand, hereby terminate any and all Contracts between or among Fortrea or any member of the Fortrea Group, on the one hand, and Labcorp or any member of the Labcorp Group, on the other hand, effective without further action as of the Business Transfer Time, other than this Agreement, the Transaction Documents, the Contracts set forth on Schedule 1.08 and any other Contract expressly contemplated by this Agreement to be entered into or continued by the Parties or any member of their respective Groups. No such Contract (including any provision thereof which purports to survive termination) will be of any further force or effect after the Business Transfer Time and all parties will be released from all Liabilities thereunder. Each Party will, at the reasonable request of any other Party, take or cause to be taken such other actions as may be necessary to effect the foregoing.

(b) Labcorp will have caused all of the intercompany receivables, payables, loans and other accounts, rights and Liabilities between Fortrea and any other member of the Fortrea Group, on the one hand, and Labcorp or any other member of the Labcorp Group, on the other hand, in existence as of the Business Transfer Time (collectively, the "Intercompany Accounts") to be (i) settled in full in cash or (ii) otherwise cancelled, terminated or extinguished, in which case the balance will be treated as a contribution to capital or a dividend (in the case of each of clauses (i) and (ii), with no further liability or obligation thereunder), such that, as of the Business Transfer Time, there are no Intercompany Accounts outstanding.

Section 1.09 Release of Guarantees. In furtherance of, and not in limitation of, the obligations set forth in Section 1.06:

(a) On or prior to the Effective Time or as soon as practicable thereafter, each of Labcorp and Fortrea shall, at the request of the other Party and with the reasonable cooperation of such other Party and the applicable member(s) of such other Party's Group, use Commercially Reasonable Efforts to (i) have any member(s) of the Labcorp Group removed as guarantor of or obligor for any Fortrea Liability to the extent that such guarantee or obligation relates to Fortrea Liabilities, including the removal of any Security Interest on or in any Labcorp Asset that may serve as collateral or security for any such Fortrea Liability; and (ii) have any member(s) of the Fortrea Group removed as guarantor of or obligor for any Labcorp Liability to the extent that such guarantee or obligation relates to Labcorp Liabilities, including the removal of any

Security Interest on or in any Fortrea Asset that may serve as collateral or security for any such Labcorp Liability.

(b) To the extent required to obtain a release from a guarantee of:

(i) any member of the Labcorp Group, Fortrea shall (or shall cause a member of the Fortrea Group to) execute a guarantee agreement in the form of the existing guarantee or such other form as is agreed to by the relevant parties to such guarantee agreement, which agreement shall include the removal of any Security Interest on or in any Labcorp Asset that may serve as collateral or security for any Fortrea Liability, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either (x) with which Fortrea (or any member of the Fortrea Group) would be reasonably unable to comply or (y) which Fortrea (or any member of the Fortrea Group) would not reasonably be able to avoid breaching; and

(ii) any member of the Fortrea Group, Labcorp shall (or shall cause a member of the Labcorp Group to) execute a guarantee agreement in the form of the existing guarantee or such other form as is agreed to by the relevant parties to such guarantee agreement, which agreement shall include the removal of any Security Interest on or in any Fortrea Asset that may serve as collateral or security for any Labcorp Liability, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either (x) with which Labcorp (or any member of the Labcorp Group) would be reasonably unable to comply or (y) which Labcorp (or any member of the Labcorp Group) would not reasonably be able to avoid breaching.

(c) If Labcorp or Fortrea is unable to obtain, or to cause to be obtained, any such required removal or release as set forth in clauses (a) and (b) of this Section 1.09, (i) the Party or the relevant member of its Group that has assumed the Liability with respect to such guarantee shall indemnify, defend and hold harmless the guarantor or obligor against or from any Liability arising from or relating thereto in accordance with the provisions of Article IV and shall, as agent or subcontractor for such guarantor or obligor, pay, perform and discharge fully all the obligations or other Liabilities of such guarantor or obligor thereunder; and (ii) each of Labcorp and Fortrea, on behalf of itself and the other members of their respective Groups, agrees not to renew or extend the term of, increase any obligations under, or transfer to a Third Party, any loan, guarantee, lease, contract or other obligation for which the other Party or a member of its Group is or may be liable unless all obligations of such other Party and the members of such other Party's Group with respect thereto are thereupon terminated by documentation satisfactory in form and substance to such other Party.

Section 1.10 Bank Accounts; Cash Balances. (a) Each Party agrees to take, or cause the members of its Group to take, at the Business Transfer Time (or such earlier time as the Parties may agree), all actions necessary to amend all contracts or agreements governing each bank and brokerage account owned by Fortrea or any other

member of the Fortrea Group (collectively, the "Fortrea Accounts") and all contracts or agreements governing each bank or brokerage account owned by Labcorp or any other member of the Labcorp Group (collectively, the "Labcorp Accounts") so that each such Fortrea Account and Labcorp Account, if currently linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to) to any Labcorp Account or Fortrea Account, respectively, is de-linked from such Labcorp Account or Fortrea Account, respectively.

(b) It is intended that, following consummation of the actions contemplated by Section 1.10(a), there will be in place a cash management process pursuant to which the Fortrea Accounts will be managed and funds collected will be transferred into one or more accounts maintained by Fortrea or a member of the Fortrea Group.

(c) It is intended that, following consummation of the actions contemplated by Section 1.10(a), there will continue to be in place a cash management process pursuant to which the Labcorp Accounts will be managed and funds collected will be transferred into one or more accounts maintained by Labcorp or a member of the Labcorp Group

(d) With respect to any outstanding checks issued or payments initiated by Labcorp, Fortrea, or any of the members of their respective Groups prior to the Business Transfer Time, such outstanding checks and payments shall be honored following the Business Transfer Time by the Person or Group owning the account on which the check is drawn or from which the payment was initiated, respectively.

(e) As between Labcorp and Fortrea (and the members of their respective Groups), all payments made and reimbursements, credits, returns, or rebates received after the Business Transfer Time by either Party (or member of its Group) that relate to a business, Asset or Liability of the other Party (or member of its Group), shall be held by such Party in trust for the use and benefit of the Party entitled thereto and, promptly following receipt by such Party of any such payment or reimbursement, credit, return or rebate such Party shall pay over, or shall cause the applicable member of its Group to pay over to the other Party the amount of such payment or reimbursement without right of set-off.

Section 1.11 Other Transaction Documents. Effective on or prior to the Business Transfer Time, each of Labcorp and Fortrea will, or will cause the applicable members of their Groups to, execute and deliver all other Transaction Documents to which it is a party.

Section 1.12 Fortrea Financing Arrangements; Fortrea Transfer. (a) Prior to the Effective Time: (i) Fortrea will enter into one or more financing arrangements and agreements, as set forth on Schedule 1.12 (the "Fortrea Financing Arrangements"), pursuant to which it shall borrow prior to the Effective Time a principal amount of not less than $[_____](the "Special Cash Amount"); (ii) Labcorp and Fortrea shall cooperate

in the preparation of all materials as may be necessary or advisable to execute the Fortrea Financing Arrangements; and (iii) Labcorp and Fortrea agree to take all necessary actions to assure, and shall obtain, the full release and discharge of Labcorp and the other members of the Labcorp Group from all obligations pursuant to the Fortrea Financing Arrangements as of no later than the Effective Time.

(b) Immediately following Fortrea's entering into the Fortrea Financing Arrangements and prior to the Distribution, Fortrea shall, as partial consideration for Labcorp's Conveyance to Fortrea of the Fortrea Assets, undertake the following actions:

(i) issue and deliver to Labcorp [_____] shares of Fortrea Common Stock (the "Stock Issuance");

(ii) pay the Special Cash Amount in immediately available funds to one or more accounts of Labcorp designated in writing by Labcorp (the "Special Cash Payment"); and

(iii) assume the Fortrea Liabilities in accordance with the requirements of this Agreement.

(c) Labcorp shall maintain the funds received pursuant to the Special Cash Payment in a segregated bank account (the "Segregated Account"). Within 12 months following the Distribution, Labcorp will distribute the entirety of the Special Cash Payment held in the Segregated Account exclusively to (i) Labcorp's creditors in retirement of outstanding Labcorp indebtedness and/or (ii) Labcorp's shareholders in repurchase of, or as a distribution with respect to, its shares.

Section 1.13 Financial Information Certifications. Labcorp's disclosure controls and procedures and internal control over financial reporting (as each is contemplated by the Exchange Act) are currently applicable to Fortrea as its Subsidiary. In order to enable the principal executive officer and principal financial officer of Fortrea to make the certifications required of them under Section 302 of the Sarbanes-Oxley Act of 2002 following the Distribution in respect of any quarterly or annual fiscal period of Fortrea that begins on or prior to the Distribution Date in respect of which financial statements are not included in the Form 10 (a "Straddle Period"), Labcorp, on or before the date that is ten days prior to the latest date on which Fortrea may file the periodic report pursuant to Section 13 of the Exchange Act for any such Straddle Period (not taking into account any possible extensions), shall provide Fortrea with one or more certifications with respect to such disclosure controls and procedures and the effectiveness thereof and whether there were any changes in the internal controls over financial reporting that have materially affected or are reasonably likely to materially affect the internal control over financial reporting, which certification(s) shall (x) be with respect to the applicable Straddle Period (it being understood that no certification need be provided with respect to any period or portion of any period after the Distribution Date) and (y) be in substantially the same form as those that had been provided by officers or employees of Labcorp in similar certifications delivered prior to the Distribution Date, with such

changes thereto as Labcorp may reasonably determine. Such certification(s) shall be provided by Labcorp (and not by any officer or employee in their individual capacity).

Section 1.14 Disclaimer; No Representations or Warranties. Except as expressly set forth in this Agreement or in any of the other Transaction Documents, each Party on behalf of itself and each of its Affiliates understands and agrees that neither Party nor any of its Affiliates is making any representation or warranty of any kind whatsoever, express or implied, to the other party or any of its Affiliates or to any other Person in respect of the contemplated transactions or any information that may have been exchanged or provided pursuant to this Agreement or any other Transaction Document, and that all Fortrea Assets are being assigned and transferred, and all Fortrea Liabilities are being assumed, on an "as is," "where is" basis. Without limiting the generality of the foregoing, (i) neither Labcorp nor any of its Affiliates has made or shall be deemed to have made any representations or warranties in any presentation or written information relating to the Fortrea Business given or to be given in connection with the contemplated transactions or in any filing made or to be made by or on behalf of Labcorp or any of its Affiliates with any Governmental Authority, and no statement made in any such presentation or written materials, made in any such filing or contained in any such other information shall be deemed a representation or warranty hereunder or otherwise, and (ii) Labcorp, on its own behalf and on behalf of the other members of the Labcorp Group, expressly disclaims any implied warranties, including warranties of fitness for a particular purpose and warranties of merchantability. Fortrea acknowledges and agrees that Fortrea specifically disclaims that it is relying upon or has relied upon any representations or warranties that have been made by Labcorp or any other Person relating to the Fortrea Business, and acknowledges and agrees that Labcorp has specifically disclaimed and does hereby specifically disclaim any representation or warranty made by Labcorp or any other person relating to the Fortrea Business.

ARTICLE II.
THE DISTRIBUTION

Section 2.01 Sole and Absolute Discretion; Cooperation. (a) Labcorp shall, in its sole and absolute discretion, determine the terms of the Distribution, including the form, structure and terms of any transaction(s) and/or offering(s) to effect the Distribution and the timing and conditions to the consummation of the Distribution. In addition, Labcorp may, at any time and from time to time until the consummation of the Distribution, modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution. Nothing shall in any way limit Labcorp's right to terminate this Agreement or the Distribution as set forth in Article VI or alter the consequences of any such termination from those specified in Article VI.

(b) Fortrea shall cooperate with Labcorp to accomplish the Distribution and shall, at Labcorp's direction, promptly take any and all actions, necessary or desirable to effect the Distribution, including in respect of the registration under the Exchange Act of Fortrea Common Stock on the Form 10. Labcorp shall select any

investment bank or manager in connection with the Distribution, as well as any financial printer, solicitation and/or exchange agent and financial, legal, accounting and other advisors for Labcorp. Fortrea and Labcorp, as the case may be, will provide to the Distribution Agent any information required in order to complete the Distribution.

Section 2.02 Actions Prior to the Distribution. Prior to the Effective Time and subject to the terms and conditions set forth herein, the Parties shall take, or cause to be taken, the following actions in connection with the Distribution:

(a) Fortrea and Labcorp shall prepare, and Fortrea shall file, any amendments or supplements to the Form 10 and the Form 10's exhibit (including the Information Statement) as may be necessary or advisable in order to cause the Form 10 to become and remain effective as required by the SEC or federal, state or other applicable securities Laws. Labcorp and Fortrea shall prepare, and Fortrea shall, to the extent required under applicable Law, file with the SEC any such documentation and any requisite no-action letters that Labcorp determines are necessary or desirable to effectuate the Distribution, and Labcorp and Fortrea shall each use reasonable best efforts to obtain all necessary approvals from the SEC with respect thereto as soon as practicable. Labcorp shall, as soon as is reasonably practicable after the Form 10 is declared effective under the Exchange Act and the Labcorp Board has approved the Distribution, cause the Information Statement to be made available to the Record Holders, including by mailing the Information Statement to the Record Holders.

(b) Fortrea will prepare, file with the SEC and use reasonable best efforts to cause to become effective any registration statements or amendments thereto required to effect the establishment of, or amendments to, any employee benefit and other plans necessary or appropriate in connection with the transactions contemplated by this Agreement or any of the Transaction Documents.

(c) Each of the Parties will take all such actions as may be necessary or appropriate under the securities or blue sky Laws of the states or other political subdivisions of the United States or of other foreign jurisdictions in connection with the Distribution.

(d) Fortrea will prepare and file, and will use reasonable best efforts to have approved prior to the Distribution, an application for the listing on NASDAQ or another national securities exchange of the Fortrea Common Stock to be distributed in the Distribution, subject to official notice of listing.

(e) Prior to the Distribution, the existing directors of Fortrea will duly elect the individuals listed as members of the Fortrea board of directors in the Information Statement, and such individuals will become the members of the Fortrea board of directors effective as of no later than immediately prior to the Distribution; provided, however, that to the extent required by any Law or requirement of NASDAQ or any other national securities exchange, as applicable, one independent director will be

appointed by the existing board of directors of Fortrea to begin his or her term prior to the Distribution in accordance with such Law or requirement.

(f) Labcorp and Fortrea shall take all necessary actions so that as of the Effective Time: (i) the directors and executive officers of Fortrea shall be those set forth in the Information Statement made available to the Record Holders prior to the Distribution Date, unless otherwise agreed by the Parties; (ii) each individual referred to in clause (i) shall have resigned from his or her position, if any, as a member of the Labcorp Board and/or as an executive officer of Labcorp; and (iii) Fortrea shall have such other officers as Fortrea shall appoint.

(g) Labcorp and Fortrea shall take all necessary actions so that, as of the Effective Time, the Fortrea' Restated Certificate of Incorporation and Restated Bylaws, each in substantially the form filed as an exhibit to the Form 10, shall become the certificate of incorporation and bylaws of Fortrea.

(h) Labcorp shall enter into a distribution agent agreement with the Distribution Agent or otherwise provide instructions to the Distribution Agent regarding the Distribution;

(i) Labcorp and Fortrea shall take all actions as may be necessary to approve the grants of adjusted equity awards by Labcorp (in respect of Labcorp Common Stock) and Fortrea (in respect of Fortrea Common Stock) in connection with the Distribution in order to satisfy the requirements of Rule 16b-3 under the Exchange Act.

Section 2.03 Conditions to the Distribution. (a) The consummation of the Distribution will be subject to the satisfaction, or waiver by Labcorp in its sole and absolute discretion, of the following conditions:

(i) The Labcorp Board shall have authorized and approved the Separation and the Distribution and shall not have withdrawn such authorization and approval;

(ii) The Labcorp Board shall have declared the dividend of Fortrea Common Stock to the Record Holders;

(iii) The SEC shall have declared the Form 10 effective under the Exchange Act, no stop order suspending the effectiveness of the Form 10 shall be in effect, and no proceedings for such purpose shall be pending before or threatened by the SEC;

(iv) The Information Statement shall have been made available to the Record Holders;

(v) The NASDAQ or another national securities exchange approved by the Labcorp Board shall have accepted the Fortrea Common Stock for listing, subject to official notice of issuance;

(vi) The transfer of the Fortrea Assets (other than any Delayed Fortrea Asset) and Fortrea Liabilities (other than any Delayed Fortrea Liability) contemplated to be transferred from Labcorp to Fortrea on or prior to the Distribution shall have occurred as contemplated by Section 1.01(c), and the transfer of the Labcorp Assets (other than any Delayed Labcorp Asset) and Labcorp Liabilities (other than any Delayed Labcorp Liability) contemplated to be transferred from Fortrea to Labcorp on or prior to the Distribution Date shall have occurred as contemplated by Section 1.01(c);

(vii) The Internal Restructuring (including the Fortrea Transfer) shall have been consummated in all material respects;

(viii) Labcorp shall have received a written opinion from Jones Day, tax counsel to Labcorp, satisfactory to the Labcorp Board, regarding (i) the qualification of the Fortrea Transfer, taken together with the Distribution, as a tax-free reorganization pursuant to Section 368(a)(1)(D) of the Code, and (ii) the qualification of the Distribution as a distribution of Fortrea stock to Labcorp's shareholders pursuant to Section 355 of the Code, and such opinion shall not have been withdrawn or rescinded as of the Distribution Date;

(ix) Labcorp shall have received a private letter ruling from the U.S. Internal Revenue Service, satisfactory to the Labcorp Board, regarding the qualification of the Fortrea Transfer, the Special Cash Payment, the Distribution and certain related transactions for the Intended Tax Treatment, and such ruling shall remain in effect as of the Distribution Date;

(x) An independent appraisal firm acceptable to Labcorp shall have delivered one or more opinions to the Labcorp Board confirming the solvency and financial viability of Labcorp prior to the Distribution and of Labcorp and Fortrea after consummation of the Distribution, and such opinions shall be acceptable to Labcorp in form and substance in Labcorp's sole discretion and such opinions shall not have been withdrawn or rescinded;

(xi) No order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation, the Distribution or any of the transactions related thereto shall be pending or in effect;

(xii) No other events or developments shall exist or shall have occurred that, in the judgment of the Labcorp Board, in its sole and absolute discretion, makes it inadvisable to effect the Separation, the Distribution or the transactions contemplated by this Agreement or any other Transaction Document;

(xiii) Each of the Transaction Documents shall have been duly executed and delivered by the applicable parties thereto;

(xiv) Fortrea shall have consummated the Fortrea Financing Arrangements in accordance with Section 1.11(a), and Labcorp shall be satisfied in its sole and absolute discretion that, as of the Effective Time, it shall have no Liability whatsoever under the Fortrea Financing Arrangements;

(xv) The actions and filings necessary or advisable under applicable U.S. federal, U.S. state or other securities Laws or blue sky Laws and the rules and regulations thereunder shall have been taken or made, and, where applicable, have become effective or been accepted by the applicable Governmental Authority; and

(xvi) Any required approvals of any Governmental Authority necessary to consummate the transactions contemplated by this Agreement and the Transaction Documents shall have been obtained and be in full force and effect.

(b) The foregoing conditions are for the sole benefit of Labcorp and shall not give rise to or create any duty on the part of Labcorp or the Labcorp Board to waive or not waive any such condition or in any way limit Labcorp's right to terminate this Agreement as set forth in Article VI or alter the consequences of any such termination from those specified in Article VI. Any determination made by the Labcorp Board prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in Section 2.03(a) shall be conclusive and binding on the Parties. If Labcorp waives any material condition, it shall promptly issue a press release disclosing such fact and file a Current Report on Form 8-K with the SEC describing such waiver.

Section 2.04 The Distribution. (a) Each of the Parties will provide, or cause the applicable member of its Group to provide to the Distribution Agent all documents and information required to complete the Distribution.

(b) Subject to the terms and conditions set forth in this Agreement, (i) on or prior to the Distribution Date, for the benefit of and distribution to the Record Holders, Labcorp will deliver to the Distribution Agent all of the issued and outstanding shares of Fortrea Common Stock then owned by Labcorp and book-entry authorizations for such shares and (ii) on the Distribution Date, Labcorp will instruct the Distribution Agent to (A) distribute to each Record Holder (or such Record Holder's bank, brokerage firm or other nominee on such Record Holder's behalf) electronically, by direct registration in book-entry form, the number of whole shares of Fortrea Common Stock to which such Record Holder is entitled based on the Distribution Ratio and (B) receive and hold for and on behalf of each Record Holder, the number of fractional shares of Fortrea Common Stock to which such Record Holder is entitled based on the Distribution Ratio. The Distribution will be effective at the Effective Time. On or as soon as practicable after the Distribution Date, the Distribution Agent will mail to each Record Holder an account statement indicating the number of whole shares of Fortrea Common Stock that have been registered in book-entry form in such Record Holder's name.

(c) Labcorp and Fortrea, as the case may be, will instruct the Distribution Agent, as applicable, to deduct and withhold from the consideration otherwise required to be distributed pursuant to this Agreement such amounts as are required to be deducted and withheld from such consideration under the Code or any provision of state, local or foreign Tax Law. Any withheld amounts will be treated for all purposes of this Agreement as having been distributed to the Persons otherwise entitled thereto.

(d) Until the Fortrea Common Stock is duly transferred in accordance with this Section 2.04 and applicable Law, from and after the Effective Time, Fortrea will regard the Persons entitled to receive such Fortrea Common Stock as record holders of Fortrea Common Stock in accordance with the terms of the Distribution without requiring any action on the part of such Persons. Fortrea agrees that, subject to any transfers of such shares, from and after the Effective Time (i) each such holder will be entitled to receive all dividends, if any, payable on, and exercise voting rights and all other rights and privileges with respect to, the Fortrea Common Stock then held by such holder, and (ii) each such holder will be entitled, without any action on the part of such holder, to receive evidence of ownership of the Fortrea Common Stock then held by such holder.

Section 2.05 Fractional Shares. (a) Labcorp's stockholders holding a number of Labcorp Common Stock, on the Record Date, which would entitle such stockholders to receive less than one whole share of Fortrea Common Stock in the Distribution will receive cash in lieu of fractional shares. Fractional shares of Fortrea Common Stock will not be distributed in the Distribution nor credited to book-entry accounts. The Distribution Agent and Labcorp will, as soon as practicable after the Distribution Date, (a) determine the number of whole and fractional shares of Fortrea Common Stock that each Record Holder is entitled to receive in the Distribution, (b) aggregate all such fractional shares into whole shares and sell the whole shares obtained thereby in open market transactions at then-prevailing trading prices on behalf of Record Holders to whom fractional share interests were distributed in the Distribution and (c) distribute to each such Record Holder, or for the benefit of each beneficial owner of fractional shares, such Record Holder's or beneficial owner's ratable share of the net proceeds of such sales, based upon the average gross selling price per share of Fortrea Common Stock after making appropriate deductions for any amount required to be withheld under applicable Tax Law and less any brokers' charges, commissions or transfer Taxes. The Distribution Agent, in its sole discretion, will determine the timing and method of selling such shares, the selling price of such shares and the broker-dealer to which such shares will be sold; provided, however, that the designated broker-dealer is not an Affiliate of Labcorp or Fortrea. None of Labcorp, Fortrea or the Distribution Agent will be required to guarantee any minimum sale price for the fractional shares of Fortrea Common Stock sold in accordance with this Section 2.05. Neither Labcorp nor Fortrea will pay any interest on the proceeds from the sale of such shares.

(b) Any Fortrea Common Stock or cash in lieu of fractional shares with respect to shares of Fortrea Common Stock that remain unclaimed by any Record

Holder one hundred and eighty (180) days after the Distribution Date shall be delivered to Fortrea, and Fortrea or its transfer agent on its behalf shall hold such Fortrea Common Stock and cash for the account of such Record Holder, and the Parties agree that all obligations to provide such Fortrea Common Stock and cash, if any, in lieu of fractional share interests shall be obligations of Fortrea, subject in each case to applicable escheat or other abandoned property Laws, and Labcorp shall have no Liability with respect thereto.

(c) Solely for purposes of computing fractional share interests pursuant to this Section 2.05, the beneficial owner of Labcorp Common Stock held of record in the name of a nominee in any nominee account shall be treated as the Record Holder with respect to such shares.

Section 2.06 Plan of Reorganization. This Agreement constitutes and hereby is adopted as a "plan of reorganization" under Treasury Regulation Section 1.368-2(g) with respect to the transactions contemplated hereby.

ARTICLE III.
COVENANTS

Section 3.01 Further Assurances; Efforts To Obtain Approvals or Notifications. In addition to the actions specifically provided for elsewhere in this Agreement or in any other Transaction Document, each Party will cooperate with each other and use (and will cause their respective Subsidiaries and Affiliates to use) their reasonable best efforts, prior to, at and after the Distribution, to take, or to cause to be taken, all actions, and to do, or to cause to be done, all things reasonably necessary on its part under applicable Law or contractual obligations to consummate and make effective the transactions contemplated by this Agreement and the other Transaction Documents as promptly as practicable; provided, however, that neither Labcorp nor Fortrea will be required to make any non-de minimis payments, incur any non-de minimis Liability or offer or grant any non-de minimis accommodation (financial or otherwise) to any Third Party in connection with obtaining any Approvals or Notifications. Except as otherwise expressly contemplated by another provision of the Transaction Documents, each Party will bear its respective costs and expenses incurred in connection with obtaining such Approvals or Notifications. Without limiting the foregoing, upon the reasonable request of a Party hereto, the other Party shall, and shall cause its respective Affiliates to, execute, acknowledge and deliver all such further assurances, deeds, assignments, conveyances, powers of attorney and other instruments and papers as may be required for the transfer to a member of the Fortrea Group of direct or indirect ownership of the Fortrea Assets and to a member of the Labcorp Group ownership of the Labcorp Assets and the assumption by the Fortrea Group of the Fortrea Liabilities and the assumption by the Labcorp Group of the Labcorp Liabilities, as contemplated by this Agreement (it being understood that no such assurances, deeds, assignments, conveyances, powers of attorney or other instruments or papers will require Labcorp or any of its Affiliates to

make any additional representations, warranties or covenants, expressed or implied, not contained in this Agreement).

Section 3.02 Access to Information; Cooperation.

(a) Fortrea to Labcorp. Subject to Section 3.02(e), from the Distribution Date until the five-year anniversary of the Distribution Date, upon reasonable request, Fortrea will, and will cause the members of the Fortrea Group to: (i) promptly afford to Labcorp and its Representatives reasonable access upon reasonable prior notice during normal business hours, to its offices, properties, agreements, books, records, employees, auditors and other agents (giving consideration to business demands of such employees, auditors and other agents), to the extent relating to the Fortrea Business prior to the Effective Time, and provide copies of such Information (including any Shared Information in its possession or under its control) as Labcorp may reasonably request for any proper purpose, including in connection with (A) the preparation of any financial statements or reports or the satisfaction of its public reporting obligations, (B) to the extent requested to permit Labcorp or any of its Affiliates to comply with their financial reporting, accounting or auditing obligations with respect to any period ending before the Distribution Date, (C) any judicial, quasi-judicial, administrative or audit proceeding or Action related to the conduct or ownership of the Fortrea Group for which Labcorp or such Affiliate has retained any Liability under this Agreement, (D) the defense or pursuit of any claims, allegations or actions that relate to or may relate to any Labcorp Assets, Labcorp Liabilities or claim for indemnification, and (E) otherwise to the extent reasonably required by Labcorp; and (ii) use reasonable best efforts to cooperate in the defense or pursuit of any Labcorp Asset or Labcorp Liability or any claim or action that relates to occurrences involving the Fortrea Business or the Retained Business prior to the Distribution Date, or that relates to any obligation of Labcorp or Labcorp Affiliates under Data Protection Laws, including any request for access by any Data Subjects, that requires the cooperation of Fortrea or members of the Fortrea Group; provided that Labcorp will reimburse the Fortrea Group for any reasonable out-of-pocket expenses (including fees and expenses of attorneys, accountants and other agents or representatives) incurred by any member of the Fortrea Group in connection with any such defense, claim, action or request. Labcorp agrees to treat and hold as confidential all Information provided or otherwise made available to it or any of its Representatives under this Section 3.02(a) in accordance with the provisions of Section 3.03.

(b) Labcorp to Fortrea. Subject to Section 3.02(e), from the Distribution Date until the five-year anniversary of the Distribution Date, upon reasonable request, Labcorp will, and will cause the members of the Labcorp Group to: (i) promptly afford to Fortrea and its Representatives reasonable access upon reasonable prior notice during normal business hours, to its offices, properties, agreements, books, records, employees, auditors and other agents (giving consideration to business demands of such employees, auditors and other agents), to the extent relating to the Fortrea Business prior to the Effective Time, and provide

copies of such Information (including any Shared Information in its possession or under its control) as Fortrea may reasonably request for any proper purpose, including in connection with (A) the preparation of any financial statements or reports or the satisfaction of its public reporting obligations, (B) to the extent requested to permit Fortrea or any of its Affiliates to comply with their financial reporting, accounting or outstanding obligations, (C) any judicial, quasi-judicial, administrative or audit proceeding or Action related to the conduct or ownership of the Fortrea Group for which Fortrea or such a member of the Fortrea Group has assumed any Liability under this Agreement, (D) the defense or pursuit of any claims, allegations or actions that relate to or may relate to any Fortrea Assets, Fortrea Liabilities or claim for indemnification, and (E) otherwise to the extent reasonably required by Fortrea; and (ii) use reasonable best efforts to cooperate in the defense or pursuit of any Fortrea Asset or Fortrea Liability or any claim or action that relates to occurrences involving the Fortrea Business prior to the Distribution Date or that relates to any obligation of Fortrea or Fortrea Affiliates under Data Protection Laws, including any request for access by any Data Subjects, that requires the cooperation of Labcorp or members of the Labcorp Group; provided that Fortrea will reimburse the Labcorp Group for any reasonable out-of-pocket expenses (including fees and expenses of attorneys, accountants and other agents or representatives) incurred by any member of the Labcorp Group in connection with any such defense, claim, action or request. Fortrea agrees to treat and hold as confidential all Information provided or otherwise made available to it or any of its Representatives under this Section 3.02(b) in accordance with the provisions of Section 3.03.

(c) Shared Information. Except as otherwise provided in the Transition Services Agreement or as prohibited by applicable Law, each Party, on behalf of its respective Group, will provide, or cause to be provided, to the other Party's Group, at any time after the Distribution Date and until the seven-year anniversary of the Distribution Date, as soon as reasonably practicable after written request therefor, any Shared Information in its possession or under its control. Each of Labcorp and Fortrea agree to make their respective personnel available during regular business hours to discuss the Information exchanged pursuant to this Section 3.02. Prior to the Distribution, each Party will take measures that it reasonably determines in good faith to be appropriate to ensure that any competitively sensitive Shared Information from one Party is not disclosed to the other Party's personnel involved in a competing business.

(d) Reimbursement. The Party requesting Information will reimburse the other Party for the reasonable third-party out-of-pocket costs and expenses (including attorneys' fees, but excluding reimbursement for general overhead, salaries and employee benefits (other than reasonable administrative overhead directly attributable to requests for access made by or on behalf of the Party requesting access (e.g., overtime)), if any, of creating, gathering and copying such Information, to the extent that such costs are reasonably incurred by the other Party or its Representatives for the benefit of the requesting Party.

(e) No Obligation to Disclose. Notwithstanding anything to the contrary contained herein, nothing in this Section 3.02 will require: (i) Labcorp or Fortrea, as applicable, to provide the other Party or its Representatives or any third parties with access to (A) any Personal Data, including that contained in personnel records of employees relating to individual performance or evaluation records, patients records, medical histories or other Information which, in the disclosing party's good faith opinion, is sensitive or the disclosure of which could subject such party or its Affiliates to risk of liability or violation of any Data Protection Laws or (B) Information the disclosure of which, in the disclosing party's reasonable good faith opinion (x) would conflict with confidentiality obligations to which such Party or any of its Affiliates is bound, (y) would reasonably be expected to result in the forfeiture or waiver of any attorney-client or similar privilege, or (z) would violate an applicable Law; provided that, in the case of each of clause (A) and (B), the disclosing party will use Commercially Reasonable Efforts to provide the other Party, to the extent possible, with access to the relevant Information in a manner that would not reasonably be expected to conflict with confidentiality obligations or Data Protection Laws, result in the forfeiture or waiver of any such attorney-client or similar privilege, or violate applicable Law (provided further, that, for purposes of this Section 3.02(e) "Commercially Reasonable Efforts" shall be deemed to include implementing appropriate and reasonable legal measures in compliance with Data Protection Laws, including, for example, the measures specified in a Data Processing Agreement); (ii) either Party's independent accountants to make available to the other party or its Representatives any work papers unless and until such Person has signed a customary confidentiality and hold harmless agreement relating to such access to work papers in form and substance reasonably acceptable to such independent accountants; or (iii) either Labcorp or Fortrea to provide any cost or pricing Information for any of its products that compete directly with the other Party's products. In the event that a Party relies upon this Section 3.02(e) in not providing the other Party with any information or material requested, such non-providing Party shall be required to promptly notify the other Party that it has determined to not provide information or materials pursuant to this Section 3.02(e).

(f) Ownership of Information. Except as expressly provided in this Agreement or other Transaction Document, no Party or member of such Party's Group grants or confers rights of license or any other rights in any Information owned by any member of such Party's Group to any member of the other Party's Group hereunder. Any Information owned by a Party that is provided to the other Party pursuant to this Section 3.02 will remain the property of the Party that owned and provided such Information. Each Party will, and will cause members of their respective Groups to, remove and destroy any hard drives or other electronic data storage devices from any computer or server that is reasonably likely to contain Information that is protected by this Section 3.02 and that is transferred or sold to a Third Party or otherwise disposed of in accordance with Section 3.02(g), unless required by Law or bona fide document retention policies to retain such materials.

(g) Record Retention. Each Party agrees to use its Commercially Reasonable Efforts to retain all Information that relates to the operations of Fortrea and the Fortrea Business in its respective possession or control at the Business Transfer Time and at the Distribution in accordance with their respective then existing document retention policies, as such policies may be amended from time to time.

(h) Limitation of Liability. Neither Party shall have any Liability to the other Party in the event that any information exchanged or provided pursuant to this Agreement is found to be inaccurate in the absence of gross negligence, bad faith, fraud or willful misconduct by the Party providing such information. Neither Party shall have any Liability to any other Party if any information is destroyed after Commercially Reasonable Efforts by such Party to comply with the provisions of Section 3.02(g).

(i) Other Agreements Providing for Exchange of Information. (i) The rights and obligations granted under this Section 3.02 are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of information or protection of Personal Data set forth in any Transaction Document. Any Party that receives, pursuant to a request for information in accordance with this Section 3.02, Tangible Information that is not relevant to its request shall, at the request of the providing Party, (i) return it to the providing Party or, at the providing Party's request, destroy such Tangible Information; and (ii) deliver to the providing Party written confirmation that such Tangible Information was returned or destroyed, as the case may be, which confirmation shall be signed by an authorized representative of the requesting Party.

Section 3.03 Confidentiality; No Release, Return or Destruction; Third Party Information and Data Protection.

(a) Confidentiality. Subject to Section 3.04, and without prejudice to any longer period that may be provided for in any of the other Transaction Documents, from and after the Effective Time until the three-year anniversary of the Effective Time, each of Labcorp and Fortrea, on behalf of itself and each member of its respective Group, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that applies to Labcorp's confidential and proprietary information pursuant to policies in effect as of the Effective Time, all confidential and proprietary information concerning the other Party or any member of the other Party's Group or their respective businesses that is either in its possession (including confidential and proprietary information in its possession prior to the date hereof) or furnished by any such other Party or any member of such Party's Group or their respective Representatives at any time pursuant to this Agreement, any other Transaction Document or otherwise, and shall not use any such confidential and proprietary information other than for such purposes as shall be expressly permitted hereunder or thereunder, except, in each case, to the extent that such confidential and proprietary information has been (i) in the public domain or generally available to the public, other than as a result of a disclosure by such Party or any member of such

Party's Group or any of their respective Representatives in violation of this Agreement, (ii) later lawfully acquired from other sources by such Party (or any member of such Party's Group) which sources are not themselves known by such Party (or any member of such Party's Group) to be bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such confidential and proprietary information, or (iii) independently developed or generated without reference to or use of any proprietary or confidential information of the other Party or any member of such Party's Group. Notwithstanding the foregoing three-year period, Labcorp's and Fortrea's obligations with respect to confidential and proprietary information that constitutes Trade Secrets shall survive and continue for so long as such confidential and proprietary information retains its status as a Trade Secret. If any confidential and proprietary information of one Party or any member of its Group is disclosed to the other Party or any member of such other Party's Group in connection with providing services to such first Party or any member of such first Party's Group under this Agreement or any other Transaction Document, then such disclosed confidential and proprietary information shall be used only as required to perform such services.

(b) No Release; Return or Destruction. Each Party agrees not to release or disclose, or permit to be released or disclosed, any information addressed in Section 3.03(a) to any other Person, except its Representatives who need to know such information in their capacities as such (who shall be advised of their obligations hereunder with respect to such information), and except in compliance with Section 3.04. Without limiting the foregoing, when any such information is no longer needed for the purposes contemplated by this Agreement or any other Transaction Document, and is no longer subject to any legal hold or other document preservation obligation, each Party will promptly after request of the other Party either return to the other Party all such information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or notify the other Party in writing that it has destroyed such information (and such copies thereof and such notes, extracts or summaries based thereon); provided, that the Parties may retain electronic back-up versions of such information maintained on routine computer system backup tapes, disks or other backup storage devices; provided further, that any such information so retained shall remain subject to the confidentiality provisions of this Agreement or any other Transaction Document.

(c) Third-Party Information. Each Party acknowledges that it and members of its Group may presently have and, following the Effective Time, may gain access to or possession of confidential or proprietary information of Third Parties (i) that was received under confidentiality or non-disclosure agreements entered into between such Third Parties, on the one hand, and the other Party or members of such other Party's Group, on the other hand, prior to the Effective Time; or (ii) that, as between the two Parties, was originally collected by the other Party or members of such other Party's Group and that may be subject to and protected by applicable Laws. Each Party agrees that it shall hold, protect and use, and shall cause the members of its Group and its and their respective Representatives to hold, protect and use, in strict confidence the

confidential and proprietary information of Third Parties in accordance with the obligations outlined in applicable Laws and the terms of any agreements that were either entered into before the Effective Time or affirmative commitments or representations that were made before the Effective Time by, between or among the other Party or members of the other Party's Group, on the one hand, and such Third Parties, on the other hand, including as set forth in the Data Processing Agreement.

(d) Privacy and Data Protection Laws.

(i) Each Party and members of its Group shall:

(A) comply with all applicable Data Protection Laws in the Processing of Personal Data and to Process Personal Data solely as required by the Agreement and limited to that which is necessary for the purpose of performing the Party's obligations under the Agreement, subject to the requirements of Data Protection Laws;

(B) execute a data processing agreement (the "Data Processing Agreement"), in accordance with Data Protection Laws, where one Party is a Processor (or Sub-Processor) acting on behalf of the other Party for the purpose of Processing Personal Data; provided that, subject to Section 3.03(d)(i)(C), should any agreements between the Parties, including this Agreement, be in conflict with the provisions of a Data Processing Agreement, the Data Processing Agreement shall control;

(C) execute the EU Standard Contractual Clauses, UK Standard Contractual Clauses and Swiss Standard Contractual Clauses where applicable and required by applicable European Data Protection Laws; provided that in the event that there is any conflict between this Agreement or any Data Processing Agreement, on the one hand, and the EU Standard Contractual Clauses, on the other hand, then as required by Clause 5 of the EU Standard Contractual Clauses, the EU Standard Contractual Clauses shall control; and

(D) implement appropriate technical and organizational measures to ensure a level of security appropriate to the risk.

(ii) Each Party acknowledges that it and members of its Group may presently and, following the Effective Time, Process Personal Data (including personal health information) relating to Data Subjects (A) that was received under privacy policies and data protection notices prior to the Effective Time or (B) that, as between the Parties, was collected by the other Party or members of such other Party's Group prior to the Effective Time and may be subject to privacy policies and data protection notices, as well as applicable Data Protection Laws or other applicable Laws. Each Party agrees that it shall hold, protect and use, and shall cause the members of its Group and its and their respective Representatives to hold, protect and use, in strict confidence the Personal Data (including personal health information) relating to Data Subjects in

accordance with the obligations outlined in the applicable privacy policies and data protection notices and applicable Data Protection Laws or other applicable Laws.

Section 3.04 Protective Arrangements. In the event that a Party or any member of its Group either determines on the advice of its counsel that it is required to disclose any information pursuant to applicable Law or receives any request or demand under lawful process or from any Governmental Authority to disclose or provide information of the other Party (or any member of the other Party's Group) that is subject to the confidentiality provisions hereof, such Party shall notify the other Party (to the extent legally permitted) as promptly as practicable under the circumstances prior to disclosing or providing such information and shall cooperate, at the expense of the other Party, in seeking any appropriate protective order requested by the other Party. In the event that such other Party fails to receive such appropriate protective order in a timely manner and the Party receiving the request or demand reasonably determines that its failure to disclose or provide such information shall actually prejudice the Party receiving the request or demand, then the Party that received such request or demand may thereafter disclose or provide information to the extent required by such Law (as so advised by its counsel) or by lawful process or such Governmental Authority, and the disclosing Party shall promptly provide the other Party with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted.

Section 3.05 Insurance Matters. (a) Labcorp and Fortrea agree to cooperate in good faith to provide for an orderly transition of insurance coverage from the date hereof through the Effective Time. In no event shall Labcorp, any other member of the Labcorp Group or any Labcorp Indemnified Party have Liability or obligation whatsoever to any member of the Fortrea Group in the event that any (i) insurance policy or insurance policy related contract shall be terminated or otherwise cease to be in effect for any reason, shall be unavailable or inadequate to cover any Liability of any member of the Fortrea Group for any reason whatsoever or shall be cancelled, not renewed or not extended beyond the current expiration date or (ii) any insurer declines, denies, delays or obstructs any claim payment.

(b) With the sole exception of incidents occurring prior to the Effective Time and which would be otherwise covered under the insurance policies of Labcorp or any member of the Labcorp Group set forth on Schedule 3.05(b) (collectively, the "Covered Policies") from and after the Effective Time, Fortrea, any member of the Fortrea Group or any of their respective employees (including former or inactive employees) shall cease to be insured by, shall have no access or availability to or under, shall not be entitled to make claims on or under and shall not be entitled to claim benefits from or seek coverage under, and shall not have any rights to or under, any of Labcorp's or any member of the Labcorp Group's insurance policies or any of their respective self-insured programs in place immediately prior to the Effective Time. Solely with respect to the Covered Policies, from and after the Effective Time, with respect to any losses, damages and Liability incurred by any member of the Fortrea Group prior to

the Effective Time, Labcorp will provide Fortrea with access to, and Fortrea may make claims under, the Covered Policies in place immediately prior to the Effective Time, but solely to the extent that such policies provided coverage for members of the Fortrea Group or the Fortrea Business prior to the Effective Time; provided that such access to, and the right to make claims under, such insurance policies, shall be subject to the terms, conditions and exclusions of such insurance policies, including any limits on coverage or scope, any deductibles, self-insured retentions and other fees and expenses, and shall be subject to the following additional conditions:

(i) Fortrea shall notify Labcorp's Director of Risk Management (or such other Person of Labcorp if there is no Director of Risk Management), as promptly as practicable, of any incident, circumstance or occurrence that may lead to a claim made by Fortrea pursuant to this Section 3.05(b); and

(ii) Fortrea shall reimburse Labcorp and the members of the Labcorp Group for all claim-related payments made by Labcorp or any member of the Labcorp Group on or after the Effective Time that arise from claims made by Fortrea, any member of the Fortrea Group, any of their respective employees or any Third Party under Labcorp's or any member of the Labcorp Group's self-insured, large deductible, or fronted insurance programs for occurrences prior to the Effective Time, including overhead, claim handling and administrative costs, taxes, surcharges, state assessments and other related costs. Fortrea and the members of the Fortrea Group shall indemnify, hold harmless and reimburse Labcorp and the members of the Labcorp Group for any deductibles, self-insured retention, fees, indemnity payments, settlements, judgments, legal fees, allocated claims expenses, claim handling fees, costs of filing a claim and any premium increases or other amounts that are or become payable, or that are incurred, by Labcorp or any members of the Labcorp Group to the extent resulting from any access to, or any claims made by Fortrea or any other members of the Fortrea Group under, any of Labcorp's or a member of the Labcorp Group's insurance policies provided pursuant to this Section 3.05(b), whether such claims are made by Fortrea, its employees or Third Parties; and

(iii) Fortrea shall exclusively bear (and neither Labcorp nor any members of the Labcorp Group shall have any obligation to repay or reimburse Fortrea or any member of the Fortrea Group for) and shall be liable for all excluded, uninsured, uncovered, unavailable or uncollectible amounts (including where any insurer declines, denies, delays or obstructs any claim payment) of all such claims made for the benefit of Fortrea or any member of the Fortrea Group under the policies as provided for in this Section 3.05(b). Where a policy includes a reinstatement of limits, in the event an insurance policy aggregate is exhausted, or believed likely to be exhausted, due to noticed claims, the Fortrea Group, on the one hand, and the Labcorp Group, on the other hand, shall be responsible for their pro rata portion of the reinstatement premium, if any, based upon the losses of such Group submitted to Labcorp's insurance carrier(s) (including any submissions prior to the Effective Time). To the extent that the Labcorp Group or the Fortrea Group is allocated more than its pro rata portion of such premium

due to the timing of losses submitted to Labcorp's insurance carrier(s), the other party shall promptly pay the first party an amount so that each Group has been properly allocated its pro rata portion of the reinstatement premium. Subject to the following sentence, a Party may elect not to reinstate the policy aggregate even if available. In the event that a Party elects not to reinstate the policy aggregate, it shall provide prompt written notice to the other Party and shall have no rights to claim against or have any benefit from the reinstated limits. A Party which elects to reinstate the policy aggregate shall be responsible for all reinstatement premiums and other costs associated with such reinstatement to the extent such Party has received notice from the other Party that such other Party does not elect to reinstate the limits.

(c) In the event that any member of the Labcorp Group incurs any losses, damages or Liability prior to or in respect of the period prior to the Effective Time for which such member of the Labcorp Group is entitled to coverage under Fortrea's third-party insurance policies, the same process pursuant to Section 3.05(b) shall apply, substituting "Labcorp" for "Fortrea" and "Fortrea" for "Labcorp", including for purposes of the first sentence of Section 3.05(f).

(d) At the Effective Time, Fortrea shall have in effect all insurance programs required to comply with Fortrea's contractual obligations and such other policies required by Law or as reasonably necessary or appropriate for companies operating a business similar to the Fortrea Business.

(e) Neither Fortrea nor any member of the Fortrea Group, in connection with making a claim under any insurance policy of Labcorp or any member of the Labcorp Group pursuant to this Section 3.05, shall take any action that would be reasonably likely to (i) have a material and adverse impact on the then-current relationship between Labcorp or any member of the Labcorp Group, on the one hand, and the applicable insurance company, on the other hand; (ii) result in the applicable insurance company terminating or materially reducing coverage, or materially increasing the amount of any premium owed by Labcorp or any member of the Labcorp Group under the applicable insurance policy; or (iii) otherwise compromise, jeopardize or interfere in any material respect with the rights of Labcorp or any member of the Labcorp Group under the applicable insurance policy; provided that Fortrea's, any member of the Fortrea Group's, any of their respective employees' or any Third Party's making of a claim pursuant to Section 3.05(b)(ii) shall not be deemed to be an action that triggers the foregoing clauses (i), (ii) or (iii).

(f) Any payments, costs, adjustments or reimbursements to be paid by Fortrea pursuant to this Section 3.05 shall be billed quarterly and payable within 30 days from receipt of an invoice from Labcorp. Labcorp shall retain the exclusive right to control its insurance policies and programs, including the right to exhaust, settle, release, commute, buyback or otherwise resolve disputes with respect to any of its insurance policies and programs and to amend, modify or waive any rights under any such insurance policies and programs, notwithstanding whether any such policies or

programs apply to any Fortrea Liabilities and/or claims Fortrea has made or could make in the future, and no member of the Fortrea Group shall erode, exhaust, settle, release, commute, buyback or otherwise resolve disputes with Labcorp's insurers with respect to any of Labcorp's insurance policies and programs, or amend, modify or waive any rights under any such insurance policies and programs. Fortrea shall cooperate with Labcorp and share such information as is reasonably necessary in order to permit Labcorp to manage and conduct its insurance matters as Labcorp deems appropriate.

(g) This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of the Labcorp Group in respect of any insurance policy or any other contract or policy of insurance

(h) Fortrea does hereby, for itself and each other member of the Fortrea Group, agree that no member of the Labcorp Group shall have any Liability whatsoever as a result of the insurance policies and practices of Labcorp and the members of the Labcorp Group as in effect at any time, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, or the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise.

Section 3.06 Privileged Matters. (a) The Parties acknowledge and agree that the Fortrea Group's attorney-client privilege, attorney work-product protection and expectation of client confidence with respect to any communications ("Privileged Communications") concerning any proposed sale of the Fortrea Business or any other transaction contemplated by this Agreement or any of the other Transaction Documents (such Privileged Communications, "Privileged Transaction Communications"), and all information and documents covered by such privilege, protection or expectation shall be retained and controlled by Labcorp, and may be waived only by Labcorp. The Parties acknowledge and agree that the Privileged Transaction Communications shall not be controlled, owned, used, waived or claimed by the Fortrea Group upon consummation of the Distribution; and in the event of a dispute between a member of the Fortrea Group and a Third Party or any other circumstance in which a Third Party requests or demands that the member of the Fortrea Group produce Privileged Transaction Communications, Fortrea shall cause such member of the Fortrea Group to assert such attorney-client privilege on behalf of the applicable member of Labcorp Group to prevent disclosure of Privileged Transaction Communications to such Third Party.

(b) The Parties acknowledge and agree that Privileged Communications concerning general business matters related to the Fortrea Business and the Fortrea Group and arising prior to the Distribution for the benefit of both Labcorp and the Fortrea Group (such Privileged Communications, "Privileged Business Communications") shall be subject to a joint privilege and protection between Labcorp, on the one hand, and the Fortrea Group, on the other hand, and Labcorp and the Fortrea Group shall have equal right to assert such joint privilege and protection and no

such joint privilege or protection may be waived by (i) Labcorp without the prior written consent of such member of the Fortrea Group; or (ii) by any member of the Fortrea Group without the prior written consent of Labcorp; provided, however, that any such Privileged Business Communications, whether arising prior to, or after the Distribution Date, with respect to any matter for which a Party hereto has an indemnification obligation hereunder, shall be subject to the sole control of such Party which shall be solely entitled to control the assertion or waiver of the privilege or protection, whether or not such Privileged Business Communications are in the possession of or under the control of such Party.

(c) Upon receipt by Fortrea or any of its Affiliates of any subpoena, discovery or other request from any Third Party that calls for or would be reasonably expected to call for the production or disclosure of Privileged Transaction Communications or if Fortrea or any of its Affiliates obtains knowledge that any current or former employee of Fortrea receives any subpoena, discovery or other request from any Third Party that calls for or would be reasonably expected to call for the production or disclosure of Privileged Transaction Communications, Fortrea will promptly notify Labcorp of the existence of the request and will provide Labcorp a reasonable opportunity to assert any rights it may have under this Section 3.06 or otherwise to prevent the production or disclosure of such Privileged Transaction Communications. Fortrea will not, and will cause its Affiliates not to, produce or disclose to any Third Party any of the Privileged Transaction Communications under this Section 3.06 unless (i) Labcorp has provided its express written consent to such production or disclosure or (ii) a court of competent jurisdiction has entered an Order finding that the Privileged Transaction Communications are not entitled to protection from disclosure under any applicable privilege, doctrine or rule.

(d) Upon receipt by either Party or any of their respective Affiliates of any subpoena, discovery or other request from any Third Party that calls for or would be reasonably expected to call for the production or disclosure of Privileged Business Communications or if either Party obtains knowledge that any current or former employee of such Party receives any subpoena, discovery or other request from any Third Party that calls for or would be reasonably expected to call for the production or disclosure of Privileged Business Communications, such Party will promptly notify the other Party of the existence of the request and will provide such other Party a reasonable opportunity to assert any rights it may have under this Section 3.06 or otherwise to prevent the production or disclosure of such Privileged Business Communications. Neither Party will, and will cause its respective Affiliates not to, produce or disclose to any Third Party any of the Privileged Business Communications under this Section 3.06 unless (i) the other Party has provided its express written consent to such production or disclosure or (ii) a court of competent jurisdiction has entered an Order finding that the Privileged Business Communications are not entitled to protection from disclosure under any applicable privilege, doctrine or rule.

(e) Neither Labcorp nor Fortrea will, and will cause their respective Affiliates not to, produce or disclose to any Third Party any of the Privileged Business Communications under this Section 3.06 unless (i) the other Party has provided its express written consent to such production or disclosure or (ii) a court of competent jurisdiction has entered an Order finding that the Privileged Business Communications are not entitled to protection from disclosure under any applicable privilege, doctrine or rule.

(f) The access to Information, witnesses and individuals being granted pursuant to Section 3.02 and the disclosure to Labcorp and Fortrea of Privileged Communications relating to the Fortrea Business pursuant to this Agreement in connection with the transactions contemplated hereby will not be asserted by Labcorp or Fortrea to constitute, or otherwise deemed, a waiver of any privilege that has been or may be asserted under this Section 3.06 or otherwise. Nothing in this Agreement will operate to reduce, minimize or condition the rights granted to Labcorp and Fortrea in, or the obligations imposed upon Labcorp and Fortrea by, this Section 3.06.

Section 3.07 Production of Witnesses; Records; Cooperation. (a) After the Effective Time, except in the case of a Dispute between Labcorp and Fortrea, or any members of their respective Groups, each Party shall use its Commercially Reasonable Efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available without undue burden, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting Party (or member of its Group) may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third-Party Claim, the other Party shall make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available without undue burden, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting the foregoing, the Parties shall cooperate and consult to the extent reasonably necessary with respect to any Actions.

(d) Without limiting any provision of this Section 3.07, each of the Parties agrees to cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect to any Intellectual Property and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity or infringing use of any Intellectual Property of a Third Party in a manner that would hamper or undermine the defense of such infringement or similar claim.

(e) The obligation of the Parties to provide witnesses pursuant to this Section 3.07 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses directors, officers, employees, other personnel and agents without regard to whether such person or the employer of such person could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 3.07(a)).

Section 3.08 Names and Marks; Shared Labcorp IP. (a) Except as provided in, contemplated by or required in connection with the provision of services or licenses pursuant to any Transaction Document or as provided in this Section 3.08, as of the Distribution (i) the Fortrea Group shall not have any right to use or display the Labcorp Names and Marks in any form and (ii) the Labcorp Group shall not have any right to use or display the Fortrea Names and Marks in any form; provided, however, that (A) to the extent such Labcorp Names and Marks were used or displayed by any member of the Fortrea Group prior to the Distribution, the members of the Fortrea Group shall, as soon as reasonably practicable, but in any event within 12 months after the Distribution, at their expense, cease all use or display of all Labcorp Names and Marks and shall remove any and all references to the Labcorp Names and Marks on Fortrea Assets (including on business cards, stationary, commercial signs and similar identifiers), except that with respect to the Fortrea Assets set forth on Schedule 3.08(a)(ii)(A), the members of the Fortrea Group shall have up to 24 months after the Distribution to cease use or display of Labcorp Names and Marks or to remove any and all references to the Labcorp Names and Marks, (B) to the extent such Fortrea Names and Marks were used or displayed by any member of the Labcorp Group prior to the Distribution, the members of the Labcorp Group shall, as soon as reasonably practicable, but in any event within 12 months after the Distribution, at their expense, cease all use or display of all Fortrea Names and Marks and shall remove any and all references to the Fortrea Names and Marks on Labcorp Assets, except that with respect to the Labcorp Assets set forth on Schedule 3.08(a)(ii)(B), the members of the Labcorp Group shall have up to 24 months after the Distribution to cease use or display of any Fortrea Names and Marks or to remove any and all references to the Fortrea Names and Marks, (C) the Fortrea Group shall have the right to continue to use the Labcorp Names and Marks in perpetuity to the extent they are incorporated into historical records, memorabilia, awards, the Fortrea Assets set forth on Schedule 3.08(a)(ii)(C), and the like prior to the Distribution, and

(D) the Labcorp Group shall have the right to continue to use the Fortrea Names and Marks in perpetuity to the extent they are incorporated into historical records, memorabilia, awards, and the like prior to the Distribution. In addition, each Party shall have the right to use the other's respective Names and Marks in perpetuity to the extent they are incorporated into materials that speak generally to the history of the respective companies.

(b) Notwithstanding the foregoing, nothing contained in this Agreement will prevent any Party (or any member of its respective Group) from using the other's Names and Marks in documents intended to be filed with Governmental Authorities, in materials intended for distribution to such Party's stockholders or in any other communication (including correspondence) in any medium that describes the current or former relationship between the Parties (or members of their respective Groups).

(c) Effective immediately after the Business Transfer Time, Labcorp, on behalf of itself and the members of the Labcorp Group, hereby grants to Fortrea and its Affiliates that are in existence at the time of the Business Transfer Time a non-exclusive, worldwide, perpetual, irrevocable, and royalty-free license to use and otherwise exploit the Shared Labcorp IP, including the right to make, have made, use, sell, offer for sale, import and export products and services, in each case, in connection with the business of Fortrea and its Affiliates as the same exists as of Business Transfer Time and however it may thereafter exist or evolve; however, such license shall neither be sublicensable nor transferable. Notwithstanding the foregoing, (i) nothing in this Section 3.08(c) shall require Labcorp or any member of the Labcorp Group to maintain, renew or prosecute any Shared Labcorp IP and Labcorp and the members of the Labcorp Group may transfer or abandon or let lapse any Shared Labcorp IP in Labcorp's sole discretion and (ii) Fortrea, on behalf of itself and the members of the Fortrea Group, hereby covenants and agrees that none of it, the members of the Fortrea Group or any other Person claiming on behalf of Fortrea or members of the Fortrea Group shall bring suit or otherwise assert any claim against any Labcorp or any member of the Labcorp Group before any Governmental Authority with respect to this Section 3.08(c) or the Shared Labcorp IP.

Section 3.09 Late Payments. Except as expressly provided to the contrary in this Agreement or in any other Transaction Document, any amount not paid when due pursuant to this Agreement or any other Transaction Document (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within ten days of a notice of non-payment) shall accrue interest at a rate per annum equal to eight percent (8%).

Section 3.10 Inducement. Fortrea acknowledges and agrees that Labcorp's willingness to cause, effect and consummate the Separation and the Distribution has been conditioned upon and induced by Fortrea's covenants and agreements in this Agreement and the Transaction Documents, including Fortrea's assumption of the Fortrea Liabilities pursuant to the Separation and the provisions of this Agreement and Fortrea's covenants and agreements contained in Article III.

Section 3.11 Post-Effective Time Conduct. The Parties acknowledge that, after the Effective Time, each Party shall be independent of the other Party, with responsibility for its own actions and inactions and its own Liabilities relating to, arising out of or resulting from the conduct of its business, operations and activities following the Effective Time, except as may otherwise be provided in any other Transaction Document, and each Party shall (except as otherwise provided in Article III) use Commercially Reasonable Efforts to prevent such Liabilities from being inappropriately borne by the other Party.

ARTICLE IV.
INDEMNIFICATION; LIMITATION OF LIABILITY

Section 4.01 Release of Pre-Distribution Claims.

(a) Fortrea Release of Labcorp. Except as provided in Sections 4.01(c) and 4.01(d), effective as of the Effective Time, Fortrea does hereby, for itself and each other member of the Fortrea Group, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Fortrea Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) Labcorp and the members of the Labcorp Group, and their respective successors and assigns, (ii) all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Labcorp Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, and (iii) all Persons who at any time prior to the Effective Time are or have been stockholders, directors, officers, agents or employees of a Fortrea Entity and who are not, as of immediately following the Effective Time, directors, officers or employees of Fortrea or a member of the Fortrea Group, in each case from: (A) all Fortrea Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation and the Distribution and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the Fortrea Business, the Fortrea Assets or the Fortrea Liabilities.

(b) Labcorp Release of Fortrea. Except as provided in Sections 4.01(c) and 4.01(d), effective as of the Effective Time, Labcorp does hereby, for itself and each other member of the Labcorp Group, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Labcorp Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) Fortrea and the members of the Fortrea Group and their

respective successors and assigns, and (ii) all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Fortrea Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from (A) all Labcorp Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation and the Distribution and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the Retained Business, the Labcorp Assets or the Labcorp Liabilities.

(c) Obligations Not Affected. Nothing contained in Section 4.01(a) or 4.01(b) shall impair any right of any Person to enforce this Agreement or any other Transaction Document. Nothing contained in Section 4.01(a) or 4.01(b) shall release any Person from:

(i) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any other Transaction Document;

(ii) any Liability for the sale, lease or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of the other Group prior to the Effective Time;

(iii) any Liability that the Parties may have with respect to indemnification or contribution or other obligation pursuant to this Agreement, any other Transaction Document or otherwise for claims brought against the Parties by Third Parties, which Liability shall be governed by the provisions of this Article IV and, if applicable, the appropriate provisions of the other Transaction Documents; or

(iv) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 4.01.

In addition, nothing contained in Section 4.01(a) shall release any member of the Labcorp Group from honoring its existing obligations to indemnify any director, officer or employee of Fortrea who was a director, officer or employee of any member of the Labcorp Group on or prior to the Effective Time, to the extent such director, officer or employee becomes a named defendant in any Action with respect to which such director, officer or employee was entitled to such indemnification pursuant to such existing obligations; it being understood that, if the underlying obligation giving rise to such Action is a Fortrea Liability, Fortrea shall indemnify Labcorp for such Liability (including Labcorp's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article IV.

(d) No Claims. Fortrea shall not make, and shall not permit any other member of the Fortrea Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Labcorp or any other member of the Labcorp Group, or any other Person released pursuant to Section 4.01(a), with respect to any Liabilities released pursuant to Section 4.01(a). Labcorp shall not make, and shall not permit any other member of the Labcorp Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Fortrea or any other member of the Fortrea Group, or any other Person released pursuant to Section 4.01(b), with respect to any Liabilities released pursuant to Section 4.01(b).

(e) Execution of Further Releases. At any time at or after the Effective Time, at the request of either Party, the other Party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions of this Section 4.01.

Section 4.02 Indemnification. (a) Indemnification by Fortrea and the Fortrea Group. Without limiting or otherwise affecting the indemnity provisions of any Transaction Document, effective as of the Distribution Date and subject to the limitations set forth in this Article IV, Fortrea hereby indemnifies Labcorp, its Affiliates and their respective Representatives (together, in each case, with their respective successors and permitted assigns, the "Labcorp Indemnified Parties") from and against, and agrees to hold them harmless from, any and all Damages arising out of, resulting from or related to (whether prior to or following the Distribution) any of the following items (without duplication):

(i) any breach by Fortrea or any other member of the Fortrea Group of any covenant to be performed by such Persons pursuant to this Agreement or any other Transaction Document (other than the Tax Matters Agreement and the Transition Services Agreement) subsequent to the Business Transfer Time;

(ii) any Fortrea Liability, including the failure of Fortrea or any other member of the Fortrea Group or any other Person to pay, perform, fulfill, discharge and, to the extent applicable, comply with, in due course and in full, any such Fortrea Liabilities;

(iii) any matters for which indemnification is provided by Fortrea or any Fortrea Entity under any Transaction Document (other than this Agreement), it being understood that the terms of such indemnification shall be governed by and subject to the terms of the applicable Transaction Document to the extent such terms differ from the provisions of this Article IV.

(iv) except to the extent it relates to a Labcorp Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member

of the Fortrea Group by any member of the Labcorp Group that survives following the Distribution; and

(v) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in the Form 10, the Information Statement (as amended or supplemented if Fortrea shall have furnished any amendments or supplements thereto) or any other Disclosure Document, other than the matters described in clause (v) of Section 4.02(b).

(b) Indemnification by Labcorp. Without limiting or otherwise affecting the indemnity provisions of any Transaction Document, effective as of the Distribution Date and subject to the limitations set forth in this Article IV, Labcorp hereby indemnifies Fortrea, its Affiliates and their respective Representatives (together, in each case, with their respective successors and permitted assigns, the "Fortrea Indemnified Parties") from and against, and agrees to hold them harmless from, any and all Damages arising out of, resulting from or related to (whether prior to or following the Distribution) any of the following items (without duplication):

(i) any breach by Labcorp or any other member of the Labcorp Group of any covenant to be performed by such Persons pursuant to this Agreement or any Transaction Document (other than the Tax Matters Agreement and the Transition Services Agreement) subsequent to the Business Transfer Time;

(ii) any Labcorp Liability, including the failure of Labcorp or any other member of the Labcorp Group or any other Person to pay, perform, fulfill, discharge, and, to the extent applicable, comply with, in due course and in full, such Labcorp Liabilities;

(iii) any matters for which indemnification is provided by Labcorp or any member of the Labcorp Group under any Transaction Document (other than this Agreement), it being understood that the terms of such indemnification shall be governed by and subject to the terms of the applicable Transaction Document to the extent such terms differ from the provisions of this Article IV.

(iv) except to the extent it relates to a Fortrea Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member of the Labcorp Group by any member of the Fortrea Group that survives following the Distribution; and

(v) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to statements made explicitly in Labcorp's name in the Form 10, the Information Statement (as

amended or supplemented if Fortrea shall have furnished any amendments or supplements thereto) or any other Disclosure Document; it being agreed that the statements set forth on Schedule 4.02(b)(v) shall be the only statements made explicitly in Labcorp's name in the Form 10, the Information Statement or any other Disclosure Document, and all other information contained in the Form 10, the Information Statement or any other Disclosure Document shall be deemed to be information supplied by Fortrea.

Section 4.03 Calculation and Other Provisions Relating to Indemnity Payments. The amount of any Damages for which indemnification is provided under this Article IV will be net of any amounts actually recovered by the Indemnitee or its Affiliates under non-Affiliated third-party, non-captive insurance policies with respect to such Damages (less the costs of filing a claim and any deductibles, premium increases or other amounts that are or become payable by Labcorp or any member of the Labcorp Group under the applicable insurance policies or self-insurance programs as a result of such claim). If any Damages resulting in indemnification under Section 4.02 relates to a claim by an Indemnitee or its Affiliates that is covered by one or more non-Affiliated third-party, non-captive insurance policies held by the Indemnitee or its Affiliates, the Indemnitee will use and will cause its Affiliates to use Commercially Reasonable Efforts to pursue claims against the applicable insurers for coverage of such Damages under such policies. Without duplication of the first sentence of this Section 4.03, the Indemnifying Party will pay directly, or promptly reimburse the Indemnitee for the costs of pursuing such claims (including, if necessary, the filing of coverage litigation). Any indemnity payment hereunder will initially be made without regard to this Section 4.03, and if the Indemnitee or its Affiliates actually receive a full or partial recovery under such insurance policies following payment of indemnification by the Indemnifying Party in respect of such Damages, then the Indemnitee will refund amounts received from the Indemnifying Party up to the amount of indemnification actually received from the Indemnifying Party with respect to such Damages (less the cost to collect the proceeds of such insurance).

Section 4.04 Procedures for Defense, Settlement and Indemnification of Third-Party Claims. (a) Each Person seeking indemnification under this Article IV (the "Indemnitee") will give prompt written notice to the Person from whom indemnification is sought (the "Indemnifying Party") of the assertion of any claim or the commencement of any Action by any Third Party ("Third-Party Claim"); provided that the failure of the Indemnitee to give notice as provided in this Section 4.04(a) will not relieve any Indemnifying Party of its obligations under Section 4.02, except to the extent that such failure actually prejudices the rights of any such Indemnifying Party. Such notice will set forth in reasonable detail such claim and the basis for indemnification (taking into account the information then available to the Indemnitee). Thereafter, the Indemnitee will deliver to the Indemnifying Party, as promptly as reasonably practicable following the Indemnitee's receipt thereof, copies of all written notices and documents (including any court papers) received by the Indemnitee relating to the Third-Party Claim and the Indemnitee will provide the Indemnifying Party with such other Information with respect

to any such Third-Party Claim reasonably requested by the Indemnifying Party. The Indemnifying Party will have the right, at its sole option and expense, to be represented by counsel of its choice and, subject to the limitations set forth in this Section 4.04, to assume control of, and defend against, negotiate, settle (subject to Section 4.04(b)) or otherwise deal with such Third-Party Claim, but the Indemnitee may nonetheless participate in the defense of such Third-Party Claim with its own counsel and at its own expense. In the case of any Third-Party Claim for which indemnification is sought, the Indemnifying Party will have the right, upon written notice to the Indemnitee within 30 days after receipt of the notice of such claim (the "Indemnification Dispute Period"), to assume control of and defend against such Third-Party Claim. If the Indemnifying Party elects not to defend against, negotiate, settle or otherwise deal with any Third-Party Claim, or fails to provide the Indemnitee with notice of its intent to assume control of and defend against any Third-Party Claim within the Indemnification Dispute Period, then the Indemnitee may defend against, negotiate, settle (subject to Section 4.04(b)) or otherwise deal with such Third-Party Claim. If the Indemnifying Party will assume the defense of any Third-Party Claim pursuant to this Article IV, then the Indemnitee may participate, at his or its own expense, in the defense of such Third-Party Claim; provided that such Indemnitee will be entitled to participate in any such defense with separate counsel at the expense of the Indemnifying Party if (i) requested by the Indemnifying Party to participate or (ii) in the reasonable opinion of counsel to the Indemnifying Party, a material conflict exists between the Indemnitee and the Indemnifying Party that would make such separate representation advisable; provided, further that the Indemnifying Party will not be required to pay for more than one such counsel for all Indemnitees in connection with any Third-Party Claim. Notwithstanding the foregoing, participation by the Indemnitee will allow the Indemnitee to consult with independent counsel or advisors and to submit comments and questions, which the Indemnifying Party will consider or respond to in good faith but the Indemnifying Party will not be obligated to act upon and, subject to the terms of this Article IV, such comments or questions will not alter or limit the Indemnifying Party's obligations as set forth in this Agreement.

(b) Notwithstanding anything in this Section 4.04 to the contrary, neither the Indemnifying Party nor the Indemnitee will, without the written consent of the other party, settle or compromise any Third-Party Claim or permit a default or consent to entry of any judgment. Notwithstanding the foregoing, consent of the Indemnitee will not be required for any such settlement if (i) the sole relief provided is monetary damages that are paid in full by the Indemnifying Party, (ii) such settlement does not permit any order, injunction or other equitable relief to be entered, directly or indirectly, against the Indemnitee and (iii) such settlement includes an unconditional release of such Indemnitee from all liability on claims that are the subject matter of such Third-Party Claim and does not include any statement as to or any admission of fault, culpability or failure to act by or on behalf of any Indemnitee; provided, however, that in no event will Fortrea (as Indemnifying Party) settle or compromise any Action brought by any Governmental Authority against any Indemnitee without the prior written consent of Labcorp. If the Indemnifying Party makes any payment on any Third-Party Claim or in respect of any Environmental Claim, then the Indemnifying Party will be subrogated, to

the extent of such payment, to all rights and remedies of the Indemnitee to any insurance benefits or other claims of the Indemnitee with respect to such Third-Party Claim or Environmental Claim, as applicable.

(c) After any decision, judgment or award shall have been rendered by a Governmental Authority of competent jurisdiction, or a settlement shall have been consummated (in accordance with this Article IV), or the Indemnitee and the Indemnifying Party shall have arrived at a mutually binding agreement with respect to a Third-Party Claim hereunder, the Indemnitee will forward to the Indemnifying Party notice of any sums due and owing by the Indemnifying Party pursuant to this Agreement with respect to such matter.

(d) Each party will cooperate, and cause their respective Affiliates to cooperate, in the defense or prosecution of any Third-Party Claim and will furnish or cause to be furnished such records, Information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith.

(e) Notwithstanding the foregoing, this Section 4.04 and the following Section 4.06 will not apply to indemnification related to Tax matters. The procedures for such indemnification will be governed by the Tax Matters Agreement.

Section 4.05 Direct Claim Procedures. (a) In the event an Indemnitee has a claim for indemnity under Section 4.02 against an Indemnifying Party that does not involve a Third-Party Claim, the Indemnitee agrees to give notice in writing, as promptly as practicable, of such claim to the Indemnifying Party, which notice will in no event be delivered to the Indemnifying Party later than 60 days after the Indemnitee first learns of the facts on which such claim is based (such 60-day period, the "Notice Period"). Such notice will set forth in reasonable detail such claim and the basis for indemnification and the amount of such damages incurred or that such Indemnitee reasonably estimates in good faith is likely to be incurred in connection with such claim (all taking into account the information then in the possession or under the control of the Indemnitee). The failure to notify the Indemnifying Party within the Notice Period will not relieve the Indemnifying Party of its obligations hereunder, except to the extent that such failure shall have actually prejudiced the Indemnifying Party (in which case relieved only to the extent of such prejudice).

(b) If the Indemnifying Party notifies the Indemnitee that it does not dispute its liability to the Indemnitee with respect to any claim other than a Third-Party Claim, the damages arising from any such claim will be conclusively deemed a liability of the Indemnifying Party and the Indemnifying Party will pay the amount of such damages to the Indemnitee on demand following the final determination thereof. If the Indemnifying Party has disputed its liability with respect to such claim, the Indemnifying Party and the Indemnitee will proceed in good faith to negotiate a resolution of such dispute in accordance with ARTICLE V and, if not resolved in accordance with ARTICLE

V, either party may seek a resolution of such dispute by litigation in a court of competent jurisdiction pursuant to Section 7.03.

Section 4.06 Additional Matters. (a) Cooperation in Defense and Settlement. With respect to any Third-Party Claim for which Fortrea, on the one hand, and Labcorp, on the other hand, may have Liability under this Agreement or any of the other Transaction Documents, the Parties agree to cooperate reasonably and maintain a joint defense (in a manner that is intended to the maximum extent reasonably possible to preserve the attorney-client privilege, joint defense or other privilege or doctrine with respect thereto) so as to minimize such Liabilities and defense costs associated therewith. The Party that is not responsible for managing the defense of such Third-Party Claims will, upon reasonable request, be consulted with respect to significant matters relating thereto and may retain counsel to monitor or assist in the defense of such claims at its own cost.

(b) Certain Actions. Notwithstanding anything to the contrary set forth in this Article IV, Labcorp may elect to have exclusive authority and control over the investigation, prosecution, defense and appeal of any and all Actions pending at the Business Transfer Time which relate to or arise out of the Fortrea Business, the Fortrea Assets or the Fortrea Liabilities and as to which a member of the Labcorp Group is also a plaintiff or named as a target or defendant thereunder (but excluding any such Actions which solely relate to or solely arise in connection with the Fortrea Business, the Fortrea Assets or the Fortrea Liabilities); provided, however, that, (i) Labcorp defends or prosecutes, as applicable, such Actions in good faith, (ii) Labcorp reasonably consults with Fortrea on a regular basis with respect to strategy and developments with respect to any such Action, (iii) Fortrea will have the right to participate in (but not control) the defense or prosecution, as applicable, of such Action, and (iv) Labcorp must obtain the written consent of Fortrea, such consent not to be unreasonably withheld, conditioned or delayed, to settle or compromise or consent to the entry of judgment with respect to such Action if Labcorp is a defendant and such settlement, consent or judgment would require Fortrea to abandon its rights, change its business practices or incur any Liabilities with respect thereto or if Labcorp is a plaintiff and the resolution involves a judgment that is less than was being sought in respect of the Fortrea Business. After any such compromise, settlement, consent to entry of judgment or entry of judgment, Labcorp and Fortrea will agree upon a reasonable allocation to Fortrea and Fortrea will be responsible for or receive, as the case may be, Fortrea's proportionate share of any such compromise, settlement, consent or judgment attributable to the Fortrea Business, the Fortrea Assets or the Fortrea Liabilities, including its proportionate share of the reasonable costs and expenses associated with defending same.

(c) Reasonable Minimization of Losses. To the extent any remedial, corrective or other ameliorative action is required to be taken by an Indemnitee in respect of a matter that is the subject of an indemnification claim hereunder, the Indemnitee will only be entitled for indemnification in respect of those actions that would

be necessary to perform the minimum necessary remediation, correction or amelioration to remedy the breach or Liability, as the case may be, at the lowest reasonable cost.

(d) Substitution. In the event of an Action that involves solely matters that are indemnifiable and in which the Indemnifying Party is not a named defendant, if either the Indemnitee or the Indemnifying Party so requests, the Parties will endeavor to substitute the Indemnifying Party for the named defendant. If such substitution or addition cannot be achieved for any reason or is not requested, the rights and obligations of the Parties regarding indemnification and the management of the defense of claims as set forth in this Article IV will not be affected.

(e) Subrogation. In the event of payment by or on behalf of any Indemnifying Party to or on behalf of any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party will be subrogated to and will stand in the place of such Indemnitee, in whole or in part based upon whether the Indemnifying Party has paid all or only part of the Indemnitee's Liability, as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnitee will cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

Section 4.07 Right of Contribution.

(a) Contribution. If any right of indemnification contained in Section 4.02 is held unenforceable or is unavailable for any reason, or is insufficient to hold harmless an Indemnitee in respect of any Liability for which such Indemnitee is entitled to indemnification hereunder, then the Indemnifying Party shall contribute to the amounts paid or payable by the Indemnitees as a result of such Liability (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and the members of its Group, on the one hand, and the Indemnitees entitled to contribution, on the other hand, as well as any other relevant equitable considerations.

(b) Allocation of Relative Fault. Solely for purposes of determining relative fault pursuant to this Section 4.07: (i) any fault associated with the business conducted with the Delayed Fortrea Assets or Delayed Fortrea Liabilities (except for the gross negligence or intentional misconduct of a member of the Labcorp Group) or with the ownership, operation or activities of the Fortrea Business prior to the Effective Time shall be deemed to be the fault of Fortrea and the other members of the Fortrea Group, and no such fault shall be deemed to be the fault of Labcorp or any other member of the Labcorp Group; (ii) any fault associated with the business conducted with Delayed Labcorp Assets or Delayed Labcorp Liabilities (except for the gross negligence or intentional misconduct of a member of the Fortrea Group) shall be deemed to be the fault of Labcorp and the other members of the Labcorp Group, and no such fault shall be deemed to be the fault of Fortrea or any other member of the Fortrea Group; and (iii)

any fault associated with the ownership, operation or activities of the Retained Business prior to the Effective Time shall be deemed to be the fault of Labcorp and the other members of the Labcorp Group, and no such fault shall be deemed to be the fault of Fortrea or any other member of the Fortrea Group.

Section 4.08 Covenant Not to Sue. Each Party hereby covenants and agrees that none of it, the members of such Party's Group or any Person claiming through it shall bring suit or otherwise assert any claim against any Indemnitee, or assert a defense against any claim asserted by any Indemnitee, before any court, arbitrator, mediator or administrative agency anywhere in the world, alleging that: (a) the assumption of any Fortrea Liabilities by Fortrea or a member of the Fortrea Group on the terms and conditions set forth in this Agreement and the other Transaction Documents is void or unenforceable for any reason; (b) the retention of any Labcorp Liabilities by Labcorp or a member of the Labcorp Group on the terms and conditions set forth in this Agreement and the other Transaction Documents is void or unenforceable for any reason or (c) the provisions of this Article IV are void or unenforceable for any reason.

Section 4.09 Remedies Cumulative. The remedies provided in this Article IV shall be cumulative and shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

Section 4.10 Survival of Indemnities. The rights and obligations of each of Labcorp and Fortrea and their respective Indemnitees under this Article IV shall survive (a) the sale or other transfer by either Party or any member of its Group of any assets or businesses or the assignment by it of any Liabilities; or (b) any merger, consolidation, business combination, sale of all or substantially all of its Assets, restructuring, recapitalization, reorganization or similar transaction involving either Party or any of the members of its Group.

ARTICLE V.
DISPUTE RESOLUTION

Section 5.01 Post-Distribution Steering Committee.

(a) Prior to the Effective Time, the Parties shall establish a transition committee (the "Post-Distribution Steering Committee") that shall consist of an equal number of members from Labcorp and Fortrea. The Post-Distribution Steering Committee shall be responsible for monitoring and managing all matters related to any of the transactions contemplated by this Agreement or any other Transaction Documents. The Post-Distribution Steering Committee shall have the authority to (i) establish one or more subcommittees from time to time as it deems appropriate or as may be described in any Transaction Documents, with each such subcommittee comprised of one or more members of the Post-Distribution Steering Committee or one or more employees of either Party or any member of its respective Group, and each such subcommittee having such scope of responsibility as may be determined by the

Post-Distribution Steering Committee from time to time; (ii) delegate to any such subcommittee any of the powers of the Post-Distribution Steering Committee; (iii) combine, modify the scope of responsibility of, and disband any such subcommittee; and (iv) modify or reverse any such delegations. The Post-Distribution Steering Committee shall establish general procedures for managing the responsibilities delegated to it under this Section 5.01(a), and may modify such procedures from time to time. All decisions by the Post-Distribution Steering Committee or any subcommittee thereof shall be effective only if mutually agreed by both Parties. The Parties shall use the procedures set forth in this Article V to resolve any matters as to which the Post-Distribution Steering Committee is not able to reach a decision.

(b) Subject to Section 5.04, either Party seeking resolution of any dispute, controversy or claim arising out of or relating to this Agreement or any other Transaction Documents (including regarding whether any Assets are Fortrea Assets or Labcorp Assets, any Liabilities are Fortrea Liabilities or Labcorp Liabilities or the validity, interpretation, breach or termination of this Agreement or any other Transaction Documents) (a "Dispute"), shall provide written notice thereof to the Post-Distribution Steering Committee (the "Initial Notice"). Following the delivery of the Initial Notice, the Post-Distribution Steering Committee shall attempt to resolve the Dispute through the procedures it is empowered to adopt in accordance with Section 5.01(a). If the Post-Distribution Steering Committee is unable for any reason to resolve a Dispute within 30 days after the delivery of the Initial Notice, the Parties shall enter into good-faith negotiations in accordance with Section 5.02 and Section 5.03.

Section 5.02 CEO Negotiation. If any Dispute is not resolved pursuant to Section 5.01, the Post-Distribution Steering Committee shall provide written notice of such Dispute to the Chief Executive Officer of each Party (a "CEO Negotiation Request"). As soon as reasonably practicable following receipt of a CEO Negotiation Request, the Chief Executive Officers of the Parties shall begin conducting good faith negotiations with respect to such Dispute. All such negotiations shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Chief Executive Officers of the Parties are unable for any reason to resolve a Dispute within 30 days of receipt of a CEO Negotiation Request, and such 30-day period is not extended by mutual written consent of the Parties, the Dispute shall be submitted to mediation in accordance with Section 5.03.

Section 5.03 Mediation. In the event that a Dispute has not been resolved within 30 days of the receipt of a CEO Negotiation Request in accordance with Section 5.02, or within such longer period as the Parties may agree to in writing, then such Dispute shall, upon the written request of a Party (the "Mediation Request"), be submitted to mandatory mediation in accordance with the International Institute for Conflict Prevention & Resolution ("CPR") Mediation Procedure (the "Procedure") then in effect, except as modified herein. The mediation shall be held in (i) North Carolina, if the Parties each maintain corporate headquarters in North Carolina at the time a Mediation Request is submitted, (ii) New York City, New York, or (iii) such other place as the

Parties may mutually agree in writing. The parties shall have 15 days from receipt of a Mediation Request to agree on a mediator. If no mediator has been agreed upon by the Parties within 15 days of receipt of a Mediation Request, then any Party may request (on written notice to the other Party) that CPR appoint a mediator in accordance with the Procedure. If the Dispute has not been resolved within 30 days of the appointment of a mediator, or within such longer period as the Parties may agree to in writing, either Party may commence litigation in accordance with Section 7.03; provided, however, that, if one Party fails to participate in the mediation, the other Party may commence litigation in accordance with Section 7.03 prior to the expiration of the time periods set forth above.

Section 5.04 Litigation. Notwithstanding the foregoing provisions of this Article V, a Party may seek preliminary provisional or injunctive judicial relief with respect to a Dispute without first complying with the procedures set forth in Section 5.01, Section 5.02, and Section 5.03 if such action is reasonably necessary to avoid irreparable damage.

Section 5.05 Conduct During Dispute Resolution Process. Unless otherwise agreed in writing, the Parties shall, and shall cause the respective members of their Groups to, continue to honor all commitments under this Agreement and each Transaction Document to the extent required by such agreements during the course of dispute resolution pursuant to the provisions of this Article V, unless such commitments are the specific subject of the Dispute at issue.

ARTICLE VI.
TERMINATION

Section 6.01 Termination. This Agreement and any other Transaction Document or Transfer Document may be terminated by the Labcorp Board in its sole and absolute discretion at any time prior to the Distribution.

Section 6.02 Effect of Termination. In the event of any termination of this Agreement prior to the Distribution, no Party (or any member of its Group or any of its or their respective directors or officers) will have any Liability or further obligation to any other Party (or any member of its Group) with respect to this Agreement or such Transaction Document or Transfer Document.

ARTICLE VII.
MISCELLANEOUS

Section 7.01 Expenses. Except as otherwise provided in this Agreement or any of the other Transaction Documents or as set forth on Schedule 7.01, all fees and expenses incurred in connection with the transactions contemplated hereby and thereby will be paid by the Party incurring such fees or expenses.

Section 7.02 Entire Agreement. This Agreement, the other Transaction Documents, including any related annexes, schedules and exhibits, as well as any other agreements and documents referred to herein and therein, together constitute the entire agreement among the Parties with respect to the subject matter hereof and thereof and supersede all prior negotiations, agreements and understandings of the Parties of any nature, whether oral or written, with respect to such subject matter. If there is a conflict between any provision of this Agreement and a provision of any other Transaction Document, the provision of this Agreement will control unless specifically provided otherwise in this Agreement.

Section 7.03 Governing Law. This Agreement and all disputes or controversies arising out of or relating to this Agreement or the transactions contemplated hereby will be governed by, and construed in accordance with, the Laws of the State of Delaware, without regard to the conflict of Laws provisions thereof that would cause the Laws of another state to apply.

Section 7.04 Notices. All notices, requests, permissions, waivers and other communications hereunder will be in writing and will be deemed to have been duly given (a) upon transmission, if sent by email with confirmation of receipt, (b) when delivered, if delivered personally to the intended recipient and (c) one Business Day following sending by overnight delivery via an international courier service and, in each case, addressed to a Party at the following address for such Party:

(i) if to Labcorp:

Laboratory Corporation of America Holdings
358 South Main Street
Burlington, North Carolina 27215
Attention: [_____]
Email: [_____]

(ii) If to Fortrea:

Fortrea Holdings Inc.
[_____]
[_____]
Attention: [_____]
Email: [_____]

or to such other address(es) as may be furnished in writing by any such Party to the other Party in accordance with the provisions of this Section 7.04.

Section 7.05 Amendments and Waivers. (a) This Agreement may be amended and any provision of this Agreement may be waived; provided, however, that any such

amendment or waiver, as the case may be, is in writing and signed, in the case of an amendment, by the Parties or, in the case of a waiver, by the Party against whom the waiver is to be effective. No course of dealing between or among any Persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Party under or by reason of this Agreement.

(b) No delay or failure in exercising any right, power or remedy hereunder will affect or operate as a waiver thereof; nor will any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or remedy preclude any further exercise thereof or of any other right, power or remedy. The rights and remedies hereunder are cumulative and not exclusive of any rights or remedies that any Party would otherwise have.

(c) Notwithstanding anything to the contrary in this Agreement, Exhibit A to this Agreement, describing the Internal Restructuring, may be amended at any time prior to the Distribution by Labcorp in its sole discretion.

Section 7.06 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and does not confer on Third Parties (including any employees of any member of the Labcorp Group or the Fortrea Group) any remedy, claim, reimbursement, claim of action or other right in addition to those existing without reference to this Agreement.

Section 7.07 Assignability. No Party may assign its rights or delegate its duties under this Agreement without the written consent of the other Party, except that a Party may assign its rights or delegate its duties under this Agreement to a member of its Group, provided that (a) such Person agrees in writing to be bound by the terms and conditions contained in this Agreement and (b) such assignment or delegation will not relieve any Party of its indemnification obligations or other obligations under this Agreement. Any attempted assignment or delegation in contravention of the foregoing will be void.

Section 7.08 Conflict with another Transaction Document; Tax Matters; Priority of Agreements.

(a) Other than with respect to Tax matters and any matters addressed by the Tax Matters Agreement, if there is any conflict between this Agreement and another Transaction Document, each of this Agreement and the other Transaction Document is to be interpreted and construed, if possible, so as to avoid or minimize such conflict, but, to the extent (and only to the extent) of such conflict, this Agreement shall prevail and control.

(b) Except as otherwise expressly provided herein, this Agreement will not govern Tax matters (including any administrative, procedural and related matters thereto), which will be exclusively governed by the Tax Matters Agreement. In the case

of any conflict between this Agreement and the Tax Matters Agreement, in relation to any matters addressed by the Tax Matters Agreement, the Tax Matters Agreement will prevail.

Section 7.09 Rules of Construction. The descriptive headings herein are inserted for convenience of reference only and are not intended to be a substantive part of or to affect the meaning or interpretation of this Agreement. Whenever required by the context, any pronoun used in this Agreement or the Schedules will include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns, pronouns, and verbs will include the plural and vice versa. Reference to any agreement, document, or instrument means such agreement, document, or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof. References in this Agreement to any document, instrument or agreement (including this Agreement) includes and incorporates all exhibits, disclosure letters, schedules and other attachments thereto. Unless the context otherwise requires, any references to an “Exhibit,” “Section” or “Article” will be to an Exhibit, Section or Article to or of this Agreement, and will be deemed to include any provisions or matters set forth in any corresponding schedule or section of the Schedules. The use of the words “include” or “including” in this Agreement or the Schedules will be deemed to be followed by the words “without limitation.” The use of the word “covenant” will mean “covenant and agreement.” The use of the words “or,” “either” or “any” will not be exclusive. Days mean calendar days unless specified as Business Days. References to statutes will include all regulations promulgated thereunder, and references to statutes or regulations will be construed to include all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation as of the date hereof. The Parties have participated jointly in the negotiation and drafting of this Agreement, the Transaction Documents. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Except as otherwise expressly provided elsewhere in this Agreement or any other Transaction Document, any provision herein which contemplates the agreement, approval or consent of, or exercise of any right of, a Party, such Party may give or withhold such agreement, approval or consent, or exercise such right, in its sole and absolute discretion, the Parties hereby expressly disclaiming any implied duty of good faith and fair dealing or similar concept.

Section 7.10 Severability. The Parties agree that (a) the provisions of this Agreement will be severable in the event that for any reason whatsoever any of the provisions hereof are invalid, void or otherwise unenforceable, (b) any such invalid, void or otherwise unenforceable provisions will be replaced by other provisions which are as similar as possible in terms to such invalid, void or otherwise unenforceable provisions but are valid and enforceable, and (c) the remaining provisions will remain valid and enforceable to the fullest extent permitted by applicable Law.

Section 7.11 Counterparts. This Agreement may be executed in multiple counterparts (any one of which need not contain the signatures of more than one Party), each of which will be deemed to be an original but all of which taken together will constitute one and the same agreement. This Agreement, and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, will be treated in all manner and respects as an original agreement and will be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. At the request of any Party, the other Party will re-execute original forms thereof and deliver them to the requesting Party.

Section 7.12 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement was not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the Parties will be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the performance of the terms and provisions of this Agreement without proof of actual damages, this being in addition to any other remedy to which any Party is entitled at Law or in equity. Each Party further agrees that no other Party or any other Person will be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 7.12, and each Party irrevocably waives any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument and will not contest the appropriateness of specific performance as a remedy.

Section 7.13 Performance. Labcorp will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any other Transaction Document to be performed by any member of the Labcorp Group. Fortrea will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Transaction Document to be performed by any member of the Fortrea Group. Each Party (including its permitted successors and assigns) further agrees that it will (a) give timely notice of the terms, conditions and continuing obligations contained in this Agreement and any other applicable Transaction Document to all of the other members of its Group and (b) cause all of the other members of its Group not to take any action or fail to take any such action inconsistent with such Party's obligations under this Agreement, any other Transaction Document or the transactions contemplated hereby or thereby.

Section 7.14 Force Majeure. No Party shall be deemed in default of this Agreement or, unless otherwise expressly provided therein, any other Transaction Document for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder or thereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance of such obligations (other than a payment obligation) shall be extended for a period equal to the time lost by reason of the delay. A Party

claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition; and (b) use Commercially Reasonable Efforts to remove any such causes and resume performance under this Agreement and the other Transaction Documents, as applicable, as soon as reasonably practicable.

Section 7.15 Limitations of Liability. Notwithstanding anything in this Agreement to the contrary, neither Fortrea or any member of the Fortrea Group, on the one hand, nor Labcorp or any member of the Labcorp Group, on the other hand, shall be liable under this Agreement to the other for any indirect, incidental, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third-Party Claim).

ARTICLE VIII.
DEFINITIONS

For purposes of this Agreement, the following terms, when utilized in an initial capitalized form, will have the following meanings:

"Action" means any demand, charge, claim, action, suit, counter suit, arbitration, mediation, hearing, inquiry, proceeding, audit, review, complaint, litigation or investigation, sanction, summons, demand, subpoena, examination, citation, audit, review or proceeding of any nature whether administrative, civil, criminal, regulatory or otherwise, by or before any Governmental Authority.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such other Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made. For purposes of this definition, the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by Contract or otherwise. For the avoidance of doubt, (a) Affiliates of Labcorp will include Fortrea and the Fortrea Entities prior to the Distribution, and (b) Affiliates of Fortrea will include the Fortrea Entities after the Distribution.

"Agreement" has the meaning set forth in the preamble.

"Approvals or Notifications" shall mean any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any Third Party, including any Governmental Authority.

"Assets" means assets, properties and rights (including goodwill), wherever located (including in the possession of vendors or other Third Parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

"Business Day" means any day that is not a Saturday, a Sunday or other day that is a statutory holiday under the federal Laws of the United States.

"Business Transfer Time" has the meaning set forth in Section 1.01(a).

"CDLS Agreement" means that certain Master Services Agreement (Clinical Development and Laboratory Services), dated May 1, 2023, among Labcorp Central Laboratory Services LP, Labcorp Central Laboratory Services SÀRL and Fortrea Inc.

"CEO Negotiation Request" has the meaning set forth in Section 5.02.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commercially Reasonable Efforts" means, with respect to the efforts to be expended by a Party with respect to any objective under this Agreement, reasonable, diligent good faith efforts to accomplish such objective as such Party would normally use to accomplish a similar objective as expeditiously as reasonably possible under similar circumstances exercising reasonable business judgment, it being understood and agreed that such efforts will include the exertion of efforts and utilization of resources that would be used by such Party in support of one of its own wholly owned businesses. "Commercially Reasonable Efforts" will not require a Party (a) to make payments to unaffiliated Third Parties (except as set forth in this Agreement), to incur non-de minimis Liabilities to unaffiliated Third Parties or to grant any non-de minimis concessions or accommodations unless the other Party agrees to reimburse and make whole such Party to its reasonable satisfaction for such Liabilities, concessions or accommodations requested to be made by the other Party (such reimbursement and make whole to be made promptly after the determination thereof following the Distribution or, with respect to items incurred after the Distribution, promptly thereafter), (b) to violate any Law, or (c) to initiate any litigation or arbitration.

"Controller" means the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the Processing of Personal Data.

"Contract" means any contract, agreement, lease, sublease, license, sales order, purchase order, loan, credit agreement, bond, debenture, note, mortgage, indenture, guarantee, undertaking, instrument, arrangement, course of dealing, understanding or other commitment, whether written or oral, that is binding on any Person or any part of its property under applicable Law.

"Convey" has the meaning set forth in Section 1.01(c)(i). Variants of this term such as "Conveyance" will have correlative meanings.

"Copyrights" has the meaning set forth in the definition of "Intellectual Property."

"Covered Policies" has the meaning set forth in Section 3.05(b).

"CPR" has the meaning set forth in Section 3.05(b).

"COVID-19" shall mean SARS-CoV-2 or COVID-19, and any evolutions, variants, mutations or worsening thereof or related or associated epidemics, pandemics or disease outbreaks (including any subsequent waves).

"CPR" has the meaning set forth in Section 5.03.

"Damages" means all assessments, losses, damages, costs, expenses, Liabilities, judgments, awards, fines, sanctions, penalties, charges and amounts paid in settlement, including reasonable costs, fees and expenses of attorneys, accountants and other agents or representatives of such Person, but specifically excluding any amount based on or taking into account the use of any Fortrea Asset other than its use as of the Distribution Date.

"Data Processing Agreement" has the meaning set forth in Section 3.03(d)(i)(B).

"Data Protection Laws" means the relevant national applicable Laws that apply to Personal Data, including without limitation, the European Data Protection Laws, the U.S. Data Protection Laws and all equivalent, comparable or applicable state privacy, security and data breach notification applicable Laws that apply to Personal Data.

"Data Subject" means an identified or identifiable natural person to whom Personal Data relates.

"Delayed Labcorp Asset" has the meaning set forth in Section 1.05(h).

"Delayed Labcorp Liability" has the meaning set forth in Section 1.05(h).

"Delayed Fortrea Asset" has the meaning set forth in Section 1.05(c).

"Delayed Fortrea Liability" has the meaning set forth in Section 1.05(c).

"Designs" has the meaning set forth in the definition of "Intellectual Property.

"Disclosure Document" means any registration statement (including the Form 10) filed with the SEC by or on behalf of any Party or any member of its Group, and also includes any information statement (including the Information Statement), prospectus, offering memorandum, offering circular, periodic report or similar disclosure document, whether or not filed with the SEC or any other Governmental Authority, in each case that

describes the Fortrea Transfer, the Separation or the Distribution or the Fortrea Group or primarily relates to the transactions contemplated hereby.

"Dispute" has the meaning set forth in Section 5.01(b).

"Distribution" has the meaning set forth in the recitals.

"Distribution Agent" shall mean the trust company or bank duly appointed by Labcorp to act as distribution agent, transfer agent and registrar for the Fortrea Common Stock in connection with the Distribution.

"Distribution Date" means, the date selected by the Labcorp Board or its designee for the distribution of Fortrea Common Stock to Labcorp's stockholders in connection with the Distribution.

"Distribution Ratio" means the number of shares of Fortrea Common Stock to be distributed in respect of each share of Labcorp Common Stock in the Distribution, which ratio will be determined by the Labcorp Board prior to the Record Date.

"Domain Name" has the meaning set forth in the definition of "Intellectual Property."

"Effective Time" means the time established by Labcorp as the effective time of the Distribution, New York time, on the Distribution Date.

"Employee Matters Agreement" means the Employee Matters Agreement, dated as of the date hereof, between Labcorp and Fortrea, as amended or modified from time to time in accordance with its terms.

"Environmental Claim" means any Action by any Person alleging or that may reasonably be expected to result in Liability (including Liability for investigatory costs, cleanup costs, governmental oversight or response costs, natural resource damages, fines or penalties) for any Environmental Conditions or any noncompliance with or obligations under any Environmental Laws.

"Environmental Conditions" means the presence in the environment, including the soil, groundwater, surface water, ambient air or indoor air, or in any building materials, of any Hazardous Materials at a level at or exceeding the applicable standard or threshold under applicable Environmental Law or that otherwise requires investigation, remediation or other actions (including investigation, study, health or risk assessment, monitoring, removal, treatment, transport or response action) under any applicable Environmental Laws.

"Environmental Laws" means all Laws of any Governmental Authority, including common law, that relate to the protection of the environment and natural resources (including ambient or indoor air, surface water, ground water, land surface or subsurface strata) or the effect of the environment or Hazardous Materials on human health and

safety, including Laws or any other binding legal obligations in effect now or in the future relating to the Release of Hazardous Materials, or otherwise relating to the generation, manufacture, sale, distribution, import, labeling, treatment, storage, disposal, transport or handling of Hazardous Materials, or to the exposure of any individual to any Hazardous Materials.

"ETE Agreement" means that certain Master Services Agreement (End-to-End Collaboration Services), dated May 1, 2023, between Labcorp and Fortrea Inc.

"EU Standard Contractual Clauses" means the standard data protection clauses for the transfer of Personal Data to third countries pursuant to the GDPR, as provided in the EU Commission Implementing Decision 2021/914 of 4 June 2021, and as amended, supplemented or replaced by the EU Commission from time to time.

"European Data Protection Laws" means the GDPR, the EU e-Privacy Directive (i.e., Directive 2002/58/EC) as amended in 2009 by Directive 2009/136/EC, and its national implementing laws, the UK Data Protection Act 2018, the GDPR as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended (including by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019) ("UK GDPR") and the Swiss Federal Act on Data Protection ("FADP"), and any other applicable Laws or regulations relating to data protection or the Processing of Personal Data or privacy, in each case, including any regulations under such legislation, as amended, supplemented or replaced from time to time.

"Exchange Act" means the Securities Exchange Act of 1934.

"Force Majeure" shall mean, with respect to a Party, an event beyond the reasonable control of such Party (or any Person acting on its behalf), which event (a) does not arise or result from the fault or negligence of such Party (or any Person acting on its behalf) and (b) by its nature would not reasonably have been foreseen by such Party (or such Person), or, if it would reasonably have been foreseen, was unavoidable, and includes acts of God, acts of civil or military authority, acts of terrorism, cyberattacks, embargoes, epidemics, pandemics (including COVID-19 and Pandemic Measures), war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or unavailability of parts, or, in the case of computer systems, any significant and prolonged failure in electrical or air conditioning equipment. Notwithstanding the foregoing, the receipt by a Party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such Party's response thereto shall not be deemed an event of Force Majeure**.**

"Form 10" means the registration statement on Form 10 filed by Fortrea with the SEC to effect the registration of Fortrea Common Stock pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time, including any amendment or supplement thereto.

"Fortrea" has the meaning set forth in the preamble.

"Fortrea Accounts" has the meaning set forth in Section 1.10(a).

"Fortrea Assets" has the meaning set forth in Section 1.03(a).

"Fortrea Books and Records" has the meaning set forth in Section 1.03(a)(vii).

"Fortrea Business" means the Clinical Development and Commercialization Services business of Labcorp, which consists of the following operating segments of Labcorp: Global Clinical Development, Clinical Pharmacology, Periapproval & Commercialization Services and endpoint (which provides software applications that support clinical trials with site, study, subject and clinical supply management solutions), in each case, as conducted immediately prior to the Distribution Date directly or indirectly by the Labcorp Group and the Fortrea Group**.**

"Fortrea Common Stock" has the meaning set forth in the recitals.

"Fortrea Contracts" means all contracts, commitments, leases and other agreements to which a member of the Labcorp Group or the Fortrea Group is a party and that relate exclusively to the Fortrea Business.

"Fortrea Designees" shall mean any and all entities (including corporations, general or limited partnerships, trusts, joint ventures, unincorporated organizations, limited liability entities or other entities) designated by Labcorp that will be members of the Fortrea Group as of immediately prior to the Effective Time.

"Fortrea Employee" has the meaning set forth in the Employee Matters Agreement.

"Fortrea Entities" has the meaning set forth in Section 1.03(a)(iii).

"Fortrea Equity Interests" has the meaning set forth in Section 1.03(a)(iii).

"Fortrea Facilities" has the meaning set forth in Section 1.03(a)(ii).

"Fortrea Financing Arrangements" has the meaning set forth in Section 1.12(a).

"Fortrea Group" means Fortrea and each of its Subsidiaries, which will be deemed to include the Fortrea Entities.

"Fortrea Indemnified Parties" has the meaning set forth in Section 4.03(b).

"Fortrea IP Assets" has the meaning set forth in Section 1.03(a)(vi).

"Fortrea Liabilities" has the meaning set forth in Section 1.04(a).

"Fortrea Names and Marks" means the Names and Marks owned, held or licensed by Labcorp or any of its Subsidiaries immediately prior to the Distribution and exclusively used or held for exclusive use in the Fortrea Business, including those listed on Schedule 8.02 (Fortrea Names and Marks), either alone or in combination with other words or elements, and all Names and Marks that are confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements, together with the goodwill associated with any of the foregoing.

"Fortrea Software" has the meaning set forth in Section 1.03(a)(viii).

"Fortrea Transfer" has the meaning set forth in the recitals.

"GDPR" means the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the Processing of Personal Data and on the free movement of such data and repealing Directive 95/46/EC, as amended, replaced or superseded from time to time.

"Governmental Authority" means any federal, state, local, provincial, foreign or international court, tribunal, judicial or arbitral body, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority or any national securities exchange.

"Governmental Permits" means any licenses, registrations, permits, Orders, clearances, or other authorizations of any Governmental Authority.

"Group" means the Labcorp Group or the Fortrea Group, as the context requires.

"Hazardous Materials" means chemicals, pollutants, contaminants, wastes, toxic substances, radioactive and biological materials, hazardous substances, asbestos and asbestos containing materials, petroleum and petroleum products or any fraction thereof, or any other substance or material, in each case, that is defined by, regulated by, or may form the basis for liability under any Environmental Laws.

"Indemnification Dispute Period" has the meaning set forth in Section 4.04(a).

"Indemnifying Party" has the meaning set forth in Section 4.04(a).

"Indemnitee" has the meaning set forth in Section 4.04(a).

"Information" means information in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, forecasts, budgets, reports, records, books, Contracts, instruments, surveys, discoveries, ideas, concepts, know-how, recipes, techniques, designs, specifications, processes, procedures, policies, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other Software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos, manuals and other materials prepared by

attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data, but in any case excluding back-up tapes.

"Information Statement" means the Information Statement, attached as an exhibit to the Form 10, to be sent or otherwise made available to each of Labcorp's stockholders in connection with the Distribution, as such Information Statement may be amended or supplemented from time to time.

"Initial Notice" has the meaning set forth in Section 5.01(b).

"Intellectual Property" means, in any and all jurisdictions throughout the world, all (a) patents, patent applications, inventors' certificates, utility models, statutory invention registrations, and other indicia of ownership of an invention, discovery or improvement issued by any Governmental Authority, including reissues, divisionals, continuations, continuations-in-part, extensions, reexaminations and other pre-grant and post-grant forms of the foregoing (collectively, "Patents"), (b) trademarks, service marks, trade dress, slogans, logos, symbols, trade names, brand names and other identifiers of source or goodwill recognized by any Governmental Authority, including registrations and applications for registration thereof and including the goodwill symbolized thereby or associated therewith (collectively, "Trademarks"), and Internet domain names and associated uniform resource locators (collectively, "Domain Names"), (c) copyrights, whether in published and unpublished works of authorship, registrations, applications, renewals and extensions therefor, mask works, and any and all similar rights recognized in a work of authorship by a Governmental Authority (collectively, "Copyrights"), (d) any trade secret rights in any inventions, discoveries, improvements, trade secrets and all other confidential or proprietary Information (including know-how, data, formulas, processes and procedures, research records, records of inventions, test information, and market surveys), and all rights to limit the use or disclosure thereof (collectively, "Trade Secrets"), (e) registered and unregistered design rights (collectively, "Designs"), (f) rights of privacy and publicity, and (g) any and all other intellectual or industrial property rights recognized by any Governmental Authority under the Laws of any country throughout the world.

"Intended Tax Treatment" shall mean (i) the qualification of the Fortrea Transfer (including Labcorp's receipt of Fortrea Common Stock and the Special Cash Payment) and the Distribution, taken together, as a reorganization described in Sections 368(a)(1)(D) and 355 of the Code, (ii) the qualification of the Distribution as a transaction in which the Fortrea Common Stock distributed to holders of Labcorp Common Stock is "qualified property" for purposes of Section 355(c) and Section 361(c) of the Code (and neither Section 355(d) nor Section 355(e) of the Code causes such stock to be treated as other than "qualified property" for such purposes), (iii) the nonrecognition of income, gain, or loss by Labcorp, Fortrea, and holders of Labcorp Common Stock on the Fortrea Transfer and the Distribution under Sections 355, 361, and 1032 of the Code (except with respect to any cash received in lieu of fractional

Fortrea Common Stock), other than, in the case of Labcorp and Fortrea, any intercompany items or excess loss accounts taken into account pursuant to the Treasury Regulations promulgated under Section 1502 of the Code, and (iv) the qualification of each of the transactions identified on Schedule A to the Tax Matters Agreement for the tax treatment specified for such transaction therein under applicable Tax Law. The term "Intended Tax Treatment" shall, as applicable, also include the qualification of each transaction described in clauses (i)-(iv) above under comparable provisions of state or local Tax Law, or, in the case of clause (iv), non-U.S. Tax Law.

"Intercompany Accounts" has the meaning set forth in Section 1.08(b).

"Internal Restructuring" means the internal reorganization of the Fortrea Business, as set forth in Exhibit A, as amended or modified at any time prior to the Distribution by Labcorp in its sole discretion.

"Labcorp" has the meaning set forth in the preamble.

"Labcorp Accounts" has the meaning set forth in Section 1.10(a).

"Labcorp Assets" has the meaning set forth in Section 1.03(b).

"Labcorp Board" has the meaning set forth in the recitals.

"Labcorp Common Stock" means the common stock, par value $0.10 per share, of Labcorp.

"Labcorp Group" means Labcorp and each of its Subsidiaries, but excluding any member of the Fortrea Group.

"Labcorp Indemnified Parties" has the meaning set forth in Section 4.02(a).

"Labcorp IP Assets" means (a) all IP addresses and any other codes or numbers that contain Labcorp identifiers and (b) the Intellectual Property set forth on Schedule 1.03(b)(ii).

"Labcorp Liabilities" has the meaning set forth in Section 1.04(b).

"Labcorp Names and Marks" means the Names and Marks owned, held or licensed by Labcorp or any of its Subsidiaries immediately prior to the Distribution, including those listed on Schedule 8.01 (Labcorp Names and Marks), other than the Fortrea Names and Marks, either alone or in combination with other words or elements, and all Names and Marks confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements, together with the goodwill associated with any of the foregoing.

"Labcorp Plans" has the meaning set forth in the Employee Matters Agreement.

"Law" means any statute, law, ordinance, regulation, rule, code or other requirement of, or Order or Governmental Permit issued by, a Governmental Authority.

"Liabilities" means all debts, liabilities, guarantees, assurances and commitments, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including whether arising out of any Contract or tort based on negligence, strict liability or relating to Taxes payable by a Person in connection with compensatory payments to employees or independent contractors) and whether or not the same would be required by generally accepted principles and accounting policies to be reflected in financial statements or disclosed in the notes thereto.

"Mediation Request" has the meaning set forth in Section 5.03.

"NASDAQ" means the Nasdaq Stock Market LLC.

"Names and Marks" means Trademarks, monograms, Domain Names and other source or business identifiers.

"Notice Period" has the meaning set forth in Section 4.05(a).

"Order" means any orders, judgments, injunctions, awards, decrees, writs or other legally enforceable requirement handed down, adopted or imposed by, including any consent decree, settlement agreement or similar written agreement with, any Governmental Authority.

"Pandemic Measures" shall mean any quarantine, "shelter in place," stay at home," workforce reduction, social distancing, shut down, closure, sequester, immunization requirement, safety or similar Law, directive, guidelines or recommendations promulgated by any Governmental Authority, including the Centers for Disease Control and Prevention and the World Health Organization, in each case, in connection with or in response to a pandemic, including COVID-19.

"Parties" has the meaning set forth in the preamble.

"Patents" has the meaning set forth in the definition of "Intellectual Property."

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or other entity or organization or a Governmental Authority.

"Personal Data" means information relating to an identified or identifiable natural person ('data subject'); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific

to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

"Post-Distribution Steering Committee" has the meaning set forth in Section 5.01(a).

"PRE Agreement" means that certain Master Services Agreement (Patient Recruitment and Engagement), dated May 1, 2023, between Labcorp and Fortrea Inc.

"Privileged Business Communications" has the meaning set forth in Section 3.05(b).

"Privileged Communications" has the meaning set forth in Section 3.06(a).

"Privileged Transaction Communications" has the meaning set forth in Section 3.06(a).

"Procedure" has the meaning set forth in Section 5.03.

"Process" or "Processing" means any operation or set of operations that are performed on Personal Data or on sets of Personal Data, whether or not by automated means (e.g., collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction). "Processed" has a correlative meaning.

"Processor" means a natural or legal person, public authority, agency or other body which Processes Personal Data on behalf of the Controller.

"PSDP Agreement" means that certain Patient and Site Data/Pharmacuity Agreement, dated May 1, 2023, among Labcorp Central Laboratory Services LP, Labcorp Central Laboratory Services SÀRL and Fortrea Inc.

"Real Property Interests" means all interests in real property, including improvements, structures and fixtures located thereon, of whatever nature, including easements and mineral, oil and gas rights, whether as owner or holder of a Security Interest, lessor, sublessor, lessee, sublessee or otherwise.

"Record Date" means the close of business on the date to be determined by the Labcorp Board as the record date for determining stockholders of Labcorp entitled to receive shares of Fortrea Common Stock in the Distribution.

"Record Holders" means the holders of record of Labcorp Common Stock as of the close of business on the Record Date.

"Registered Intellectual Property" means any and all Copyright registrations or applications for registration, Design registrations or applications for registration, Patents, Trademark registrations or applications for registration, and Domain Name registrations.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into surface water, groundwater, land surface or subsurface strata or ambient air (including the abandonment or discarding of barrels, containers and other closed receptacles containing any Hazardous Materials).

"Representatives" means with respect to any Person, such Person's and any of its Subsidiaries' officers, employees, agents, advisors, directors, consultants and other representatives.

"Retained Business" means any business now, previously or hereafter conducted by Labcorp or any of its Subsidiaries other than the Fortrea Business.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933.

"Security Interest" means, whether arising under any Contract or otherwise, any mortgage, security interest, pledge, lien, charge, claim, option to purchase or lease, indenture, right to acquire, right of first offer or refusal, deed of trust, licenses to Third Parties, leases to Third Parties, security agreements, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, title defect, restriction on transfer or other encumbrance and other restrictions, conditions or limitations on the ownership, possession or use of any real, personal, tangible or intangible property.

"Segregated Account" has the meaning set forth in Section 1.12(c).

"Separation" has the meaning set forth in the recitals.

"Shared Contract" has the meaning set forth in Section 1.07.

"Shared Information" means (a) all Information provided by any member of the Fortrea Group to a member of the Labcorp Group prior to the Business Transfer Time, (b) any Information in the possession or under the control of such respective Group that relates to the operation of the Fortrea Business prior to the Distribution and that the requesting Party reasonably needs (i) to comply with reporting, disclosure, filing or other requirements imposed on the requesting Party (including under applicable securities or Tax Laws) by a Governmental Authority having jurisdiction over the requesting Party, (ii) for use in any other judicial, regulatory, administrative or other proceeding or in order to satisfy audit, accounting, claims, regulatory, litigation or other similar requirements, in each case other than claims or allegations that one Party to this Agreement has against the other, (iii) subject to the foregoing clause (ii) above, to comply with its obligations

under this Agreement or any other Transaction Document, or (iv) to the extent such Information and cooperation is necessary to comply with such reporting, filing and disclosure obligations, for the preparation of financial statements or completing an audit, and as reasonably necessary to conduct the ongoing Retained Business or the Fortrea Business, as the case may be, and (c) any Information that is reasonably necessary for the conduct of the Fortrea Business (except for any information relating to performance ratings or assessments of employees of the Labcorp Group and Fortrea Employees (including performance history, reports prepared in connection with bonus plan participation and related data, other than individual bonus opportunities based on target bonus as a percentage of base salary)).

"Shared Labcorp IP" means the Intellectual Property set forth on Schedule 8.03 (Shared Labcorp IP) and all reissues, divisionals, continuations, continuations-in-part, extensions, reexaminations and other pre-grant and post-grant forms of any Patents set forth on Schedule 8.03 (Shared Labcorp IP).

"Software" means any and all (i) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (ii) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (iii) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, (iv) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons and (v) specifications and documentation, including user manuals and other training documentation, relating to any of the foregoing.

"Special Cash Amount" has the meaning set forth in Section 1.12(a).

"Special Cash Payment" has the meaning set forth in Section 1.12(b).

"Stock Issuance" has the meaning set forth in Section 1.12(b)(i).

"Sub-Processor" means a third party data processor engaged by the Processor for the purpose of Processing Personal Data on behalf of the Controller.

"Straddle Period" has the meaning set forth in Section 1.13.

"Subsidiary" of any Person means another Person (other than a natural Person), of which such Person owns directly or indirectly (a) an aggregate amount of the voting securities, other voting ownership or voting partnership interests to elect a majority of the Board of Directors or other governing body or (b) if there are no such voting interests, more than 50% of the equity interests therein.

"Swiss Standard Contractual Clauses" means the adaptations of the EU Standard Contractual Clauses as approved by the Swiss Data Protection and

Information Commissioner, including the necessary adaptations to ensure compliance with Swiss data protection law.

"Tangible Information" means information that is contained in written, electronic or other tangible forms.

"Tax" shall have the meaning set forth in the Tax Matters Agreement.

"Tax Matters Agreement" means the Tax Matters Agreement entered into by Labcorp and Fortrea on the date hereof, as amended or modified from time to time in accordance with its terms.

"Tax Return" shall have the meaning set forth in the Tax Matters Agreement.

"Third Party" shall mean any Person other than the Parties or any members of their respective Groups.

"Third-Party Claim" has the meaning set forth in Section 4.04(a).

"Trade Secrets" has the meaning set forth in the definition of "Intellectual Property."

"Trademarks" has the meaning set forth in the definition of "Intellectual Property."

"Transaction Documents" means, collectively, this Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the Transition Services Agreement, the Data Processing Agreement(s), CDLS Agreement, ETE Agreement, PRE Agreement and PSDP Agreement and any other documents required to be delivered by a Person under any of the foregoing documents.

"Transfer Documents" has the meaning set forth in Section 1.01(d).

"Transition Services Agreement" means the Transition Services Agreement, dated as of the date hereof, between Labcorp and Fortrea, as amended or modified from time to time in accordance with its terms.

"UK Standard Contractual Clauses" means the UK international data transfer addendum to the European Commission's standard contractual clauses for international data transfers issued by the Information Commissioner on March 21, 2022, as amended, replaced or superseded from time to time.

"Unreleased Labcorp Liability" has the meaning set forth in Section 1.06(b)(ii).

"Unreleased Fortrea Liability" has the meaning set forth in Section 1.06(a)(ii).

"U.S. Data Protection Laws" means all applicable Laws of any U.S. jurisdiction related to data privacy, security and breach notification including without limitation, HIPAA, as amended, replaced or superseded from time to time.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

LABORATORY CORPORATION OF AMERICA HOLDINGS

By: _____
Name:
Title:

FORTREA HOLDINGS INC.

By: _____
Name:
Title:

[Signature Page to Separation and Distribution Agreement]

FORM OF TAX MATTERS AGREEMENT

BY AND BETWEEN

LABORATORY CORPORATION OF AMERICA HOLDINGS

AND

FORTREA HOLDINGS INC.

DATED AS OF **[I]**, 2023

TAX MATTERS AGREEMENT

This Tax Matters Agreement (this "Agreement"), is entered into as of **[l]**, 2023 by and between Laboratory Corporation of America Holdings, a Delaware corporation ("Labcorp"), and Fortrea Holdings Inc., a Delaware corporation ("Fortrea," and together with Labcorp, the "Parties"). Capitalized terms used in this Agreement and not defined herein shall have the meanings ascribed to such terms in the Separation and Distribution Agreement, dated as of the date hereof, by and between the Parties (the "Separation Agreement").

RECITALS

1. The board of directors of Labcorp (the "Labcorp Board") has determined that it is in the best interests of Labcorp and its shareholders to create a new publicly traded company that shall operate the Fortrea Business;

2. In furtherance of the foregoing, the Labcorp Board has determined that it is appropriate and desirable to separate the Fortrea Business from the Labcorp Business (the "Separation") and, following the Separation, make a distribution, on a pro rata basis, to holders of Labcorp Common Stock on the Record Date of all of the outstanding Fortrea Common Stock owned by Labcorp (the "Distribution");

3. Fortrea has been incorporated solely for these purposes and has not engaged in activities except in connection with the Separation and the Distribution;

4. Labcorp will effect the Internal Restructuring as set forth on Exhibit A to the Separation Agreement for the purpose of aggregating the Fortrea Business in the Fortrea Group prior to the Distribution, and, in connection therewith, Labcorp will undertake the Fortrea Transfer, pursuant to which Fortrea shall issue to Labcorp the Fortrea Common Stock, pay to Labcorp the Special Cash Payment, and assume certain liabilities related to the Fortrea Business;

5. Labcorp intends to effect the Distribution in a transaction that, taken together with the Fortrea Transfer, is intended to qualify as tax-free for U.S. federal income tax purposes under Sections 368(a)(1)(D), 355, and 361 of the Code;

6. Certain members of the Labcorp Group, on the one hand, and certain members of the Fortrea Group, on the other hand, file certain Tax Returns on a consolidated, combined, or unitary basis for certain federal, state, local, and non-U.S. Tax purposes; and

7. The Parties desire to (i) provide for the payment of Tax liabilities and entitlement to refunds thereof, allocate responsibility for, and cooperate in, the filing of Tax Returns, and provide for certain other matters relating to Taxes, and (ii) set forth certain covenants and indemnities relating to the preservation of the Intended Tax Treatment of the Transactions.

Accordingly, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I.
DEFINITIONS

Section 1.01 General. As used in this Agreement (including the recitals hereof), the following terms shall have the following meanings:

"Accounting Firm" shall have the meaning set forth in Section 9.01.

"Active Business" means any business relied on to satisfy (i) the active trade or business requirement of Section 355(b) of the Code (taking into account Section 355(b)(3) of the Code) or (ii) the continuity of business enterprise requirements under Treasury Regulations Section 1.355-3 and Treasury Regulations Section 1.368-1(d), to the extent identified as such in the Tax Materials.

"Adjustment" shall mean an adjustment of any item of income, gain, loss, deduction, credit, or any other item affecting Taxes of a taxpayer pursuant to a Final Determination.

"Affiliate" shall have the meaning set forth in the Separation Agreement.

"Agreement" shall have the meaning set forth in the preamble hereto.

"Business Day" shall have the meaning set forth in the Separation Agreement.

"Chosen Court Claim" shall have the meaning set forth in Section 9.05.

"Chosen Courts" shall have the meaning set forth in Section 9.05.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Controlling Party" shall mean, with respect to a Tax Contest, the Party entitled to control such Tax Contest pursuant to Section 6.02, Section 6.03 and Section 6.04 of this Agreement.

"Dispute" shall have the meaning set forth in Section 9.02.

"Distribution" shall have the meaning set forth in the Separation Agreement.

"Distribution Date" shall have the meaning set forth in the Separation Agreement.

"Distribution-Related Tax Contest" shall mean any Tax Contest in which the IRS, another Taxing Authority or any other Person asserts a position that could be expected to (a) adversely affect, jeopardize or prevent (i) the Intended Tax Treatment of any portion of the Transactions or (ii) the Tax treatment of any other transaction as set forth in a Tax Opinion or an IRS Ruling, or (b) otherwise affect the amount of Taxes imposed

with respect to any of the Transactions, in each case, as determined by Labcorp in its sole and absolute discretion.

"Due Date" shall mean (i) with respect to a Tax Return, the date (taking into account all valid extensions) on which such Tax Return is required to be filed under applicable Law or, in the case of a Joint Return for a U.S. jurisdiction filed by Labcorp pursuant to Section 3.01, such earlier date on which such Tax Return is filed as determined by Labcorp in its sole and absolute discretion, and (ii) with respect to a payment of Taxes, the date on which such payment is required to be made, which shall in any case be no later than the payment date required to avoid the incurrence of interest, penalties and additions to Tax.

"Employee Matters Agreement" shall have the meaning set forth in the Separation Agreement.

"Employment Tax" shall mean those Liabilities (as defined in the Separation Agreement) for Taxes relating to employment which are allocated pursuant to the provisions of the Employee Matters Agreement.

"Federal Income Tax" shall mean any Tax arising with respect to Subtitle A of the Code other than an Employment Tax.

"Final Determination" shall mean the final resolution of any Tax liability, which resolution may be for a specific issue or adjustment or for a taxable period, (i) by IRS Form 870 or 870-AD (or any successor forms thereto), on the date of acceptance by or on behalf of the taxpayer, or by a comparable form under the Laws of a state, local or non-U.S. taxing jurisdiction, except that a Form 870 or 870-AD or comparable form shall not constitute a Final Determination to the extent that it reserves (whether by its terms or by operation of Law) the right of the taxpayer to file a claim for Refund or the right of the Taxing Authority to assert a further deficiency in respect of such issue or adjustment or for such Tax Period (as the case may be), (ii) by a decision, judgment, decree or other order by a court of competent jurisdiction, which has become final and unappealable, (iii) by a closing agreement or accepted offer in compromise under Section 7121 or Section 7122 of the Code, or a comparable agreement under the Laws of a state, local or non-U.S. taxing jurisdiction, (iv) by any allowance of a Refund, but only after the expiration of all periods during which such Refund may be recovered (including by way of offset) by the jurisdiction imposing such Tax, (v) by a final settlement resulting from a competent authority proceeding or determination, or (vi) by any other final disposition, including by reason of the expiration of the applicable statute of limitations or by mutual agreement of the Parties.

"Fortrea" shall have the meaning set forth in the preamble hereto.

"Fortrea Business" shall have the meaning set forth in the Separation Agreement.

"Fortrea Capital Stock" shall mean all classes or series of capital stock of Fortrea, including (i) shares of Fortrea Common Stock, (ii) all options, warrants, and other rights

to acquire such capital stock, and (iii) all other instruments properly treated as equity of Fortrea for U.S. federal income tax purposes.

"Fortrea Common Stock" shall have the meaning set forth in the Separation Agreement.

"Fortrea Disqualifying Action" shall mean (i) any action (or the failure to take any action) by any member of the Fortrea Group after the Distribution (including entering into any agreement, understanding or arrangement or any negotiations with respect to any transaction or series of transactions), (ii) any event (or series of events) after the Distribution involving Fortrea Capital Stock or any stock or assets of any member of the Fortrea Group, or (iii) any breach by any member of the Fortrea Group after the Distribution of any representation, warranty, or covenant made by them in any Transaction Document, that, in each case, would result in the failure of the Intended Tax Treatment of the Transactions to attain, in whole or in part; provided, however, that the term "Fortrea Disqualifying Action" shall not include any action entered into pursuant to any Transaction Document (other than this Agreement) or that is undertaken pursuant to the Separation or the Distribution and required by the Separation Agreement.

"Fortrea Group" shall have the meaning set forth in the Separation Agreement.

"Fortrea SAG" means the "separate affiliated group" as defined in Section 355(b)(3)(B) of the Code of which Fortrea is the common parent.

"Fortrea Separate Return" shall mean any Tax Return of or including any member of the Fortrea Group (including any consolidated, combined, or unitary return) that does not include any member of the Labcorp Group.

"Fortrea Transfer" shall have the meaning set forth in the Separation Agreement.

"Governmental Authority" shall have the meaning set forth in the Separation Agreement.

"Group" shall mean either the Labcorp Group or the Fortrea Group, as the context requires.

"Income Tax" means all Taxes based upon, measured by, or calculated with respect to (i) net income or profits (including any capital gains, minimum Tax or any Tax on items of tax preference, but not including sales, use, real or personal property, gross or net receipts, value added, excise, leasing, transfer or similar Taxes), or (ii) multiple bases (including corporate franchise, doing business and occupation Taxes) if one or more bases upon which such Tax is determined is described in clause (i) of this definition.

"Indemnifying Party" shall have the meaning set forth in Section 5.02(a).

"Indemnitee" shall have the meaning set forth in Section 5.02(a).

"Intended Tax Treatment" shall mean (i) the qualification of the Fortrea Transfer (including Labcorp's receipt of Fortrea Common Stock and the Special Cash Payment) and the Distribution, taken together, as a reorganization described in Sections 368(a)(1)(D) and 355 of the Code, (ii) the qualification of the Distribution as a transaction in which the Fortrea Common Stock distributed to holders of Labcorp Common Stock is "qualified property" for purposes of Section 355(c) and Section 361(c) of the Code (and neither Section 355(d) nor Section 355(e) of the Code causes such stock to be treated as other than "qualified property" for such purposes), (iii) the nonrecognition of income, gain, or loss by Labcorp, Fortrea, and holders of Labcorp Common Stock on the Fortrea Transfer and the Distribution under Sections 355, 361, and 1032 of the Code (except with respect to any cash received in lieu of fractional Fortrea Common Stock), other than, in the case of Labcorp and Fortrea, any intercompany items or excess loss accounts taken into account pursuant to the Treasury Regulations promulgated under Section 1502 of the Code, and (iv) the qualification of each of the transactions identified on Schedule A for the tax treatment specified for such transaction therein under applicable Law. The term "Intended Tax Treatment" shall, as applicable, also include the qualification of each transaction described in clauses (i)-(iv) above under comparable provisions of state or local Tax Law, or, in the case of clause (iv), Non-U.S. Tax Law.

"Internal Distribution" shall mean any transaction (or series of transactions) effected as part of the Transactions (other than the Fortrea Transfer and the Distribution) that is intended to qualify as a tax-free transaction under Section 355 and/or Section 368(a)(1)(D) of the Code, as described in the Tax Materials.

"Internal Restructuring" shall have the meaning set forth in the Separation Agreement.

"IRS" shall mean the U.S. Internal Revenue Service or any successor thereto, including its agents, representatives, and attorneys.

"IRS Ruling" shall mean the U.S. federal income tax ruling issued to Labcorp by the IRS prior to the Distribution Date in connection with the Transactions.

"IRS Ruling Request" shall mean the letter filed by Labcorp with the IRS requesting a ruling regarding certain U.S. federal income tax consequences of the Transactions and any amendment or supplement to such ruling request letter received by Labcorp prior to the Distribution Date.

"Joint Return" shall mean any Tax Return that includes, by election or otherwise, one or more members of the Labcorp Group together with one or more members of the Fortrea Group.

"Labcorp" shall have the meaning set forth in the preamble hereto.

"Labcorp Affiliated Group" shall mean the affiliated group (as that term is defined in Section 1504 of the Code and the Treasury Regulations thereunder) of which Labcorp is the common parent.

"Labcorp Board" shall have the meaning set forth in the preamble hereto.

"Labcorp Business" means any business now, previously or hereafter conducted by Labcorp or any of its Subsidiaries other than the Fortrea Business.

"Labcorp Common Stock" shall have the meaning set forth in the Separation Agreement.

"Labcorp Federal Consolidated Income Tax Return" shall mean any U.S. federal income Tax Return for the Labcorp Affiliated Group.

"Labcorp Group" shall have the meaning set forth in the Separation Agreement.

"Labcorp Separate Return" shall mean any Tax Return of or including any member of the Labcorp Group (including any consolidated, combined, or unitary return) that does not include any member of the Fortrea Group.

"Law" shall have the meaning set forth in the Separation Agreement.

"Negotiation Period" shall have the meaning set forth in Section 9.01.

"Non-Controlling Party" shall mean, with respect to a Tax Contest, the Party that is not the Controlling Party with respect to such Tax Contest.

"Non-U.S. Tax Law" shall mean any Tax imposed by any non-U.S. country or any possession of the United States, or by any political subdivision of any non-U.S. country or possession of the United States.

"Notified Action" shall have the meaning set forth in Section 4.03(a).

"Parties" shall have the meaning set forth in the preamble hereto.

"Past Practices" shall have the meaning set forth in Section 3.05.

"Person" shall have the meaning set forth in the Separation Agreement.

"Post-Distribution Period" shall mean any taxable period (or portion thereof) beginning after the Distribution Date, including, for the avoidance of doubt, the portion of any Straddle Period with respect to the Distribution Date beginning after the Distribution Date.

"Post-Distribution Ruling" shall have the meaning set forth in Section 4.02(c).

"Pre-Distribution Period" shall mean any taxable period (or portion thereof) ending on or before the Distribution Date, including, for the avoidance of doubt, the portion of any Straddle Period with respect to the Distribution Date ending at the end of the day on the Distribution Date.

"Preparing Party" shall have the meaning set forth in Section 3.03.

"Privilege" shall mean any privilege that may be asserted under applicable Law, including any privilege arising under or relating to the attorney-client relationship (including the attorney-client and work product privileges), the accountant-client privilege and any privilege relating to internal evaluation processes.

"Prohibited Act" shall mean any action or failure to act described in Section 4.02(a) or Section 4.02(b) (regardless of whether the conditions set forth in Section 4.02(c) are satisfied).

"Proposed Acquisition Transaction" shall mean a transaction or series of transactions (or any agreement, understanding, or arrangement, within the meaning of Section 355(e) of the Code and Treasury Regulations Section 1.355-7, or any other Treasury Regulations promulgated thereunder, to enter into a transaction or series of transactions), whether such transaction is supported by Fortrea management or shareholders, is a hostile acquisition, or otherwise, as a result of which Fortrea (or any successor thereto) would merge or consolidate with any other Person or as a result of which one or more Persons would (directly or indirectly) acquire, or have the right to acquire, any amount of stock of Fortrea Capital Stock, that would, when combined with any other direct or indirect changes in ownership of Fortrea Capital Stock pertinent for purposes of Section 355(e) of the Code and the Treasury Regulations promulgated thereunder, comprise forty percent (40%) or more of (i) the value of all outstanding shares of Fortrea as of immediately after such transaction, or in the case of a series of transactions, immediately after the last transaction of such series, or (ii) the total combined voting power of all outstanding shares of voting stock of Fortrea as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (i) the adoption by Fortrea of a customary shareholder rights plan, or (ii) issuances by Fortrea that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulations Section 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of voting power or any redemption of shares of stock shall be treated as an indirect acquisition of shares of stock by the non-exchanging shareholders. This definition and the application thereof are intended to monitor compliance with Section 355(e) of the Code and the Treasury Regulations promulgated thereunder and shall be interpreted and applied accordingly. Any clarification of, or change in, the statute or Treasury Regulations promulgated under Section 355(e) of the Code shall be incorporated in this definition and its interpretation.

"Refund" shall mean any refund, reimbursement, offset, credit, or other similar benefit in respect of Taxes (including any overpayment of Taxes that can be refunded or, alternatively, applied against other Taxes payable), including any interest paid on or with respect thereto; provided, however, that the amount of the foregoing shall be net of any costs and expenses (including Taxes imposed by any Taxing Authority) related to, or attributable to, the receipt or accrual thereof (including any Taxes imposed by way of withholding or offset).

"Responsible Party" shall mean, with respect to any Tax Return, the Party having responsibility for preparing and filing such Tax Return pursuant to this Agreement.

"Restricted Period" shall mean the period beginning on the Distribution Date and ending on the two (2)-year anniversary of the day after the Distribution Date.

"Reviewing Party" shall have the meaning set forth in Section 3.03.

"Section 336(e) Election" shall have the meaning set forth in Section 3.07.

"Section 336(e) Tax Basis" shall have the meaning set forth in Section 3.07(b).

"Section 4.02(b)(v) Acquisition Transaction" has the meaning set forth in Section 4.02(b)(v).

"Separate Return" shall mean a Labcorp Separate Return or a Fortrea Separate Return, as the case may be.

"Separation" shall have the meaning set forth in the preamble hereto.

"Separation Agreement" shall have the meaning set forth in the preamble hereto.

"Special Cash Payment" shall have the meaning set forth in the Separation Agreement.

"Straddle Period" shall mean any taxable period that begins on or before, and ends after, the Distribution Date.

"Subsidiary" shall have the meaning set forth in the Separation Agreement.

"Tax" or "Taxes" shall mean (i) all taxes, charges, fees, duties, levies, imposts, rates, or other assessments or charges of any kind imposed by any Taxing Authority, including income, gross income, gross receipts, profits, employment, estimated, excise, severance, stamp, occupation, premium, windfall profits, environmental, custom duties, property, sales, use, license, lease, capital stock, transfer, import, export, franchise, registration, payroll, withholding, social security, workers' compensation, unemployment, disability, value added, service, ad valorem, alternative or add-on minimum, unclaimed property or escheat, or other taxes, whether disputed or not, and including any interest, penalties, charges, additions to tax or additional amounts in respect of the foregoing, (ii) liability for the payment of any amount of the type described in clause (i) above arising as a result of being (or having been) a member of any consolidated, combined, unitary or similar group or being (or having been) included or required to be included in any Tax Return related thereto, and (iii) liability for the payment of any amount of the type described in clause (i) or (ii) above as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person, whether by contract, by operation of law, or otherwise. For the avoidance of doubt, Tax includes any increase in Tax as a result of a Final Determination.

"Tax Advisor" shall mean a U.S. tax counsel or other Tax advisor of recognized national standing acceptable to Labcorp in its sole and absolute discretion.

"Tax Advisor Dispute" shall have the meaning set forth in Section 9.01.

"Tax Advisor Dispute Notice" shall have the meaning set forth in Section 9.01.

"Tax Attribute" shall mean net operating losses, capital losses, research and experimentation credit carryovers, investment tax credit carryovers, earnings and profits, foreign tax credit carryovers, overall foreign losses, overall domestic losses, previously taxed earnings and profits, separate limitation losses, and any other losses, deductions, credits, or other comparable items that could affect a Tax liability for a past, current or future taxable period.

"Tax Benefit" shall mean any reduction in Taxes paid or payable actually realized by a Person as a result of any loss, deduction, Refund, credit, offset or other Tax Item.

"Tax Certificates" shall mean any officer's certificates, representation letters, or similar documents provided by Labcorp, Fortrea or any of their Affiliates to Jones Day or another advisor in connection with any Tax Opinion delivered or deliverable to Labcorp in connection with the Transactions.

"Tax Contest" shall have the meaning set forth in Section 6.01.

"Tax Item" shall mean any item of income, gain, loss, deduction, or credit, or any other item which increases or decreases Taxes paid or payable in any taxable period.

"Tax Law" shall mean the law of any governmental entity or political subdivision thereof relating to any Tax.

"Tax Materials" shall have the meaning set forth in Section 4.01(a).

"Tax Matter" shall have the meaning set forth in Section 7.01(a).

"Tax Opinion" shall mean any written opinion delivered or deliverable to Labcorp by Jones Day or another advisor regarding certain tax consequences of the Transactions.

"Tax Records" shall have the meaning set forth in Section 8.01.

"Tax-Related Costs and Expenses" shall mean, with respect to any Taxes, all accounting, legal and other professional fees, and court costs incurred in connection with such Taxes, as well as any other out-of-pocket costs incurred in connection with such Taxes.

"Tax-Related Losses" shall mean (i) Tax-Related Costs and Expenses and (ii) with respect to Taxes, all costs, expenses and damages associated with stockholder litigation or controversies and any amount paid by Labcorp (or any of its Affiliates) or Fortrea (or any of its Affiliates) in respect of the liability of shareholders, whether paid to shareholders or to the IRS or any other Taxing Authority, in each case, resulting from the failure of any of the Transactions to qualify for the Intended Tax Treatment or the defense against any challenge by the IRS or any other Taxing Authority to all or any

portion of the Intended Tax Treatment of the Transactions, even if such challenged portion of the Transactions is ultimately determined to so qualify.

"Tax Return" shall mean any return, report, certificate, form, or similar statement or document (including any related supporting information or schedule attached thereto and any information return, amended tax return, claim for refund or other adjustment declaration of estimated tax) supplied to or filed with, or required to be supplied to or filed with, a Taxing Authority, or any bill for or notice related to ad valorem or other similar Taxes received from a Taxing Authority, in each case, in connection with the determination, assessment or collection of any Tax or the administration of any Laws relating to any Tax.

"Taxing Authority" shall mean any Governmental Authority or any subdivision, agency, commission or entity thereof having jurisdiction over the assessment, determination, collection, or imposition of any Tax (including the IRS).

"Transaction Documents" shall have the meaning set forth in the Separation Agreement.

"Transactions" shall mean the Separation, the Fortrea Transfer, the Distribution, the Internal Restructuring (including the Internal Distributions), and any related transactions.

"Transaction Taxes" shall mean all Transfer Taxes and other Taxes (including Taxes imposed on any member of the Labcorp Group under Section 951(a)(1)(A) (but not Section 951(a)(1)(B)) or Section 951A of the Code, as determined by Labcorp in its sole and absolute discretion) imposed on or with respect to the Transactions, other than any Taxes resulting from the failure of the Intended Tax Treatment of the Transactions to attain, in whole or in part; provided, however, that Transaction Taxes shall not include any amounts for which Fortrea has an indemnification obligation pursuant to
ARTICLE V.

"Transfer Tax" shall mean all transfer, sales, use, excise, stock, stamp, stamp duty, stamp duty reserve, stamp duty land, documentary, filing, recording, registration, value-added and other similar Taxes (excluding, for the avoidance of doubt, any income, gains, profits, or similar Taxes, however assessed).

"Treasury Regulations" shall mean the regulations promulgated from time to time under the Code as in effect for the relevant taxable period.

"Unqualified Tax Opinion" shall mean an unqualified "will" opinion of a Tax Advisor on which Labcorp may rely, to the effect that a transaction will not affect the Intended Tax Treatment of the Transactions or otherwise cause any portion of the Transactions to fail to qualify for the Intended Tax Treatment; provided, that any tax opinion obtained in connection with a proposed acquisition of Fortrea Capital Stock entered into during the Restricted Period shall not be accepted as an Unqualified Tax Opinion unless such tax opinion concludes that the proposed acquisition in question will not be treated as "part of a plan (or series of related transactions)," within the meaning of Section 355(e) of the

Code and the Treasury Regulations promulgated thereunder, that includes the Distribution. Any tax opinion intended to be accepted as an Unqualified Tax Opinion must assume that the Transactions would have qualified for the Intended Tax Treatment if the transaction in question did not occur.

ARTICLE II.
PAYMENTS AND TAX REFUNDS

Section 2.01 Allocation of Tax Liabilities.

(a) Except as otherwise provided in this ARTICLE II and Section 5.01, Taxes relating to Joint Returns shall be allocated as follows:

(i) Allocation to Labcorp for Pre-Distribution Periods. Labcorp shall pay and be responsible for any and all Taxes due with respect to or required to be reported on any Joint Return (including any increase in such Tax as a result of a Final Determination) for all Pre-Distribution Periods.

(ii) Allocation to Fortrea for Post-Distribution Periods. Fortrea shall pay and be responsible for any and all Taxes attributable to the Fortrea Business that are due with respect to or required to be reported on any Joint Return (including any increase in such Tax as a result of a Final Determination) for all Post-Distribution Periods.

(iii) Allocation to Labcorp for Post-Distribution Periods. Labcorp shall pay and be responsible for any and all Taxes due with respect to or required to be reported on any Joint Return (including any increase in such Tax as a result of a Final Determination), other than those Taxes described in Section 2.01(a)(ii), for all Post-Distribution Periods.

(b) Except as otherwise provided in this ARTICLE II and Section 5.01, Taxes relating to Separate Returns shall be allocated as follows:

(i) Labcorp shall pay and be responsible for any and all Taxes due with respect to or required to be reported on any Labcorp Separate Return (including any increase in such Tax as a result of a Final Determination) for all taxable periods.

(ii) Fortrea shall pay and be responsible for any and all Taxes due with respect to or required to be reported on any Fortrea Separate Return (including any increase in such Tax as a result of a Final Determination) for all taxable periods.

(c) For the avoidance of doubt, notwithstanding anything to the contrary set forth in this Agreement, any income recognized pursuant to Section 951(a)(1)(B) of the Code as a result of any guarantee or pledge executed by a member of the Fortrea Group in connection with the Transactions shall be allocated solely to Fortrea.

Section 2.02 Determination of Taxes Attributable to the Fortrea Business.

For purposes of Section 2.01(a)(ii):

(a) The amount of Federal Income Taxes attributable to the Fortrea Business shall be determined by Labcorp, in its sole and absolute discretion, on the basis of a pro forma Fortrea Group consolidated return using the following conventions and as further determined pursuant to Section 2.02(c):

(i) including only Tax Items of members of the Fortrea Group that were included in the relevant Labcorp Federal Consolidated Income Tax Return;

(ii) except as provided in Section 2.02(a)(iv), Section 2.02(a)(v) and Section 2.02(b), using all elections, accounting methods and conventions used on the Labcorp Federal Consolidated Income Tax Return for such taxable period;

(iii) applying the highest statutory marginal corporate income Tax rate in effect for such taxable period;

(iv) assuming that the Fortrea Group elects not to carry back any net operating losses; and

(v) deeming any transactions occurring, or actions taken, on the Distribution Date but after the Distribution outside the ordinary course of business by, or with respect to, any member of the Fortrea Group to be subject to the "next day rule" of Treasury Regulations Section 1.1502-76(b)(1)(ii)(B).

(b) The amount of Income Taxes attributable to the Fortrea Business with respect to any Joint Return other than a Labcorp Federal Consolidated Income Tax Return shall be as determined by Labcorp, in its sole and absolute discretion, in a manner consistent with the principles set forth in Section 2.02(a) and Section 2.02(c), to the extent relevant; provided, that, if there is no comparable or similar provision under state, local or non-U.S. Tax Law to the "next day rule" of Treasury Regulations Section 1.1502-76(b)(1)(ii)(B), then the transaction will be deemed subject to such "next day rule" and as such shall for purposes of this Agreement be treated (and consistently reported by the Parties and their Affiliates) as occurring in a Post-Distribution Period of the Fortrea Group, as appropriate.

(c) Any Taxes for a Straddle Period with respect to the Fortrea Group (or entities in which any member of the Fortrea Group has an ownership interest) shall, for purposes of this Agreement, be allocated between the portion of the period ending on and including the Distribution Date and the portion of the period beginning after the Distribution Date by means of a closing of the books and records of the Fortrea Group as of the close of business on the Distribution Date; provided, that (i) Labcorp may elect to allocate Tax Items (other than any extraordinary Tax Items) ratably in the month in which the Distribution occurs (and if Labcorp so elects, Fortrea shall so elect) as described in Treasury Regulations Section 1.1502-76(b)(2)(iii) and corresponding provisions of state, local, and non-U.S. Tax Law; (ii) whenever it is necessary to

determine the liability for Taxes of a United States shareholder (within the meaning of Section 951(b) of the Code) of a controlled foreign corporation (within the meaning of Section 957 of the Code) attributable to amounts included in the income of such United States shareholder under Sections 951(a)(1)(A) or 951A of the Code for the taxable year or period of such controlled foreign corporation that begins on or before and ends after the Distribution Date, the determination of liability for any such Taxes shall be made by assuming that the taxable year or period of the controlled foreign corporation consisted of two (2) taxable years or periods, one which ended at the close of the Distribution Date and the other of which began at the beginning of the day following the Distribution Date, and relevant items of income, gain, deduction, loss or credit of the controlled foreign corporation shall be allocated between such two (2) taxable years or periods on a closing of the books basis by assuming that the books of the controlled foreign corporation were closed at the close of the Distribution Date; provided, however, that Subpart F income (within the meaning of Section 952 of the Code) of the controlled foreign corporation shall be determined without regard to Section 952(c) of the Code; and (iii) subject to clauses (i) and (ii), exemptions, allowances or deductions that are calculated on an annual basis, and not on a closing of the books method (including depreciation and amortization deductions) and, at Labcorp's election, Taxes that are imposed on a periodic basis or otherwise measured by the level of any item, shall be allocated between the period ending on and including the Distribution Date and the period beginning after the Distribution Date based on the number of days for the portion of the Straddle Period ending on and including the Distribution Date, on the one hand, and the number of days for the portion of the Straddle Period beginning after the Distribution Date, on the other hand.

(d) The amount of Taxes attributable to the Fortrea Business with respect to any Joint Return for any taxable period shall not be less than zero.

(e) Labcorp shall consider in good faith any reasonable comments provided by Fortrea regarding the determination of the amount of Taxes attributable to the Fortrea Business under this Section 2.02.

(f) Fortrea shall reimburse Labcorp for all non-de minimis costs and expenses paid or incurred by the Labcorp Group in connection with determining the amount of Taxes attributable to the Fortrea Business with respect to any Joint Return.

Section 2.03 Employment Taxes. Liability for Employment Taxes shall be determined pursuant to the Employee Matters Agreement.

Section 2.04 Transaction Taxes. The Labcorp Group shall be responsible for any and all Transaction Taxes, as determined by Labcorp in its sole and absolute discretion.

Section 2.05 Delayed Fortrea Assets; Delayed Fortrea Liabilities; Delayed Labcorp Assets; Delayed Labcorp Liabilities. The Parties acknowledge and agree that, notwithstanding anything contained herein to the contrary, this Agreement shall not in any way affect or modify the Parties' rights and obligations under Section 1.05 of the Separation Agreement. Consistent with the foregoing, except as otherwise required by

applicable Law, each of Labcorp and Fortrea shall, and shall cause the members of its Group to, treat for all Tax purposes any Delayed Labcorp Asset or Delayed Fortrea Asset, as the case may be, as an Asset owned by the Party entitled thereto under the Separation Agreement and any Delayed Fortrea Liability or Delayed Labcorp Liability, as the case may be, as a liability of the Party intended to be responsible for such liability under the Separation Agreement, in each case, not later than the Business Transfer Time, and responsibility for any Taxes attributable to such Asset shall be allocated between the Parties under this Agreement as if the legal transfer of ownership had not been delayed.

Section 2.06 Tax Refunds.

(a) Fortrea shall be entitled to all Refunds attributable to Taxes the liability for which is allocated to Fortrea pursuant to this Agreement (including pursuant to ARTICLE V). Labcorp shall be entitled to all Refunds attributable to Taxes the liability for which is allocated to Labcorp pursuant to this Agreement (including pursuant to ARTICLE V) and any other Refunds not described in the preceding sentence.

(b) Fortrea shall pay to Labcorp any Refund received by Fortrea or any member of the Fortrea Group that is allocable to Labcorp pursuant to this Section 2.06 no later than five (5) Business Days after the receipt of such Refund. Labcorp shall pay to Fortrea any Refund received by Labcorp or any member of the Labcorp Group that is allocable to Fortrea pursuant to this Section 2.06 no later than five (5) Business Days after the receipt of such Refund. For purposes of this Section 2.06, any Refund that arises as a result of an offset, credit, or other similar benefit in respect of Taxes other than a receipt of cash shall be deemed to be received on the earlier of (i) the date on which a Tax Return is filed claiming such offset, credit, or other similar benefit, and (ii) the date on which payment of the Tax which would have otherwise been paid absent such offset, credit, or other similar benefit is due (as determined by Labcorp in its sole and absolute discretion without taking into account any applicable extensions). Notwithstanding anything in this Section 2.06(b) to the contrary, any Refund of less than $50,000 treated as received pursuant to this Section 2.06(b) by Labcorp or any member of the Labcorp Group, on the one hand, or Fortrea or any member of the Fortrea Group, on the other hand, and that is owed to the other Party pursuant to this Section 2.06, may be aggregated with other Refunds received in the same calendar quarter and paid over to the other Party within thirty (30) days after the end of such calendar quarter.

Section 2.07 Tax Benefits. If Labcorp determines, in its sole and absolute discretion, that (i) one Party is responsible for a Tax pursuant to this Agreement or any other Transaction Document or under applicable Law, and (ii) the other Party is entitled to a Tax Benefit relating to such Tax (including any Tax basis step-up realized by any member of the Fortrea Group pursuant to the Transactions), then the Party entitled to such Tax Benefit shall pay to the Party responsible for such Tax the amount of the Tax Benefit, as determined pursuant to Section 2.07 and Section 2.08.

Section 2.08 Determination of Taxes, Refunds and Tax Benefits. The amount of any Taxes, any Refunds attributable to Taxes for which Labcorp or Fortrea, respectively,

is responsible pursuant to this Agreement, or the amount of any Tax Benefit, in each case, attributable to one or more items of income, gain, loss, deduction or credit (or equivalent items in the case of non-income Taxes) (the "relevant items") shall be based on the increase or decrease in the amount of cash Taxes for which such Party is liable when measured by including such relevant items in a computation of Tax compared to excluding such relevant items from the computation of Tax, in each case as determined by Labcorp in its sole and absolute discretion, which may include making simplifying assumptions concerning the computation of Tax, including that the relevant Party be deemed to recognize all other items of income, gain, loss, deduction or credit (or equivalent items) before recognizing such relevant items; provided, that, if there is no increase or decrease in the amount of cash Taxes for which a Party is liable in the taxable period when first measured, the Parties shall thereafter make payments to one another at the end of each subsequent taxable period to reflect any increase or decrease in the amount of cash Taxes recognized in such subsequent taxable period; provided, further, that notwithstanding anything in this Section 2.08 to the contrary, Labcorp shall not be responsible for any non-U.S. Taxes of the Fortrea Group to the extent Fortrea has Tax Attributes attributable to the Labcorp Business that are available to offset such Tax, as determined by Labcorp in its sole and absolute discretion.

Section 2.09 Prior Agreements. Except as set forth in this Agreement and in consideration of the mutual indemnities and other obligations of this Agreement, any and all prior Tax sharing or allocation agreements or practices between any member of the Labcorp Group, on the one hand, and any member of the Fortrea Group, on the other, shall be terminated with respect to the Fortrea Group and the Labcorp Group as of the Distribution Date, and no member of either the Fortrea Group or the Labcorp Group shall have any continuing rights or obligations to any member of the other Group under any such agreement or practice, and the Parties shall reasonably cooperate to achieve this result.

ARTICLE III.
PREPARATION AND FILING OF TAX RETURNS

Section 3.01 Labcorp's Responsibility. Labcorp shall prepare and file when due (taking into account any applicable extensions), or shall cause to be so prepared and filed, all Joint Returns and all Labcorp Separate Returns, including any amendments to such Tax Returns.

Section 3.02 Fortrea's Responsibility. Fortrea shall prepare and file when due (taking into account any applicable extensions), or shall cause to be so prepared and filed, all Tax Returns, including any amended Tax Returns, required to be filed by or with respect to members of the Fortrea Group other than those Tax Returns which Labcorp is required to prepare and file under Section 3.01.

Section 3.03 Right To Review Tax Returns. To the extent that the positions taken on any Tax Return required to be prepared and filed by any Party (or an Affiliate thereof) pursuant to Section 3.01 or Section 3.02 (the "Preparing Party") would reasonably be expected to materially adversely affect the Tax position of the other Party (or Affiliate

thereof) or, in the case of any Fortrea Separate Return, to the extent that such Tax Return reports the treatment of any of the Transactions (the "Reviewing Party"), the Preparing Party shall (a) prepare the portion of such Tax Return that relates to the business of the Reviewing Party (the Labcorp Business or the Fortrea Business, as the case may be) or, in the case of any Fortrea Separate Return, that reports the treatment of any of the Transactions, (b) provide a draft of such portion of such Tax Return to the Reviewing Party for its review and comment at least thirty (30) days prior to the Due Date, and (c) modify such portion of such Tax Return before filing to include the reasonable comments of the Reviewing Party that are received at least five (5) days prior to the Due Date. For the avoidance of doubt, the Preparing Party shall, to the extent applicable, (i) report any of the Transactions the results of which are listed on such Tax Return in a manner consistent with the Intended Tax Treatment, and (ii) prepare any transfer pricing documentation required to be prepared with respect to such Tax Return, and the Reviewing Party shall be entitled to review and comment on any such transfer pricing documentation in a manner consistent herewith.

Section 3.04 Cooperation. The Parties shall provide, and shall cause their Affiliates to provide, assistance and cooperation to one another in accordance with ARTICLE VII with respect to the preparation and filing of Tax Returns, including providing information required to be provided under ARTICLE VIII. Notwithstanding anything to the contrary in this Agreement, Labcorp shall not be required to disclose to Fortrea any consolidated, combined, unitary, or other similar Joint Return of which a member of the Labcorp Group is the common parent or any information related to such a Joint Return other than information relating solely to the Fortrea Group. If an amended state or local Separate Return for which Fortrea is responsible under this ARTICLE III is required to be filed as a result of an amendment made in connection with an audit adjustment to a Joint Return filed for Federal Income Tax purposes, the Parties shall cooperate to ensure that such amended Separate Return can be prepared and filed in a manner that preserves confidential information, including through the use of third-party preparers.

Section 3.05 Tax Reporting Practices. Except as provided in Section 3.06, with respect to any Tax Return for any taxable period that begins on or before the second anniversary of the Distribution Date with respect to which Fortrea is the Responsible Party, such Tax Return shall be prepared in accordance with practices, accounting methods, elections, conventions, transfer pricing and Tax positions used with respect to the Tax Return in question for periods prior to the Distribution ("Past Practices"), and, in the case of any item the treatment of which is not addressed by Past Practices, in accordance with generally acceptable Tax accounting practices; provided, however, that Fortrea will not be required to follow Past Practices with either the written consent of Labcorp (such consent to be exercised in Labcorp's sole and absolute discretion) or upon delivery to Labcorp of a "more likely than not" (or stronger) level opinion from a Tax Advisor that reporting in accordance with Past Practices is not correct. For the avoidance of doubt, the Parties acknowledge and agree that the tax reporting of the Transactions shall be governed by Section 3.06.

Section 3.06 Reporting of the Transactions. The Tax treatment of any step in or portion of the Transactions shall be reported on each applicable Tax Return consistently with the Intended Tax Treatment of the Transactions, taking into account the jurisdiction in which such Tax Return is filed; provided, that, at any time prior to the filing of any applicable Tax Return, Labcorp shall be permitted, in its sole and absolute discretion, to amend or supplement the Intended Tax Treatment set forth on Schedule A with respect to any step in or portion of the Transactions.

Section 3.07 Protective Section 336(e) Election. In connection with the Transactions, Labcorp shall make one or more protective elections under Section 336(e) of the Code and the Treasury Regulations promulgated thereunder (and any corresponding or analogous provisions of state and local Tax Law) with respect to Fortrea and each other member of the Fortrea Group that is a domestic corporation for U.S. federal income tax purposes (a "Section 336(e) Election"). In connection therewith:

(a) Labcorp, Fortrea, and their respective Affiliates shall cooperate in making the Section 336(e) Elections, including by filing any statements, amending any Tax Returns, or taking such other actions as are necessary, in Labcorp's sole and absolute discretion, to carry out the Section 336(e) Elections;

(b) if the Distribution fails to qualify (in whole or in part) for the Intended Tax Treatment, and Fortrea or any member of the Fortrea Group realizes an increase in Tax basis as a result of a Section 336(e) Election (a "Section 336(e) Tax Basis"), then the cash Tax savings realized by Fortrea and each member of the Fortrea Group as a result of such Section 336(e) Tax Basis shall be shared between Labcorp and Fortrea in the same proportion as the Taxes giving rise to such Section 336(e) Tax Basis were borne by Labcorp and Fortrea (after giving effect to the indemnification obligations in this Agreement); and

(c) to the extent any Section 336(e) Election becomes effective, each Party agrees not to take any position (and to cause each of its Affiliates not to take any position) that is inconsistent with such Section 336(e) Election on any Tax Return, in connection with any Tax Contest, or otherwise, except as may be required by a Final Determination.

Section 3.08 Initial Tax Payment Procedures.

(a) With respect to any Tax Return required to be filed pursuant to this Agreement, the Responsible Party shall remit or cause to be remitted to the applicable Taxing Authority in a timely manner any Taxes due in respect of any such Tax Return.

(b) In the case of any Tax Return for which the Party that is not the Responsible Party is obligated pursuant to this Agreement to pay all or a portion of the Taxes reported as due on such Tax Return, the Responsible Party shall notify the other Party, in writing, of its obligation to pay such Taxes and, in reasonably sufficient detail, its calculation of the amount due by such other Party, and the Party receiving such notice shall pay such amount to the Responsible Party upon the later of thirty (30)

Business Days prior to the Due Date for such payment and thirty (30) Business Days after the receipt of such notice; provided, that, if any amount due to the Responsible Party cannot be calculated with accuracy prior to the applicable Due Date, the Responsible Party's notice shall set forth, and the Party that is not the Responsible Party shall pay, a reasonable estimate of such amount to the Responsible Party at such time, and shall pay any difference between the amount finally determined to be the amount due and the estimated amount within thirty (30) Business Days of receipt of written notice from the Responsible Party setting forth in reasonably sufficient detail the calculation of such final determination.

(c) With respect to any estimated Taxes, the Party that is or will be the Responsible Party with respect to any Tax Return that will reflect (or otherwise give credit for) such estimated Taxes shall remit or cause to be remitted to the applicable Taxing Authority in a timely manner any estimated Taxes due. In the case of any estimated Taxes for which the Party that is not the Responsible Party is obligated pursuant to this Agreement to pay all or a portion of the Taxes that will be reported as due on any Tax Return that will reflect (or otherwise give credit for) such estimated Taxes, the Responsible Party shall notify the other Party, in writing, of its obligation to pay such estimated Taxes and, in reasonably sufficient detail, its calculation of the amount due by such other Party, and the Party receiving such notice shall pay such amount to the Responsible Party upon the later of thirty (30) Business Days prior to the Due Date for such payment and thirty (30) Business Days after the receipt of such notice.

(d) Payment obligations with respect to indemnification claims are set forth in Section 5.02, and additional requirements with respect to the payment of any amounts owing from one Party to another pursuant to this Agreement are set forth in Section 5.03.

Section 3.09 Amended Returns and Carrybacks.

(a) Fortrea shall not, and shall not permit any member of the Fortrea Group to, file or allow to be filed any request for an Adjustment or any amended Tax Return for any Pre-Distribution Period without the prior written consent of Labcorp, such consent to be exercised in Labcorp's sole and absolute discretion; provided, that, if requested by Labcorp in its sole and absolute discretion, Fortrea shall file, or cause to be filed, a request for an Adjustment or an amended Tax Return and shall, to the extent permitted by applicable Law, amend any financial account or statement to the extent necessary to effectuate such Adjustment or amended Tax Return in order to claim a Refund to which Labcorp is entitled pursuant to this Agreement.

(b) Fortrea shall, and shall cause each member of the Fortrea Group to, make any available elections to waive the right to carry back any Tax Attribute from a Post-Distribution Period to a Pre-Distribution Period.

(c) Fortrea shall not, and shall cause each member of the Fortrea Group not to, without the prior written consent of Labcorp, make any affirmative election

to carry back any Tax Attribute from a Post-Distribution Period to a Pre-Distribution Period, including by filing a claim for refund or making any other filing with any Taxing Authority with respect to such carryback, such consent to be exercised in Labcorp's sole and absolute discretion.

(d) Receipt of consent by Fortrea or another member of the Fortrea Group from Labcorp pursuant to the provisions of this Section 3.09 shall not limit or modify Fortrea's continuing indemnification obligations pursuant to ARTICLE V.

Section 3.10 Tax Attributes. Labcorp shall advise Fortrea in writing of the amount (if any) of any Tax Attributes which Labcorp determines, in its sole and absolute discretion, shall be allocated or apportioned to the Fortrea Group under applicable Law. Fortrea and all members of the Fortrea Group shall prepare all Tax Returns in accordance with such written notice. Fortrea agrees that it shall not dispute Labcorp's determination of Tax Attributes. For the avoidance of doubt, Labcorp shall not be required in order to comply with this Section 3.10 to create or cause to be created any books and records or reports or other documents based thereon (including any "earnings and profits studies," "basis studies" or similar determinations) that it does not maintain or prepare in the ordinary course of business.

ARTICLE IV.
TAX STATUS OF THE TRANSACTIONS

Section 4.01 Representations and Warranties.

(a) Labcorp, on behalf of itself and all other members of the Labcorp Group, hereby represents and warrants that (i) it has examined the IRS Ruling, the IRS Ruling Request, the Tax Opinions, the Tax Certificates, the Internal Restructuring, and any other materials delivered or deliverable in connection with the issuance of the IRS Ruling and the rendering of the Tax Opinions, in each case, as they exist as of the date hereof (collectively, the "Tax Materials"), and (ii) the facts presented and representations made therein, to the extent descriptive of or otherwise relating to Labcorp or any member of the Labcorp Group or the Labcorp Business, were, at the time presented or represented and from such time until and including the Distribution Date, true, correct, and complete in all material respects. Labcorp, on behalf of itself and all other members of the Labcorp Group, hereby confirms and agrees to comply with any and all covenants and agreements in the Tax Materials applicable to Labcorp, any member of the Labcorp Group, or the Labcorp Business.

(b) Fortrea, on behalf of itself and all other members of the Fortrea Group, hereby represents and warrants that (i) it has examined the Tax Materials, and (ii) the facts presented and representations made therein, to the extent descriptive of or otherwise relating to Fortrea or any member of the Fortrea Group or the Fortrea Business, were or will be, at the time presented or represented and from such time until and including the Distribution Date, true, correct, and complete in all material respects. Fortrea, on behalf of itself and all other members of the Fortrea Group, hereby confirms

and agrees to comply with any and all covenants and agreements in the Tax Materials applicable to Fortrea, any member of the Fortrea Group, or the Fortrea Business.

(c) Each of Labcorp, on behalf of itself and all other members of the Labcorp Group, and Fortrea, on behalf of itself and all other members of the Fortrea Group, represents and warrants that it knows of no fact (after due inquiry) that may cause the Tax treatment of any of the Transactions to be other than the Intended Tax Treatment.

(d) Each of Labcorp on behalf of itself and all other members of the Labcorp Group, and Fortrea, on behalf of itself and all other members of the Fortrea Group, represents and warrants that it has no plan or intent to take, fail to take or cause or permit to be taken any action which is inconsistent with any statements or representations made in the Tax Materials.

Section 4.02 Certain Restrictions Relating to the Intended Tax Treatment of the Transactions.

(a) Fortrea, on behalf of itself and all other members of the Fortrea Group, hereby covenants and agrees that no member of the Fortrea Group will take, fail to take, or cause or permit (i) any action or failure to act that would be inconsistent with or cause to be untrue any statement, information, covenant, or representation in the Tax Materials, or (ii) any action or failure to act that constitutes a Fortrea Disqualifying Action.

(b) During the Restricted Period, Fortrea:

(i) shall continue and cause to be continued and not approve or allow, or enter into any agreement, understanding or arrangement with respect to, the discontinuance, cessation, or sale or other transfer (to an Affiliate or otherwise) of, or a material change in or sale of the material assets of, any Active Business, other than sales in the ordinary course of business;

(ii) shall not voluntarily dissolve or liquidate or partially liquidate itself, approve or allow any liquidation or partial liquidation of any of its Affiliates (including any action that is a liquidation for U.S. federal income tax purposes), or enter into any agreement, understanding or arrangement with respect to the foregoing, other than, in the case of an Affiliate that was not a “distributing corporation” or a “controlled corporation” (within the meaning of Section 355(b) of the Code) in an Internal Distribution, any liquidation into another Affiliate that is a member of the Fortrea SAG;

(iii) shall not (1) enter into any Proposed Acquisition Transaction or, to the extent Fortrea has the right or ability to prevent or prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur, (2) redeem or otherwise repurchase (directly or through an Affiliate) any stock, or rights to acquire stock, other than any such repurchases that satisfy Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48), (3) amend its certificate of incorporation (or other

organizational documents), issue a new class of non-voting stock, or take any other action, whether through a stockholder vote or otherwise, affecting the relative voting rights of Fortrea Capital Stock (including through the conversion of any class of Fortrea Capital Stock into another class of Fortrea Capital Stock), (4) merge or consolidate with any other Person or cause or permit any Affiliate of Fortrea to merge or consolidate with any other Person (other than, in the case of an Affiliate of Fortrea, another Affiliate of Fortrea that is a member of the Fortrea SAG); provided, that any Affiliate that was a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(b) of the Code) in an Internal Distribution must be the surviving entity in any such merger or consolidation, or (5) take any other action or actions (including any action or transaction that would be reasonably likely to be inconsistent with any of the statements and representations made in the Tax Materials) that, in the aggregate when combined with any other direct or indirect changes in ownership of Fortrea Capital Stock pertinent for purposes of Section 355(e) of the Code, would have the effect of causing or permitting one or more Persons (whether or not acting in concert) to acquire, directly or indirectly, a forty percent (40%) or greater interest in Fortrea for purposes of Section 355(e) of the Code or would reasonably be expected to result in a failure to preserve, achieve or maintain the Intended Tax Treatment of the Transactions, or enter into any agreement, understanding or arrangement with respect to any of the foregoing;

(iv) shall not, and shall not cause or permit any member of the Fortrea Group to, sell, transfer, or otherwise dispose of (including in any transaction treated for U.S. federal income tax purposes as a sale, transfer or other disposition) assets (including any shares of capital stock of a Subsidiary) that, in the aggregate, constitute more than twenty percent (20%) of the consolidated gross assets of Fortrea or the Fortrea Group, excluding (1) sales, transfer, or dispositions of assets in the ordinary course of business or to members of the Fortrea SAG, (2) any cash paid to acquire assets from an unrelated Person in an arm's-length transaction, (3) any assets transferred to a Person that is disregarded as an entity separate from the transferor for U.S. federal income tax purposes, or (4) any mandatory or optional repayment (or prepayment) of any indebtedness of Fortrea or any member of the Fortrea Group ((x) the percentages of consolidated gross assets of Fortrea or the Fortrea Group, as the case may be, sold, transferred or otherwise disposed of shall be based on the fair market value of the gross assets of Fortrea and the members of the Fortrea Group as of the Distribution Date, and (y) for purposes of this Section 4.02(b)(iv), a merger of Fortrea or one of its Subsidiaries with and into any Person that is not a wholly-owned Subsidiary of Fortrea shall constitute a disposition of all of the assets of Fortrea or such Subsidiary, as the case may be);

(v) shall, if any member of the Fortrea Group proposes to enter into any transaction or series of transactions that is not a Proposed Acquisition Transaction but would be a Proposed Acquisition Transaction if the percentage reflected in the definition of Proposed Acquisition Transaction were thirty percent (30%) instead of forty percent (40%) (a "Section 4.02(b)(v) Acquisition Transaction") or, to the extent Fortrea has the right or ability to prevent or prohibit any Section 4.02(b)(v) Acquisition

Transaction but proposes to permit any Section 4.02(b)(v) Acquisition Transaction to occur, in each case, provide Labcorp, no later than ten (10) Business Days following the signing of any written agreement with respect to the Section 4.02(b)(v) Acquisition Transaction, a written description of such transaction (including the type and amount of stock of Fortrea to be issued in such transaction) and a certificate of the board of directors of Fortrea to the effect that the Section 4.02(b)(v) Acquisition Transaction is not a Proposed Acquisition Transaction; and

(vi) shall not, to the extent not otherwise prohibited by the preceding clauses (i)-(v), cause or permit any member of the Fortrea Group that was a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(b) of the Code) in an Internal Distribution to take any action or enter into any transaction described in any of such preceding clauses (determined by substituting references therein to "Fortrea" and "Fortrea Capital Stock" with references to the relevant corporation and the equivalent interests in such corporation (including any entity treated as a corporation for U.S. federal income tax purposes), and by taking into account the transfer of assets to such corporation pursuant to the Transactions and the Active Businesses relied upon with respect to such Internal Distribution (as described in the Tax Materials and/or relevant Tax Opinion)).

(c) Notwithstanding the restrictions imposed by Section 4.02(b), Fortrea or another member of the Fortrea Group may take any of the actions or transactions described therein if (i) Fortrea shall have requested that Labcorp obtain a private letter ruling (including a supplemental ruling, if applicable) from the IRS (a "Post-Distribution Ruling") in accordance with Section 4.03(b) to the effect that such transaction will not affect the Intended Tax Treatment of the Transactions, and Labcorp shall have received such a Post-Distribution Ruling and shall have notified Fortrea in writing that Labcorp has determined that such Post-Distribution Ruling is in form and substance satisfactory to Labcorp in its sole and absolute discretion, or (ii) both (A) Fortrea obtains an Unqualified Tax Opinion with respect to such transaction, and (B) Labcorp notifies Fortrea in writing that Labcorp has determined that such Unqualified Tax Opinion is in form and substance satisfactory to Labcorp in its sole discretion reasonably exercised in good faith solely for the purpose of preserving the Intended Tax Treatment of the Transactions. Labcorp's evaluation of a Post-Distribution Ruling or an Unqualified Tax Opinion may consider, among other factors, the appropriateness of any underlying assumptions, representations and covenants made in connection with such ruling or opinion as well as any other factors, circumstances, considerations or concerns that Labcorp determines, in its sole and absolute discretion, are relevant. Fortrea shall bear all costs and expenses of securing (and updating and amending) any such Post-Distribution Ruling or Unqualified Tax Opinion, including reimbursing Labcorp for related costs and expenses in accordance with Section 4.03(b). None of the obtaining of a Post-Distribution Ruling, the delivery of an Unqualified Tax Opinion or Labcorp's waiver of Fortrea's obligation to deliver a Post-Distribution Ruling or an Unqualified Tax Opinion shall limit or modify in any respect Fortrea's continuing indemnification obligations pursuant to ARTICLE V.

Section 4.03 Additional Procedures Regarding Post-Distribution Rulings and Unqualified Tax Opinions.

(a) If Fortrea determines that it desires to take one of the actions described in Section 4.02(b) (a "Notified Action"), Fortrea shall promptly notify Labcorp of this fact in writing.

(b) Unless Labcorp shall have waived the requirement to obtain such Post-Distribution Ruling or Unqualified Tax Opinion, upon the reasonable request of Fortrea pursuant to Section 4.02(c), Labcorp shall use commercially reasonable efforts in cooperating with Fortrea and in seeking to obtain, as expeditiously as possible, a Post-Distribution Ruling from the IRS or an Unqualified Tax Opinion for the purpose of permitting Fortrea to take the Notified Action, subject in all respects to the provisions of Section 4.02. Notwithstanding the foregoing, Labcorp shall not be required to file or cooperate in the filing of any request for a Post-Distribution Ruling under this Section 4.03(b) unless Fortrea represents that (A) it has reviewed such request for a Post-Distribution Ruling, and (B) all statements, information and representations relating to any member of the Fortrea Group contained in such request for a Post-Distribution Ruling are (subject to any qualifications therein) true, correct and complete in all respects. Fortrea shall reimburse Labcorp for all reasonable costs and expenses, including out-of-pocket expenses and expenses relating to the utilization of Labcorp personnel, incurred by the Labcorp Group in obtaining a Post-Distribution Ruling or Unqualified Tax Opinion requested by Fortrea within thirty (30) Business Days after receiving an invoice from Labcorp therefor.

(c) Labcorp shall have the right to obtain a Post-Distribution Ruling or an Unqualified Tax Opinion at any time, with respect to any action or transaction, in its sole and absolute discretion. If Labcorp determines, in its sole and absolute discretion, to obtain a Post-Distribution Ruling or an Unqualified Tax Opinion, Fortrea shall (and shall cause each of its Affiliates to) cooperate with Labcorp and take any and all actions reasonably requested by Labcorp in connection with obtaining the Post-Distribution Ruling or Unqualified Tax Opinion (including by making any representation or covenant or providing any materials or other information requested by the IRS or a Tax Advisor; provided, that Fortrea shall not be required to make (or cause any of its Affiliates to make) any representation or covenant that is inconsistent with historical facts or as to future matters or events over which matters or events Fortrea has no control). Labcorp shall reimburse Fortrea for all reasonable costs and expenses, including out-of-pocket expenses and expenses relating to the utilization of Fortrea personnel, incurred by the Labcorp Group in connection with such cooperation within thirty (30) Business Days after receiving an invoice from Fortrea therefor.

(d) Labcorp shall have sole and exclusive control over the process of obtaining any Post-Distribution Ruling, and only Labcorp shall be permitted to apply for a Post-Distribution Ruling. In connection with obtaining a Post-Distribution Ruling requested by Fortrea, Labcorp shall (A) keep Fortrea informed in a timely manner of all material actions taken or proposed to be taken by Labcorp in connection therewith,

(B)(1) reasonably in advance of the submission of any request for any Post-Distribution Ruling provide Fortrea with a draft copy thereof, (2) consider in good faith any written comments submitted by Fortrea with respect to such draft copy, and (3) provide Fortrea with a final copy of such Post-Distribution Ruling, and (C) provide Fortrea with notice reasonably in advance of, and Fortrea shall have the right to attend, any formally scheduled meetings with the IRS (subject to the approval of the IRS) that relate to such Post-Distribution Ruling. Neither Fortrea nor any of its Affiliates shall seek any guidance from the IRS or any other Taxing Authority (whether written, oral or otherwise) at any time concerning the Transactions (including the impact of any transaction on the Transactions).

(e) Any Post-Distribution Ruling or Unqualified Tax Opinion obtained in accordance with Section 4.02(c) and this Section 4.03 shall be deemed included in the definition of Tax Materials from and after the obtaining thereof for all purposes of this Agreement.

Section 4.04 Gain Recognition Agreements. Fortrea shall timely enter into, and comply (and cause its Affiliates to comply) in all respects with the terms of, one or more new "gain recognition agreements" within the meaning of Treasury Regulations Section 1.367(a)-8(b)(1)(iv) and (c)(5) as necessary to avoid the occurrence of any "triggering event" within the meaning of Treasury Regulations Section 1.367(a)-8(j) that is attributable to the Transactions, provided, that (a) Labcorp, in its sole and absolute discretion, shall determine each new gain recognition agreement required to be entered into by Fortrea under this Section 4.04 and shall approve the contents of each such gain recognition agreement prior to its filing with the IRS, and (b) pursuant to Treasury Regulations Section 1.367(a)-8(b)(1)(xvii), Fortrea shall designate Fortrea Inc. (a Maryland corporation) as the "U.S. transferor" in each such gain recognition agreement.

ARTICLE V.
INDEMNITY OBLIGATIONS

Section 5.01 Indemnity Obligations.

(a) Labcorp shall indemnify and hold harmless Fortrea from and against, and will reimburse Fortrea for, (i) all liability for Taxes allocated to Labcorp pursuant to ARTICLE II, (ii) all Tax-Related Costs and Expenses allocated to Labcorp pursuant to Section 6.08, (iii) all Taxes, Tax-Related Costs and Expenses and Tax-Related Losses (without duplication) to the extent arising out of, based upon, or relating or attributable to any breach of or inaccuracy in, or failure to perform, as applicable, any representation, covenant or obligation of any member of the Labcorp Group pursuant to the Transaction Documents, and (iv) the amount of any Refund received by any member of the Labcorp Group that is owed to Fortrea pursuant to Section 2.06.

(b) Without regard to whether a Post-Distribution Ruling or an Unqualified Tax Opinion may have been provided or whether any action is permitted or consented to hereunder and notwithstanding anything else to the contrary in this

Agreement, Fortrea shall indemnify and hold harmless Labcorp from and against, and will reimburse Labcorp for, (i) all liability for Taxes allocated to Fortrea pursuant to ARTICLE II, (ii) all Tax-Related Costs and Expenses allocated to Fortrea pursuant to Section 6.08, (iii) all Taxes, Tax-Related Costs and Expenses and Tax-Related Losses arising out of, based upon, or relating or attributable to any breach of or inaccuracy in, or failure to perform, as applicable, any representation, covenant, or obligation of any member of the Fortrea Group pursuant to the Transaction Documents, (iv) the amount of any Refund received by any member of the Fortrea Group that is owed to Labcorp pursuant to Section 2.06, and (v) any Transaction Taxes and Tax-Related Losses attributable to a Prohibited Act, or otherwise attributable to a Fortrea Disqualifying Action. To the extent that any Taxes, Tax-Related Costs and Expenses or Tax-Related Losses are subject to indemnification pursuant to both Section 5.01(a) and Section 5.01(b), responsibility for such Taxes, Tax-Related Costs and Expenses or Tax-Related Losses shall be shared by Labcorp and Fortrea according to relative fault, as determined by Labcorp in its sole and absolute discretion. The amount of any liability for Taxes which are indemnifiable pursuant to clause (iii) or clause (v) of this Section 5.01(b) shall be determined, in Labcorp's sole and absolute discretion, without regard to any Tax Attributes of the Labcorp Group or the Labcorp Business.

Section 5.02 Indemnification Payments.

(a) Except as otherwise provided in this Agreement, if either Party (the "Indemnitee") is required to pay to a Taxing Authority a Tax or to another Person a payment in respect of Taxes, Tax-Related Costs and Expenses or Tax-Related Losses for which the other Party (the "Indemnifying Party") is liable under this Agreement, including as the result of a Final Determination, the Indemnitee shall notify the Indemnifying Party, in writing, of its obligation to pay such Taxes, Tax-Related Costs and Expenses or Tax-Related Losses and, in reasonably sufficient detail, its calculation of the amount due by such Indemnifying Party to the Indemnitee. The Indemnifying Party shall pay such amount, including any Tax-Related Costs and Expenses or Tax-Related Losses, to the Indemnitee no later than the later of (i) five (5) Business Days prior to the Due Date for such payment to the applicable Taxing Authority, and (ii) five (5) Business Days after the receipt of notice from the other Party.

(b) If, as a result of any change or redetermination, any amount previously allocated to and borne by one Party pursuant to the provisions of ARTICLE II is thereafter allocated to the other Party, then, no later than five (5) Business Days after such change or redetermination, such other Party shall pay to the first Party the amount previously borne by the first Party which is allocated to such other Party as a result of such change or redetermination.

(c) If a Party incurs a Tax liability as a result of its receipt of a payment pursuant to this Agreement or the Separation Agreement, such payment shall be appropriately adjusted so that the amount of such payment, reduced by the amount of all Taxes payable with respect to the receipt thereof (but taking into account all correlative Tax Benefits resulting from the payment of such Taxes), shall equal the

amount of the payment which the Party receiving such payment would otherwise be entitled to receive.

Section 5.03 Payment Mechanics.

(a) All payments under this Agreement shall be made by Labcorp directly to Fortrea and by Fortrea directly to Labcorp; provided, however, that, if the Parties mutually agree with respect to any such payment, any member of the Labcorp Group, on the one hand, may make such payment to any member of the Fortrea Group, on the other hand, and vice versa. All indemnification payments shall be treated for U.S. federal, state and local income tax purposes in the manner described in Section 5.04.

(b) In the case of any payment of Taxes made by a Responsible Party or Indemnitee pursuant to this Agreement for which such Responsible Party or Indemnitee, as the case may be, has received a payment from the other Party, such Responsible Party or Indemnitee shall provide to the other Party a copy of any official government receipt received with respect to the payment of such Taxes to the applicable Taxing Authority (or, if no such official governmental receipts are available, executed bank payment forms or other reasonable evidence of payment).

Section 5.04 Treatment of Payments. Except as expressly provided to the contrary in this Agreement or in the Separation Agreement, the Parties agree that any payment made between the Parties pursuant to this Agreement or the Separation Agreement shall, to the extent permitted by Law, be treated for U.S. federal, state and local income tax purposes as either (i) a non-taxable contribution by Labcorp to Fortrea, or (ii) a distribution by Fortrea to Labcorp, and, with respect to any payment made between the Parties after the Distribution pursuant to this Agreement or the Separation Agreement, such payment shall be treated as having been made immediately prior to the Distribution. Notwithstanding the foregoing, the Parties agree to treat for all Tax purposes any such payment which, pursuant to the proviso of Section 5.03(a), is to be made or received by a Subsidiary of a Party as made through one or more deemed distributions or deemed contributions, as the case may be.

ARTICLE VI.
TAX CONTESTS

Section 6.01 Notice. Each Party shall notify the other Party in writing within thirty (30) days after receipt by such Party or any member of its Group of a written communication from any Taxing Authority with respect to any pending or threatened audit, examination, claim, dispute, suit, action, proposed assessment or other proceeding (a "Tax Contest") concerning any Taxes for which the other Party may be liable pursuant to this Agreement. A failure by an Indemnitee to give notice as provided in this Section 6.01 shall not relieve the Indemnifying Party of its indemnification obligation under this Agreement, except to the extent that such failure results in actual increased costs or actual prejudice to the other Party. For the avoidance of doubt, the obligations of the Parties to provide notice during the pendency of any Tax Context are set forth in Section 6.05, and the rights of a Non-Controlling Party to receive notice with

respect to the conduct of a Tax Contest in which such Non-Controlling Party may reasonably be expected to become liable to make any indemnification payment to the Controlling Party are set forth in Section 6.07.

Section 6.02 Separate Returns.

(a) Except as otherwise provided in this Article VI, in the case of any Tax Contest with respect to any Separate Return, the Party having the liability for the Tax pursuant to ARTICLE II shall have the sole responsibility and right to control the prosecution of such Tax Contest, including the exclusive right to communicate with agents of the applicable Taxing Authority and to control, resolve, settle, or agree to any deficiency, claim, or adjustment proposed, asserted, or assessed in connection with or as a result of such Tax Contest.

(b) In the case of any Tax Contest with respect to any Fortrea Separate Return, Fortrea shall not take any position in such Tax Contest inconsistent with any position taken by Labcorp on any Tax Return unless and until there has been a Final Determination that such latter position is not correct; provided, that Labcorp shall have the right to participate, at its own expense, in such Tax Contest, and Fortrea shall not resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed with respect to such Tax Contest without the written consent of Labcorp (such consent to be exercised in Labcorp's sole and absolute discretion). For the avoidance of doubt, a Tax Contest with respect to a Fortrea Separate Return that is a Distribution-Related Tax Contest shall be governed by Section 6.04.

Section 6.03 Joint Returns. In the case of any Tax Contest with respect to any Joint Return, Labcorp shall have the sole responsibility and right to control the prosecution of such Tax Contest, including the exclusive right to communicate with agents of the applicable Taxing Authority and to control, resolve, settle, or agree to any deficiency, claim, or adjustment proposed, asserted, or assessed in connection with or as a result of such Tax Contest.

Section 6.04 Distribution-Related Tax Contests. Notwithstanding anything to the contrary in Section 6.02 or Section 6.03, in the case of any Distribution-Related Tax Contest, Labcorp shall have the sole and absolute responsibility and right to control the prosecution of such Tax Contest, including the exclusive right to communicate with agents of the applicable Taxing Authority and to control, resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted, or assessed in connection with or as a result of such Tax Contest; provided, that, to the extent any Distribution-Related Tax Contest relates to a Fortrea Separate Return in respect of a taxable period beginning after the Distribution Date, such responsibilities and rights of Labcorp shall be limited to the portion of such Distribution-Related Tax Contest related to the Intended Tax Treatment of the Transactions or the amount of Taxes imposed in respect of any of the Transactions. Notwithstanding anything to the contrary in Section 6.06, the final determination of the positions taken, including with respect to settlement or other disposition, in any Distribution-Related Tax Contest (taking into account the proviso to the first sentence of this Section 6.04) shall be made in the sole and absolute discretion

of Labcorp and shall be final and not subject to the dispute resolution provisions in ARTICLE IX of this Agreement or ARTICLE V of the Separation Agreement.

Section 6.05 Obligation of Continued Notice. During the pendency of any Tax Contest, each of the Parties shall provide prompt notice to the other Party of any written communication received by the first Party or a member of its respective Group from a Taxing Authority regarding any Tax Contest for which the first Party is indemnified by the other Party hereunder or for which the first Party may be required to indemnify the other Party hereunder. Such notice shall include copies of the pertinent portion of any written communication from a Taxing Authority and contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail and shall be accompanied by copies of any other documents received from any Taxing Authority in respect of any such matters. Such notice shall be provided in a reasonably timely fashion; provided, however, that, in the event that timely notice is not provided, a Party shall be relieved of its obligation to indemnify the other Party only to the extent that such delay results in actual increased costs or actual prejudice to such other Party.

Section 6.06 Tax Contest Rights. Unless waived by the Parties in writing, in connection with any potential adjustment in a Tax Contest as a result of which adjustment the Non-Controlling Party may reasonably be expected to become liable to make any indemnification payment to the Controlling Party under this Agreement, (i) the Controlling Party shall keep the Non-Controlling Party informed in a timely manner of all material actions taken or proposed to be taken by the Controlling Party with respect to such potential adjustment in such Tax Contest, (ii) the Controlling Party shall timely provide the Non-Controlling Party with copies of any correspondence or filings submitted to any Taxing Authority or judicial authority in connection with such potential adjustment in such Tax Contest, and (iii) the Controlling Party shall defend such Tax Contest diligently and in good faith. The failure of the Controlling Party to take any action specified in the preceding sentence with respect to the Non-Controlling Party shall not relieve the Non-Controlling Party of any liability or obligation which it may have to the Controlling Party under this Agreement, and in no event shall such failure relieve the Non-Controlling Party from any other liability or obligation which it may have to the Controlling Party.

Section 6.07 Consistent Treatment. Unless and until there has been a Final Determination to the contrary, each Party agrees not to take any position on any Tax Return, in connection with any Tax Contest, or otherwise that is inconsistent with (i) the treatment of payments between the Labcorp Group and the Fortrea Group as set forth in Section 5.04, (ii) the Tax Materials, or (iii) the Intended Tax Treatment of the Transactions.

Section 6.08 Costs and Expenses. Except to the extent provided otherwise in this Agreement, the Party to which the Tax liability related to a Tax Contest is (or would be) allocated, as determined by Labcorp in its sole and absolute discretion, shall be responsible for all accounting, legal and other professional fees, and court costs incurred in connection with such Tax Contest, as well as any other out-of-pocket costs

incurred in connection with such Tax Contest, regardless of which Party is responsible for the conduct of such Tax Contest; provided, that, in the event such Tax liability is allocated to both Parties, such costs shall be allocated to the Parties in such manner as the Labcorp determines in its sole and absolute discretion.

ARTICLE VII.
COOPERATION

Section 7.01 General.

(a) Each Party shall fully cooperate, and shall cause all members of such Party's Group to fully cooperate, with all reasonable requests in writing from the other Party, or from an agent, representative, or advisor of such Party, in connection with the preparation and filing of any Tax Return or claim for Refund, the conduct of any Tax Contest (including fulfilling information requests from any Taxing Authority), and the calculation of any amount required to be paid pursuant to this Agreement, in each case, related or attributable to or arising in connection with Taxes of either Party or any member of its Group covered by this Agreement or otherwise relating to the Fortrea Business for any Pre-Distribution Period or the establishment of any reserve required in connection with any financial reporting (a "Tax Matter"). Such cooperation with respect to a Tax Matter shall include, without limitation:

(i) the provision of any Tax Returns of either Party or any member of its Group, together with books, records (including information regarding ownership and Tax basis of property), and other information relating thereto, including accompanying schedules, related work papers, and any documents relating to rulings or other determinations by Taxing Authorities;

(ii) the execution of any document (including any power of attorney) reasonably requested in connection with any Tax Contest of either Party or any member of its Group, or the filing of a Tax Return or a Refund claim of either Party or any member of its Group; and

(iii) the use of the Party's commercially reasonable efforts to obtain any other documentation reasonably requested in connection with a Tax Matter.

(b) In connection with any Tax Matter, each Party shall make its employees and facilities available, without charge, on a reasonable and mutually convenient basis in a manner that does not interfere with the ordinary business operations of such Party. Any information or documents provided under this Section 7.01 shall be kept confidential by the Party receiving the information or documents, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any Tax Contest. Notwithstanding anything to the contrary in this Agreement or any other agreement, (i) no Party or any of its Affiliates shall be required to provide another Party or any Affiliate thereof or any other Person access to (or copies of) any documents or other information (including with respect to the proceedings of any Tax Contest) other than documents or other information that reasonably relate to the

Taxes (including any Taxes for which the first Party is liable under this Agreement), business or assets of the first Party or any of its Affiliates or that are necessary to prepare Tax Returns for which the first Party is responsible for preparing in accordance with the terms of this Agreement, (ii) in no event shall any Party or any of its Affiliates be required to provide another Party, any of its Affiliates or any other Person access to (or copies of) any documents or other information if such action could reasonably be expected to result in the waiver of any Privilege, and, for the avoidance of doubt, Section 3.06 of the Separation Agreement shall apply with respect to matters of Privilege, and (iii) Labcorp shall not be required to provide to Fortrea any Tax Returns that are filed on an affiliated, consolidated, combined, unitary or other group basis. In addition, in the event that a Party determines that the provision of any information to another Party or any of its Affiliates could be commercially detrimental, violate any Law or agreement or waive any Privilege, the first Party shall use reasonable best efforts to permit compliance with its obligations under this Section 7.01 in a manner that avoids any such harm or consequence. The Party seeking access to documents, records or other information of the other Party under this Section 7.01 shall bear all out-of-pocket costs and expenses associated with such access, including any professional fees.

ARTICLE VIII.
RETENTION OF RECORDS

Section 8.01 Retention of Records. For so long as the contents thereof may become material in the administration of any matter under applicable Law, but in any event until the later of (i) sixty (60) days after the expiration of any applicable statutes of limitation (including any waivers or extensions thereof), and (ii) seven (7) years after the Distribution Date, the Parties shall retain records, documents, accounting data, and other information (including computer data) necessary for the preparation and filing of all Tax Returns (collectively, "Tax Records") in respect of Taxes of any member of either the Labcorp Group or the Fortrea Group for any Pre-Distribution Period or Straddle Period or for any Tax Contests relating to such Tax Returns or otherwise affecting Taxes covered by this Agreement. At any time when the Labcorp Group proposes to destroy any Tax Records that pertain to Fortrea, Labcorp shall first notify Fortrea in writing and offer the Fortrea Group the opportunity to receive such records or documents proposed to be destroyed. At any time when the Fortrea Group proposes to destroy any Tax Records, Fortrea shall first notify Labcorp in writing and offer the Labcorp Group the opportunity to receive such records or documents proposed to be destroyed. The Parties will notify each other in writing of any waivers or extensions of the applicable statute of limitations that may affect the period for which the foregoing records or other documents must be retained. The Party requesting receipt of any records or documents under this Section 8.01 shall bear all out-of-pocket costs and expenses associated therewith.

ARTICLE IX.
DISPUTE RESOLUTION

Section 9.01 Dispute Resolution. Subject to Section 9.03, Section 9.04 and Section 9.05, this Section 9.01 shall govern the resolution of any dispute between the Parties as to any matter covered by this Agreement that relates to the interpretation of Tax Law, as determined by Labcorp in its sole and absolute discretion (a "Tax Advisor Dispute"). The Party raising the Tax Advisor Dispute shall give prompt written notice of the Tax Advisor Dispute (a "Tax Advisor Dispute Notice"), and the tax directors of the Parties (or such other individuals designated by the respective general counsels) and/or the executive officers designated by the Parties shall negotiate for a reasonable period of time to settle such Tax Advisor Dispute; provided, that such reasonable period shall not, unless otherwise agreed by the Parties in writing, exceed thirty (30) days (the "Negotiation Period") from the time of receipt of the Tax Advisor Dispute Notice; provided, further, that (x) the Parties shall not assert the defenses of statute of limitations, laches or any other defense, in each case, based on the passage of time during the Negotiation Period, and (y) any contractual time period or deadline under this Agreement relating to such Tax Advisor Dispute occurring after the Tax Advisor Dispute Notice is received shall not be deemed to have passed until the procedures described in this Section 9.01 have been resolved. If the Tax Advisor Dispute has not been resolved for any reason after the Negotiation Period, Labcorp shall, in its sole and absolute discretion, appoint a nationally recognized independent public accounting firm (the "Accounting Firm") to resolve such dispute. In this regard, the Accounting Firm shall make all determinations with respect to the Tax Advisor Dispute based solely on representations made by Labcorp, Fortrea, and their respective representatives, and not by independent review, and shall be required to make a determination in favor of one Party only. The Parties shall require the Accounting Firm to resolve any Tax Advisor Dispute no later than thirty (30) days after the submission of such dispute to the Accounting Firm, but in no event later than the Due Date for the payment of Taxes or the filing of the relevant Tax Return, if applicable, and agree that all decisions by the Accounting Firm with respect thereto shall be final and conclusive and binding on the Parties. The Accounting Firm shall resolve all Tax Advisor Disputes in a manner consistent with this Agreement and, to the extent not inconsistent with this Agreement, in a manner consistent with the Past Practices of Labcorp and its Subsidiaries, except as otherwise required by applicable Law. The Parties shall require the Accounting Firm to render all determinations in writing and to set forth, in reasonable detail, the basis for such determination. The fees and expenses of the Accounting Firm shall be borne equally by the Parties, and the Parties agree to waive any objection to the naming of the Accounting Firm or the determination of the Accounting Firm based on actual or alleged conflicts of interest.

Section 9.02 Legal Disputes. Subject to Section 9.01, Section 9.03, Section 9.04 and Section 9.05, in the event of any other claim, controversy, demand or request for relief of any kind arising out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity or breach of this Agreement or otherwise arising

out of or related to this Agreement (a "Dispute"), then the Party raising the Dispute shall give prompt written notice of the Dispute, and the Dispute shall be resolved in accordance with the procedures contained in Article V of the Separation Agreement. For the avoidance of doubt, no matter or dispute addressed by Section 9.01 shall also be subject to this Section 9.02 or to Article V of the Separation Agreement.

Section 9.03 Injunctive Relief. Nothing in this ARTICLE IX shall prevent Labcorp from seeking injunctive relief to enforce the procedures provided for in Section 9.01 if any delay resulting from the efforts to resolve the Tax Advisor Dispute through the Accounting Firm could result in serious and irreparable injury to Labcorp. Notwithstanding anything to the contrary in this Agreement or any other Transaction Document, Labcorp and Fortrea are the only members of their respective Groups entitled to commence a dispute resolution procedure under this Agreement, and each of Labcorp and Fortrea will cause its respective Group members not to commence any dispute resolution procedure other than through Labcorp or Fortrea, as applicable, as provided in this ARTICLE IX.

Section 9.04 Specific Performance. Notwithstanding anything to the contrary in this Agreement or any other Transaction Document, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, Labcorp shall have the right, without first pursuing the procedures provided in Section 9.01, to specific performance, declaratory relief and injunctive or other equitable relief (on a permanent, emergency, temporary, preliminary or interim basis) of its rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. Fortrea shall not oppose the granting of such relief on the basis that money damages are an adequate remedy. Fortrea agrees that the remedies at Law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss, and waives any defense in any action by Labcorp for specific performance that a remedy at Law would be adequate. Fortrea also waives any requirements that Labcorp secure or post any bond or similar security with respect to such remedy.

Section 9.05 Venue for Injunctive Relief and Specific Performance Claims by Labcorp. Notwithstanding anything to the contrary in this Agreement or the Separation Agreement (or any other Transaction Document), Labcorp may bring any claim for specific performance, declaratory relief and injunctive or other equitable relief (on a permanent, emergency, temporary, preliminary or interim basis) under Section 9.03 or Section 9.04 of this Agreement (a "Chosen Court Claim") either (a) pursuant to the procedures contained in Article V of the Separation Agreement or (b) at Labcorp's sole and absolute discretion, in the Delaware Court of Chancery (or, if the Delaware Court of Chancery shall be unavailable, any Delaware State court or the federal court sitting in the State of Delaware) (the "Chosen Courts"). Fortrea irrevocably consents and agrees, on behalf of itself and each Fortrea Group member, to the jurisdiction, forum and venue of the Chosen Courts for a Chosen Court Claim, and agrees that it shall not assert, and shall hereby waive, any claim or right or defense that it is not subject to the jurisdiction of the Chosen Courts, that the venue is improper, that the forum is inconvenient, that the

Chosen Court Claim should instead be arbitrated by agreement of Labcorp or operation of law, or any similar objection, claim or argument.

ARTICLE X.
MISCELLANEOUS PROVISIONS

Section 10.01 Conflicting Agreements. In the event and to the extent that there shall be a conflict between the provisions of this Agreement and the provisions of the Separation Agreement or any other Transaction Document, this Agreement shall control with respect to the subject matter thereof.

Section 10.02 Governing Law. This Agreement and all disputes or controversies arising out of or relating to this Agreement or the transactions contemplated hereby will be governed by, and construed in accordance with, the Laws of the State of Delaware, without regard to the conflict of Laws provisions thereof that would cause the Laws of another state to apply.

Section 10.03 Interest on Late Payments. With respect to any payment between the Parties pursuant to this Agreement not made by the date set forth in this Agreement for such payment, the outstanding amount will accrue interest at a rate per annum equal to the rate in effect for underpayments under Section 6621 of the Code from such date up to and including the payment date.

Section 10.04 Successors. This Agreement shall be binding on and inure to the benefit of any successor (whether by merger, acquisition of assets or otherwise) to any of the Parties hereto to the same extent as if such successor had been an original party to this Agreement.

Section 10.05 Assignability. No Party may assign its rights or delegate its duties under this Agreement without the written consent of the other Party, except that a Party may assign its rights or delegate its duties under this Agreement to a member of its Group, provided, that (a) such Person agrees in writing to be bound by the terms and conditions contained in this Agreement, and (b) such assignment or delegation will not relieve any Party of its indemnification obligations or other obligations under this Agreement. Any attempted assignment or delegation in contravention of the foregoing will be void.

Section 10.06 No Fiduciary Relationship. The duties and obligations of the Parties, and their respective successors and permitted assigns, contained herein are the extent of the duties and obligations contemplated by this Agreement. Nothing in this Agreement is intended to create a fiduciary relationship between the Parties hereto, or any of their successors and permitted assigns, or create any relationship or obligations other than those explicitly described.

Section 10.07 Further Assurances. In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties shall use its reasonable best efforts, prior to, on and after the Distribution, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or

advisable under applicable Laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement.

Section 10.08 Survival. Except to the extent this Agreement specifies a longer period, and notwithstanding anything else to the contrary in this Agreement, all representations, covenants and obligations contained in this Agreement shall survive until sixty (60) days after the expiration of the applicable statute of limitations with respect to any such matter (including extensions thereof).

Section 10.09 Notices. All notices, requests, permissions, waivers and other communications hereunder will be in writing and will be deemed to have been duly given (a) upon transmission, if sent by email with confirmation of receipt, (b) when delivered, if delivered personally to the intended recipient and (c) one Business Day following sending by overnight delivery via an international courier service and, in each case, addressed to a Party at the following address for such Party:

(i) if to Labcorp:

Laboratory Corporation of America Holdings
358 South Main Street
Burlington, NC 27215
Attention: **[**_____**]**
Email: **[**_____**]**

(ii) If to Fortrea:

Fortrea Holdings Inc.
8 Moore Drive
Durham, NC 27709 USA
Attention: **[**_____**]**
Email: **[**_____**]**

or to such other address(es) as may be furnished in writing by any such Party to the other Party in accordance with the provisions of this Section 10.09.

Section 10.10 Counterparts. This Agreement may be executed in multiple counterparts (any one of which need not contain the signatures of more than one Party), each of which will be deemed to be an original but all of which taken together will constitute one and the same agreement. This Agreement, and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, will be treated in all manner and respects as an original agreement and will be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. At the request of any Party, the other Party will re-execute original forms thereof and deliver them to the requesting Party.

Section 10.11 Cross-Reference to Separation Agreement. The provisions set forth in Section 7.05 (Amendments and Waivers), Section 7.09 (Rules of

Construction), and Section 7.10 (Severability) of the Separation Agreement shall be incorporated by reference in this Agreement, mutatis mutandis.

Section 10.12 Continuity of Service and Performance. Unless otherwise agreed in writing, the Parties shall continue to provide services and honor all other commitments under this Agreement, the Separation Agreement and each other Transaction Document during the course of any dispute resolution pursuant to the provisions of ARTICLE IX with respect to all matters not subject to such dispute resolution.

Section 10.13 Application to Present and Future Subsidiaries. This Agreement is being entered into by Labcorp and Fortrea on behalf of themselves and the members of their respective Group. This Agreement shall constitute a direct obligation of each such Party and shall be deemed to have been readopted and affirmed on behalf of any entity that becomes a Subsidiary of Labcorp or Fortrea in the future.

Section 10.14 Distribution Date. This Agreement shall become effective only upon the Distribution Date.

[Signature Page Follows**]**

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

LABORATORY CORPORATION OF AMERICA HOLDINGS

By: _____
Name:
Title:

FORTREA HOLDINGS INC.

By: _____
Name:
Title:

[Signature Page to Tax Matters Agreement]

FORM OF EMPLOYEE MATTERS AGREEMENT

BETWEEN

LABORATORY CORPORATION OF AMERICA HOLDINGS

AND

FORTREA HOLDINGS INC.

DATED AS OF [●]

EMPLOYEE MATTERS AGREEMENT

EMPLOYEE MATTERS AGREEMENT, dated as of the **[●]** day of **[●]**, 2023 (this "Employee Matters Agreement"), between Laboratory Corporation of America Holdings, a Delaware corporation ("Labcorp"), and Fortrea Holdings Inc., a Delaware corporation and wholly owned Subsidiary of Labcorp ("Fortrea").

RECITALS

1. The parties to this Employee Matters Agreement have entered into the Separation and Distribution Agreement (the "Separation Agreement"), dated as of the date hereof, pursuant to which Labcorp intends to distribute to its stockholders, on a pro rata basis and without consideration, all the outstanding shares of common stock of Fortrea then owned by Labcorp (the "Distribution").

2. The parties wish to set forth their agreements as to certain matters regarding the past, present and future treatment of, and the compensation and employee benefits provided to, current and former employees of Labcorp and Fortrea and their respective Subsidiaries.

3. This Employee Matters Agreement incorporates by reference the agreement of the parties with regard to certain services and other actions to be performed by the parties following the Distribution, which agreement is set forth in the Transition Services Agreement, and Data Processing Agreement, respectively, each of which will be effective as of the date hereof.

AGREEMENT

In consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Certain Defined Terms. For the purposes of this Employee Matters Agreement:

"Adjusted Labcorp 2021-2023 Performance Share Awards" has the meaning set forth in Section 10.01(a)(ii)(A)(1)(a).

"Adjusted Labcorp 2022-2024 Performance Share Awards" has the meaning set forth in Section 10.01(a)(ii)(B)(1).

"Adjusted Labcorp 2023-2025 Performance Share Awards" has the meaning set forth in Section 10.01(a)(ii)(C)(1).

"Adjusted Labcorp Equity Award" means each Adjusted Labcorp Option, Adjusted Labcorp RSU and Adjusted Labcorp Performance Share Award, as described in Section 10.01.

"Adjusted Labcorp Option" means an option to acquire Labcorp Common Stock relating to a Labcorp Option, as described in Section 10.01.

"Adjusted Labcorp Performance Share Award" means each Adjusted Labcorp 2021-2023 Performance Share Award, Adjusted Labcorp 2022-2024 Performance Share Award, and Adjusted Labcorb 2023-2025 Performance Share Award, as described in Section 10.01.

"Adjusted Labcorp RSU" means a restricted stock unit award with respect to Labcorp Common Stock relating to Labcorp RSUs, as described in Section 10.01.

"Applicable Transfer Date" means the date on which a Delayed Transfer Employee actually commences employment with the Labcorp Group or the Fortrea Group (as applicable).

"CHC Committee" means the Compensation and Human Capital Committee of the Labcorp Board.

"COBRA" means the continuation coverage requirements under Code Section 4980B and ERISA Sections 601-608.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collective Bargaining Agreement" or "CBA" means a collective or collectively bargained agreement, whether made between Labcorp, Fortrea, or any of their respective direct or indirect Subsidiaries and its or their works councils (including any economic or sub-committee thereof), trade unions or employee representative bodies and/or made at a regional, sector or national level, between representatives of employers and representatives of current or former employees, in any case impacting the terms and conditions, work rules or working arrangements applicable to employees.

"Covance Elective Deferral Plan for Labcorp Employees" has the meaning set forth in Section 9.01(a).

"Delayed Transfer Employee(s)" has the meaning set forth in Section 2.04(c).

"Distribution" has the meaning set forth in the Recitals.

"Employment Agreement" means (a) any terms and conditions of employment retention, change in control, sale bonus, incentive bonus, severance, tuition reimbursement commitment or other individual compensatory agreement individually agreed between any current or former employee and Labcorp or Fortrea, as applicable, or any of their respective Affiliates, but excluding any equity award; and (b) to the extent not already covered by (a), any termination payments or benefits paid or provided to be paid to employees arising out of or in connection with the termination of employment, including notice payments, statutory severance, termination indemnities, compensation for unemployment benefits and any other minimum termination payments required to be paid by applicable Law or under the relevant employment contract or otherwise individually negotiated with employees; provided, however, that no U.S. Benefit Plan or Non-U.S. Plan shall constitute an Employment Agreement.

"Employee Matters Agreement" has the meaning set forth in the preamble.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"Flex Plan Amount" has the meaning set forth in Section 6.05.

"Former Fortrea Employee" means any individual (a) who on or before the close of business on Distribution Date retired or otherwise separated from service from the Labcorp Group or the Fortrea Group, including an individual who terminated employment in connection with receiving long-term disability benefits under an employee benefit plan of Labcorp and (b)(i) who immediately before his or her retirement or other separation from service with the Labcorp Group or the Fortrea Group spent the majority of their working time dedicated to the Fortrea Business, or (ii) whose last day of work with the Labcorp Group or the Fortrea Group was with the Fortrea Business or a Fortrea Entity and (c) is not a Labcorp Employee or a Former Labcorp Employee.

"Former Labcorp Employee" means any individual who (a) on or before the close of business on the Distribution Date retired or otherwise separated from service from the Labcorp Group, including an individual who terminated employment in connection with receiving long-term disability benefits under an employee benefit plan of Labcorp, and (b) is not a Fortrea Employee or a Former Fortrea Employee.

"Fortrea 2021-2023 Performance Share Award" means a performance share award with respect to Fortrea Common Stock relating to Labcorp Performance Share Awards with a performance period relating to fiscal years 2021-2023 held by Fortrea Participants, as described in Section 10.01.

"Fortrea 2022-2024 Performance Share Award" means a performance share award with respect to Fortrea Common Stock relating to Labcorp Performance Share Awards with a performance period relating to fiscal years 2022-2024 held by Fortrea Participants as described in Section 10.01.

"Fortrea 2023-2025 Performance Share Award" means a performance share award with respect to Fortrea Common Stock relating to Labcorp Performance Share Awards with a performance period relating to fiscal years 2023-2025 held by Fortrea Participants as described in Section 10.01.

"Fortrea Bonus Plan" has the meaning set forth in Section 5.03.

"Fortrea Director" means each individual who, as of the close of business on the Distribution Date, is a non-employee member of the Board of Directors of Fortrea and who may also retain their role as a Labcorp Director on and after the Distribution Date.

"Fortrea Employee" means each individual who, as of the close of business on the Distribution Date, is employed by a Fortrea Entity (including, for the avoidance of doubt, any On-Leave U.S. Fortrea Employee and any other such individual who is on an approved leave of absence, whether paid or unpaid). Notwithstanding the foregoing, Fortrea Employees includes Fortrea Transferees, effective as of the Applicable Transfer Date.

"Fortrea Equity Award" means each Fortrea RSU and Fortrea Performance Share Award.

"Fortrea Equity Plan" means the equity incentive plan adopted by Fortrea and approved by Labcorp, as sole shareholder of Fortrea prior to the Distribution, under which the Fortrea Equity Awards will be issued.

"Fortrea ESPP" means the employee stock purchase plan adopted by Fortrea and approved by Labcorp, as sole shareholder of Fortrea prior to the Distribution.

"Fortrea Flexible Account Plan" has the meaning set forth in Section 6.05.

"Fortrea HRA Plan" has the meaning set forth in Section 6.06.

"Fortrea Non-U.S. Plan" means the Non-U.S. Plans sponsored or maintained by a member of the Fortrea Group.

"Fortrea Nonqualified Deferred Compensation Plan" has the meaning set forth in Section 9.01(b).

"Fortrea NQDC Plans" means the Covance Executive Deferred Compensation Plan and the Fortrea Nonqualified Deferred Compensation Plan.

"Fortrea Participant" means any Fortrea Employee (other than an On-Leave U.S. Fortrea Employee or Fortrea Transferee) who, immediately prior to the Distribution holds Labcorp Equity Awards, or a beneficiary of such person.

"Fortrea Performance Share Award" means each Fortrea 2021-2023 Performance Share Award, Fortrea 2022-2024 Performance Share Award, and Fortrea 2023-2025 Performance Share Award.

"Fortrea Retirees" has the meaning set forth in Section 6.01(a).

"Fortrea RSU" means a restricted stock unit award with respect to Fortrea Common Stock granted by Fortrea under the Fortrea Equity Plan.

"Fortrea Share Price" means the average closing price per share of Fortrea Common Stock on the NASDAQ, calculated to four decimal places and determined without regard to after-hours trading or any other trading outside of the regular trading session and trading hours, over the ten consecutive trading days starting with the first full trading date immediately following the Distribution Date.

"Fortrea Spinoff 401(k) Plan" has the meaning set forth in Section 8.01(a).

"Fortrea Spinoff Welfare Plans" has the meaning set forth in Section 6.01(b).

"Fortrea Transferees" means the Delayed Transfer Employees who transfer from the Labcorp Group to the Fortrea Group.

"Fortrea U.S. Plans" means (a) the Fortrea Spinoff 401(k) Plan and the Fortrea Spinoff Welfare Plans and (b) any U.S. Benefit Plan sponsored or maintained by any member of the Fortrea Group. For the avoidance of doubt, no member of the Fortrea Group will be deemed to sponsor or maintain any U.S. Benefit Plan if its relationship to such U.S. Benefit Plan is solely to administer such U.S. Benefit Plan or provide to Labcorp any reimbursement in respect of such U.S. Benefit Plan.

"Labcorp 2021-2023 Performance Share Award" has the meaning set forth in Section 10.01(a)(ii)(A).

"Labcorp 2022-2024 Performance Share Award" has the meaning set forth in Section 10.01(a)(ii)(B).

"Labcorp 2023-2025 Performance Share Award" has the meaning set forth in Section 10.01(a)(ii)(C).

"Labcorp 401(k) Plan" has the meaning set forth in Section 8.01(a).

"Labcorp Bonus Plan" has the meaning set forth in Section 5.03.

"Labcorp Director" means each individual who is a non-employee member of the Labcorp Board and is not a member of the Fortrea Board, in each case, as of the close of business on the Distribution Date.

"Labcorp Employee" means each individual who, as of the close of business on the Distribution Date, is employed by a member of the Labcorp Group (including, for the avoidance of doubt, any such individual who is on a leave of absence, whether paid or unpaid). Notwithstanding the foregoing, Labcorp Employees also include Labcorp Transferees, effective as of the Applicable Transfer Date.

"Labcorp Equity Award" means each Labcorp Option, Labcorp RSU and Labcorp Performance Share Award.

"Labcorp Equity Plan" means the Laboratory Corporation of America Holdings 2016 Omnibus Incentive Plan, as amended.

"Labcorp ESPP" means the Laboratory Corporation of America Holdings 2016 Employee Stock Purchase Plan.

"Labcorp Flexible Account Plan" has the meaning set forth in Section 6.05.

"Labcorp HRA Plan" has the meaning set forth in Section 6.06.

"Labcorp Non-U.S. Plans" means the Non-U.S. Plans sponsored or maintained by a member of the Labcorp Group.

"Labcorp NQDC Plans" means each of the Laboratory Corporation of America Holdings Nonqualified Deferred Compensation Plan, effective January 1, 2022, the Laboratory Corporation of America Holdings Amended and Restated Deferred Compensation Plan, restated effective January 1, 2014 and the Covance Elective Deferral Plan for Labcorp Employees.

"Labcorp Option" means an option to acquire shares of Labcorp Common Stock granted by Labcorp under a Labcorp Equity Plan prior to the Distribution Date.

"Labcorp Participant" means any Labcorp Employee, Former Labcorp Employee, Labcorp Director, Fortrea Director, Former Fortrea Employee, On-Leave U.S. Fortrea Employee or Labcorp Transferee who immediately prior to the Distribution holds Labcorp Equity Awards, or a beneficiary of such person.

"Labcorp Performance Share Awards" means an award of performance shares with respect to shares of Labcorp Common Stock granted by Labcorp under the Labcorp Equity Plan prior to the Distribution Date, and shall include the Labcorp

2021-2023 Performance Share Awards, the Labcorp 2022-2024 Performance Share Awards, and the Labcorp 2023-2025 Performance Share Awards.

"Labcorp Retiree Welfare Plan" has the meaning set forth in Section 6.01(a).

"Labcorp RSU" means a time-based restricted stock unit award granted by Labcorp under the Labcorp Equity Plan prior to the Distribution Date.

"Labcorp Transferees" means the Delayed Transfer Employees who transfer from the Fortrea Group to the Labcorp Group.

"Labcorp U.S. Pension Plans" has the meaning set forth in Section 7.01.

"Labcorp U.S. Plans" means (a) the Labcorp U.S. Pension Plans, the Labcorp 401(k) Plan, the Labcorp Welfare Plans and the Labcorp Retiree Welfare Plan, and (b) any other U.S. Benefit Plan that, as of the close of business on the day before the Distribution Date, is sponsored or maintained solely by any member of the Labcorp Group. For the avoidance of doubt, no member of the Labcorp Group will be deemed to sponsor or maintain any U.S. Benefit Plan if its relationship to such U.S. Benefit Plan is solely to administer such U.S. Benefit Plan or to provide Fortrea with any reimbursement in respect of such U.S. Benefit Plan.

"Labcorp Welfare Plans" has the meaning set forth in Section 6.01(b).

"NASDAQ" means the National Association of Securities Dealers Automated Quotations.

"Non-U.S. Delayed Transfer Employee" has the meaning set forth in Section 2.04(c).

"Non-U.S. Fortrea Employee" means each Fortrea Employee whose employment is based outside of the United States. Non-U.S. Fortrea Employees also include Non-U.S. Delayed Transfer Employees who are Fortrea Transferees, effective as of the Applicable Transfer Date.

"Non-U.S. Labcorp Employee" means each Labcorp Employee whose employment is based outside of the United States. Non-U.S. Labcorp Employee also includes Non-U.S. Delayed Transfer Employees who are Labcorp Transferees, effective as of the Applicable Transfer Date.

"Non-U.S. Plan" means, with respect to an entity, each plan, program, policy, scheme, agreement, arrangement or understanding (whether contractual or discretionary) that is maintained primarily for the benefit of employees outside of the United States and is a deferred compensation, executive compensation, incentive bonus or other bonus, pension, profit sharing, savings, retirement, severance pay, salary continuation, life, death benefit, health, hospitalization, sick leave, vacation pay, disability or accident insurance, or other employee benefit plan, program, scheme, agreement or arrangement, sponsored, maintained or contributed to by such entity or to which such entity is a party or under which such entity has any obligation; provided that (i) no equity award, nor any plan under which any such equity award is granted, will constitute a Non-U.S. Plan under this Employee Matters Agreement, and (ii) no Employment Agreement will constitute a Non-U.S. Plan under this Employee Matters Agreement.

"NYSE" means the New York Stock Exchange.

"On-Leave U.S. Fortrea Employee" means each U.S. employee who would have been designated by Labcorp to transfer employment to or with Fortrea or to or with a member of the Fortrea Group but for the fact that such employee (i) is receiving short-term or long-term disability benefits under a Labcorp U.S. Plan prior to the U.S. Benefit Transition Date, (ii) has an open workers' compensation claim and is incapacitated and unable to work their entire work schedule as of the U.S. Benefit Transition Date, or (iii) is on a USERRA leave as of the U.S. Benefit Transition Date.

"Option Exercise Price" means the pre-adjustment exercise price of the applicable Labcorp Option.

"Plan Payee" means, as to an individual who participates in a U.S. Benefit Plan or Non-U.S. Plan, such individual and such individual's dependents, beneficiaries, alternate payees and alternate recipients, as applicable under such U.S. Benefit Plan or Non-U.S. Plan.

"Post-Distribution Labcorp Share Price" means the average closing price per share of Labcorp Common Stock on NYSE (as traded on the "regular way" market), calculated to four decimal places and determined without regard to after-hours trading or any other trading outside of the regular trading session and trading hours, over the ten consecutive trading days starting with the first full trading date immediately following the Distribution Date.

"Pre-Distribution Action" means a Third-Party Claim with respect to a Labcorp Employee, Former Labcorp Employee, Labcorp Director, Fortrea Employee, Former Fortrea Employee or Fortrea Director that arises from an act, omission, or event that occurred prior to the Distribution.

"Pre-Distribution Labcorp Share Price" means the average closing price per share of Labcorp Common Stock on NYSE (as traded on the "regular way" market), calculated to four decimal places and determined without regard to after-hours trading or any other trading outside of the regular trading and session trading hours, over the ten consecutive trading days ending with the complete trading day immediately prior to the Distribution Date.

"Separation Agreement" has the meaning set forth in the Recitals.

"Transferred Leave" has the meaning set forth in Section 5.02.

"U.S. Benefit Plan" means, with respect to an entity, each plan, program, policy, agreement, arrangement or understanding that is maintained primarily for the benefit of employees in the United States and is a deferred compensation, executive compensation, incentive bonus or other bonus, pension, profit sharing, savings, retirement, severance pay, salary continuation, life, death benefit, health, hospitalization, sick leave, vacation pay, disability or accident insurance or other employee benefit plan, program, agreement or arrangement, including any "employee benefit plan" (as defined in Section 3(3) of ERISA) sponsored, maintained or contributed to by such entity or to which such entity is a party or under which such entity has any obligation; provided that (a) no equity award, nor any plan under which any such equity award is granted, will constitute a U.S. Benefit Plan under this Employee Matters Agreement and (b) no

Employment Agreement or Collective Bargaining Agreement will constitute a U.S. Benefit Plan under this Employee Matters Agreement.

"U.S. Benefit Transition Date" means May 1, 2023.

"USERRA" means the Uniformed Services Employment and Reemployment Rights Act.

"Vendor Contract" has the meaning set forth in Section 14.01.

"Welfare Plan" means each U.S. Benefit Plan that provides life insurance, health care, dental care, vision care, employee assistance programs (EAP), flexible spending, accidental death and dismemberment insurance, disability, severance, vacation, dependent care reimbursements, or other group welfare or fringe benefits or is otherwise an "employee welfare benefit plan" as described in Section 3(1) of ERISA.

Section 1.02 Other Capitalized Terms. Capitalized terms not defined in this Employee Matters Agreement, including the following, will have the meanings ascribed to them in the Separation Agreement:

- Action
- Affiliate
- Data Processing Agreement
- Distribution Date
- Excluded Liabilities
- Fortrea Business
- Fortrea Common Stock
- Fortrea Entity/Entities
- Fortrea Group
- Fortrea Liability/Liabilities
- Governmental Authority
- Labcorp Board
- Labcorp Common Stock
- Labcorp Group
- Law
- Liability/Liabilities
- Person
- Subsidiary
- Tax
- Third-Party Claim
- Transaction Documents
- Transition Services Agreement

ARTICLE II
GENERAL PRINCIPLES; EMPLOYEE TRANSFERS

Section 2.01 Labcorp Group Employee Liabilities. Except as specifically provided in this Employee Matters Agreement, the Labcorp Group will be solely responsible for (a) all employment, compensation and employee benefits Liabilities relating to Labcorp Employees, Former Labcorp Employees and Labcorp Directors, whether arising on, before or after the Distribution Date, (b) all Liabilities arising under each Labcorp U.S. Plan and Labcorp Non-U.S. Plan, whether arising on, before or after

the Distribution Date, and (c) any other Liabilities expressly assigned or allocated to a member of the Labcorp Group under this Employee Matters Agreement.

Section 2.02 Fortrea Group Employee Liabilities. Except as specifically provided in this Employee Matters Agreement, the Fortrea Group will be solely responsible for (a) all employment, compensation and employee benefits Liabilities relating to Fortrea Employees, Former Fortrea Employees and Fortrea Directors, whether arising on, before or after the Distribution Date (except with respect to any Labcorp Equity Awards held by a Fortrea Director after the Distribution Date), (b) all Liabilities arising under each Fortrea U.S. Plan and Fortrea Non-U.S. Plan, whether arising on, before or after the Distribution Date, and (c) any other Liabilities expressly assigned or allocated to a member of the Fortrea Group under this Employee Matters Agreement.

Section 2.03 Labcorp Plans/Fortrea Plans.

(a) Except as otherwise provided herein or in the Transition Services Agreement, effective as of the Distribution Date, the Labcorp Group will be exclusively responsible for administering each Labcorp U.S. Plan and Labcorp Non-U.S. Plan in accordance with its terms and for all obligations and Liabilities with respect to, and all benefits owed to participants in, the Labcorp U.S. Plans and the Labcorp Non-U.S. Plans, whether arising before, on or after the Distribution Date.

(b) Except as otherwise provided herein or in the Transition Services Agreement, effective as of the Distribution Date the Fortrea Group will be exclusively responsible for administering each Fortrea U.S. Plan and Fortrea Non-U.S. Plan in accordance with its terms and for all obligations and Liabilities with respect to, and all benefits owed to participants in, the Fortrea U.S. Plans and the Fortrea Non-U.S. Plans, whether arising before, on or after the Distribution Date.

Section 2.04 Employee Transfers.

(a) Except with respect to Delayed Transfer Employees, Labcorp will or will use its best endeavors to, on or prior to the Distribution Date (i) cause the employees of the Labcorp Group who are designated by Labcorp to transfer employment to Fortrea or a member of the Fortrea Group to be transferred to Fortrea or the appropriate member of the Fortrea Group; and (ii) cause the employees of the Fortrea Group who are designated by Labcorp to transfer employment from Fortrea or a member of the Fortrea Group to Labcorp or the appropriate member of the Labcorp Group, to be transferred to Labcorp or an appropriate member of the Labcorp Group.

(b) Labcorp and Fortrea will, and will cause their respective Subsidiaries to, work in good faith and to use their best reasonable efforts to cooperate and facilitate the relevant information and/or consultation processes required by the applicable Law of any jurisdiction as a result of any of the transactions contemplated under this Employee Matters Agreement, the Separation Agreement, or the Transaction Documents, with any works council (including any economic committee thereof), trade union and/or employee representative bodies appointed or elected to represent any Labcorp Employee, Former Labcorp Employee or Fortrea Employee or Former Fortrea Employee

and to provide such information and assistance that is necessary or appropriate to facilitate the fulfillment of such information and consultation procedures prior to the Distribution Date.

(c) The following employees will be "Delayed Transfer Employees" for purposes of this Employee Matters Agreement: (i) upon mutual agreement of Labcorp and Fortrea, any employee whose employment transfers within twelve months after the Distribution Date from the Labcorp Group to the Fortrea Group or from the Fortrea Group to the Labcorp Group because such employee was inadvertently and erroneously treated as employed by the wrong employer on the Distribution Date and who was continuously employed by a member of the Labcorp Group or the Fortrea Group (as applicable) from the Distribution Date through the date such employee commences employment with a member of the Labcorp Group or Fortrea Group (as applicable); (ii) any On-Leave U.S. Fortrea Employee, provided such employee returns to active employment within twelve months after the Distribution Date or such longer period as is required by applicable Law; and (iii) any non-U.S. employee identified by Labcorp prior to the Distribution Date whose employment transfers within twelve months after the Distribution Date from the Labcorp Group to the Fortrea Group or from the Fortrea Group to the Labcorp Group because such employee's transfer prior to the Distribution Date could not be completed (such employees described in clause (iii), "Non-U.S. Delayed Transfer Employees") in accordance with the requirements imposed by applicable Law. Notwithstanding anything herein to the contrary, no employee will be considered a Delayed Transfer Employee unless the Applicable Transfer Date of any Delayed Transfer Employee occurs on or before the date that is twelve months after the Distribution Date. Labcorp shall take all action necessary to cause any On-Leave U.S. Fortrea Employee to be transferred to a member of the Labcorp Group prior to the U.S. Benefit Transition Date.

Section 2.05 Reimbursement for On-Leave U.S. Fortrea Employees. Following the Distribution Date, the Fortrea Group shall reimburse the Labcorp Group for all Liabilities incurred by any member of the Labcorp Group with respect to any On-Leave U.S. Fortrea Employee to the extent such Liabilities would be required to be assumed by a member of the Fortrea Group under this Employee Matters Agreement if such On-Leave U.S. Fortrea Employee had been actively employed on the Distribution Date. The Labcorp Group shall invoice the Fortrea Group for such Liabilities on a monthly basis and the Fortrea Group shall reimburse the Labcorp Group for such Liabilities on a monthly basis in arrears. Such reimbursement shall continue until such On-Leave U.S. Fortrea Employee's leave ends for any reason, including due to a return to active employment or a termination of employment for any reason.

Section 2.06 Employment Agreements; Collective Bargaining Agreements. Effective as of the Distribution Date or the Applicable Transfer Date (as applicable), (a) Labcorp or a member of the Labcorp Group will retain, assume, or, to the extent required by the applicable Law of any jurisdiction, provide terms which are of substantial equivalence to, each Employment Agreement and Collective Bargaining Agreement then in effect covering any Labcorp Employee or Former Labcorp Employee and will retain all liabilities arising prior to the Distribution Date and assume all liabilities arising after the Distribution Date under each such Employment Agreement and Collective Bargaining Agreement, and (b) Fortrea or a member of the Fortrea Group will retain, assume, or to the extent required by the applicable Law of any jurisdiction, provide terms which are of substantial equivalence to each Employment Agreement and

Collective Bargaining Agreement then in effect covering any Fortrea Employee or Former Fortrea Employee and will retain all liabilities arising prior to the Distribution Date and assume all liabilities arising after the Distribution Date under each such Employment Agreement and Collective Bargaining Agreement.

ARTICLE III
NON-U.S. EMPLOYEE TRANSFERS; NON-U.S. PLANS

Section 3.01 Non-U.S. Plans. Effective as of the Distribution Date, except as otherwise provided in this Employee Matters Agreement, (i) Labcorp or a member of the Labcorp Group will retain or assume, as applicable, all Liabilities and obligations under each Labcorp Non-U.S. Plan and (ii) Fortrea or a member of the Fortrea Group will retain or assume, as appliable, all Liabilities and obligations under each Fortrea Non-U.S. Plan. Effective as of the Distribution Date or the Applicable Transfer Date (as applicable), (A) Labcorp will continue to maintain or establish Non-U.S. Plans for the benefit of Non-U.S. Labcorp Employees, and (B) Fortrea will continue to maintain or establish Non-U.S. Plans for the benefit of Non-U.S. Fortrea Employees. To the extent that the applicable Law of any jurisdiction requires that all or a portion of any Labcorp Non-U.S. Plan or Fortrea Non-U.S. Plan, as applicable, be assumed or retained by a member of the Fortrea Group or a member of the Labcorp Group, as applicable, in connection with the transactions contemplated by this Employee Matters Agreement, the Separation Agreement or the other Transaction Documents, Fortrea will cause the Fortrea Group and Labcorp will cause the Labcorp Group, to assume or retain such respective Labcorp or Fortrea Non-U.S. Plans, or portions thereof. The specific actions and obligations of the Labcorp Group and the Fortrea Group with respect to certain plans in certain non-U.S. jurisdictions are set forth on Schedule 3.01.

Section 3.02 Non-U.S. Employees. Notwithstanding anything to the contrary contained in this Employee Matters Agreement, any employee who is employed by a member of the Labcorp Group in a non-U.S. jurisdiction immediately prior to the Distribution, and who is required by applicable Law to transfer to a member of the Fortrea Group in connection with the transactions contemplated by this Employee Matters Agreement, the Separation Agreement or the other Transaction Documents, will transfer automatically or by offer and acceptance, as applicable, on or prior to the Distribution Date to Fortrea or a member of the Fortrea Group in accordance with such applicable Law and will be deemed to be a Fortrea Employee and a Non-U.S. Fortrea Employee for purposes of this Employee Matters Agreement. Notwithstanding anything to the contrary herein, the following terms will apply to all Non-U.S. Fortrea Employees:

(a) To the extent that (i) the applicable Law of any jurisdiction, (ii) any applicable Collective Bargaining Agreement, or (iii) any applicable Employment Agreement would require Fortrea or its Affiliates (including a member of the Fortrea Group) to provide any terms of employment to any Non-U.S. Fortrea Employee that are more favorable than those otherwise provided for in this Employee Matters Agreement in connection with the Distribution, then Fortrea will cause the Fortrea Group to provide such Non-U.S. Fortrea Employee with such more favorable terms. Fortrea will be responsible for Liabilities and will cause the Fortrea Group to provide all compensation or benefits (whether statutory, contractual or otherwise) to each Non-U.S. Fortrea Employee arising from or related to the transactions contemplated by this Employee Matters Agreement, the Separation Agreement, or the other Transaction Documents, or the related transfer of the employee to Fortrea or a member of the Fortrea Group.

(b) Labcorp and Fortrea agree that to the extent permitted under the applicable Laws of certain foreign jurisdictions, (i) any Employment Agreements between Labcorp and its Affiliates, and any Non-U.S. Fortrea Employee or (ii) any Collective Bargaining Agreements applicable to the Non-U.S. Fortrea Employees in such jurisdictions, will in each case have effect after the Distribution as if originally made between the Fortrea Group and the other parties to such Employment Agreement or Collective Bargaining Agreement, as applicable.

(c) Any employee who is employed by an entity that is or will, with effect from the Distribution Date, become a member of the Fortrea Group in a non-United States jurisdiction immediately prior to the Distribution, and who is required by applicable Law to transfer to a member of the Labcorp Group in connection with the transactions contemplated by this Employee Matters Agreement, the Separation Agreement or the Transaction Documents, will transfer automatically or by offer and acceptance, as applicable, on or prior to the Distribution Date to Labcorp or a member of the Labcorp Group in accordance with such applicable Law and will be deemed to be a Labcorp Employee and a Non-U.S. Labcorp Employee for the purposes of this Employee Matters Agreement. Substantially the provisions as set forth in Sections 3.02(a) and 3.02(b) between a Non-U.S Fortrea Employee and Fortrea or any member of the Fortrea Group, shall also apply to any Non-U.S. Labcorp Employee, transferred to a member of the Labcorp Group in accordance with this Section 3.02(c), and Labcorp or any member of the Labcorp Group.

ARTICLE IV
SERVICE CREDIT

Section 4.01 Service Credit for Employee Transfers. Subject to the terms of any applicable Collective Bargaining Agreement, the U.S. Benefit Plans and Non-U.S. Plans will provide the following service crediting rules effective as of the Distribution Date:

(a) From and after the Distribution Date, Fortrea will, and will cause its Affiliates (including the members of the Fortrea Group) and successors to, provide credit under the Fortrea U.S. Plans and Fortrea Non-U.S. Plans to each Fortrea Employee for service with the Labcorp Group (including, prior to the Distribution, the Fortrea Group and any predecessors of any member thereof) prior to the Distribution Date for purposes of eligibility, vesting, and benefit accrual under the appropriate Fortrea U.S. Plans and Fortrea Non-U.S. Plans in which the Fortrea Employee is otherwise eligible, subject to the terms of those plans; provided, however, that service will not be recognized to the extent that such recognition would result in the duplication of benefits.

(b) A Delayed Transfer Employee's service with the Labcorp Group or the Fortrea Group (as applicable) following the Distribution will be recognized for purposes of eligibility, vesting and benefit accrual under the appropriate Labcorp U.S. Plans or Labcorp Non-U.S. Plans or Fortrea U.S. Plans or Fortrea Non-U.S. Plans for which they are otherwise eligible, subject to the terms of those plans; provided, however, that service will not be recognized to the extent that such recognition would result in the duplication of benefits.

(c) Except as provided in Section 4.01(b), with respect to an employee hired by the Labcorp Group or the Fortrea Group after the Distribution Date, the U.S. Benefit Plans and Non-U.S. Plans of the Labcorp Group for employees hired by the Labcorp Group, or the Fortrea Group for employees hired by the Fortrea Group, will determine each such hired employee's service credit in accordance with the terms of the Labcorp Group's service restoration policies (if any) in the case of employees hired by the Labcorp Group and in accordance with the terms of the Fortrea Group's service restoration policies (if any), in the case of employees hired by the Fortrea Group.

Section 4.02 Service Credit for Statutory Rights. For the purpose of any statutory benefit accrual conferred by applicable Law (including with respect to a statutory benefit provided or memorialized under an applicable Collective Bargaining Agreement), continuous service shall be preserved for any Fortrea Employees or Labcorp Employees whose employment transfers on or prior to the Distribution Date from the Labcorp Group to the Fortrea Group or from the Fortrea Group to the Labcorp Group (as applicable), as a result of the transactions contemplated under this Employee Matters Agreement, the Separation Agreement or any Transaction Documents. Labcorp and Fortrea will cause the relevant member of the Labcorp Group or Fortrea Group to credit the service of the transferring employee, for the purposes of any rights or benefit accrual conferred by applicable Law or any Collective Bargaining Agreement.

ARTICLE V
LITIGATION AND COMPENSATION

Section 5.01 Employee-Related Litigation. Notwithstanding any provision of this Employee Matters Agreement to the contrary, Liability with respect to any Pre-Distribution Action: (a) will be a Fortrea Liability under the Separation Agreement to the extent asserted by, or arising from or relating primarily to the employment of, Fortrea Employees, Former Fortrea Employees, On-Leave U.S. Fortrea Employees and/or Fortrea Directors; and (b) will be an Excluded Liability under the Separation Agreement to the extent asserted by, or arising from or relating primarily to the employment of, Labcorp Employees, Former Labcorp Employees and/or Labcorp Directors. For the avoidance of doubt, a Pre-Distribution Action will be subject to Article IV of the Separation Agreement.

Section 5.02 Paid Leave. Subject to the terms of any applicable Collective Bargaining Agreement and except to the extent not permitted by applicable Law, Labcorp and Fortrea will cause the Fortrea Group to credit each Fortrea Employee with the amount of accrued and unpaid hours of paid leave, which may include, but is not limited to, vacation, personal days, occasional days, floating holidays and sick leave (together, the "Transferred Leave") applicable to such Fortrea Employee as of, or prior to, the Distribution Date or the Applicable Transfer Date (as applicable). Subject to the terms of any applicable Collective Bargaining Agreement and except to the extent not permitted by applicable Law, the Labcorp Group will retain responsibility for accrued but unpaid hours of paid leave, which may include, but is not limited to, vacation, personal days, occasional days, floating holidays and sick leave attributable to Labcorp Employees as of, or prior to, the Distribution Date or the Applicable Transfer Date. Notwithstanding the foregoing, in any jurisdiction where payment of the value of accrued but unused paid leave to Fortrea Employees or Labcorp Employees is required by applicable Law as of the Distribution Date, Labcorp will pay, or cause to be paid, all Transferred Leave to all Labcorp Employees and Fortrea will pay, or cause to be paid,

all Transferred Leave to all Fortrea Employees, in each case, as soon as reasonably practicable after the Distribution Date.

Section 5.03 Annual Cash Incentives. The Labcorp Group maintains the Laboratory Corporation of America Holdings Bonus Plan for eligible employees of the Labcorp Group (such plan, the "Labcorp Bonus Plan"). Effective no later than the Distribution Date, the Fortrea Group will establish an annual incentive plan for eligible employees of the Fortrea Group (such plan, the "Fortrea Bonus Plan"). For calendar year 2023, the Labcorp Group will be solely responsible for obligations under the Labcorp Bonus Plan to Labcorp Employees and will have no liability for obligations under the Labcorp Bonus Plan to Fortrea Employees. For calendar year 2023, Fortrea shall assume under the Fortrea Bonus Plan the obligation to make bonus payments in respect of calendar year 2023 to Fortrea Employees who had been participants in the Labcorp Bonus Plan as of the Distribution Date, or the Applicable Transfer Date. For periods following 2023, the Labcorp Group will be responsible for any payments owed under the Labcorp Bonus Plan and the Fortrea Group will be responsible for any payments owed under the Fortrea Bonus Plan for performance periods beginning after the Distribution Date or Applicable Transfer Date, as applicable.

ARTICLE VI
CERTAIN WELFARE BENEFIT PLAN MATTERS

For the avoidance of doubt Articles VI through IX of this Employee Matters Agreement do not apply to any non-U.S. employees unless stated otherwise.

Section 6.01 Fortrea Spinoff Welfare Plans.

(a) The Labcorp Group and the Labcorp U.S. Plan that provides retiree welfare benefits to Former Fortrea Employees and Former Labcorp Employees (such plan, the "Labcorp Retiree Welfare Plan") will retain responsibility, in accordance with the terms of the Labcorp Retiree Welfare Plan, for providing retiree welfare benefits to Former Fortrea Employees who, as of the Distribution Date, are enrolled in the Labcorp Retiree Welfare Plan or are eligible and have elected to participate in the Labcorp Retiree Welfare Plan ("Fortrea Retirees"), and the Labcorp Group and Labcorp Retiree Welfare Plan will remain responsible for all claims incurred by such Fortrea Retirees under the Labcorp Retiree Welfare Plan (whether incurred before, on, or after the Distribution Date). The Labcorp Group will also take action to amend the Labcorp Retiree Welfare Plan as necessary to provide future retiree welfare benefits to Fortrea Employees who would otherwise have been eligible to receive retiree welfare benefits on their future retirement but for the fact that they were not covered under an active Labcorp Group medical plan immediately prior to their retirement. The Labcorp Group and the Labcorp Retiree Welfare Plan will retain responsibility for providing the applicable benefits under the Labcorp Retiree Welfare Plan to Former Labcorp Employees and Labcorp Employees.

(b) Effective as of the U.S. Benefit Transition Date, Fortrea or a member of the Fortrea Group will establish certain plans that are group health or welfare benefit plans (such plans, the "Fortrea Spinoff Welfare Plans"), which have terms and features (including benefit coverage options and employer contribution provisions, but excluding retiree welfare benefits) that are, to the greatest extent practicable substantially similar to the corresponding Labcorp Plans (such Labcorp Plans, the "Labcorp Welfare Plans") such that (for the

avoidance of doubt) each Labcorp Welfare Plan is, to the greatest extent practicable, substantially replicated by a corresponding Fortrea Spinoff Welfare Plan, other than with respect to retiree welfare benefits. From and after the U.S. Benefit Transition Date or Applicable Transfer Date, Fortrea will cause each Fortrea Spinoff Welfare Plan to cover those Fortrea Employees and their respective Plan Payees, who immediately prior to the U.S. Benefit Transition Date or Applicable Transfer Date were participating in, or entitled to present or future benefits under the corresponding Labcorp Welfare Plan.

(c) Notwithstanding the foregoing, with respect to any severance benefits owed to any Labcorp Employee or Former Labcorp Employee under a U.S. Benefit Plan as a result of a termination of employment occurring on or prior to the Distribution Date, the Labcorp Group and the applicable Labcorp Welfare Plans will be solely responsible for all such severance benefits. With respect to any severance benefits owed to any Fortrea Employee or Former Fortrea Employee under a U.S. Benefit Plan as a result of a termination of employment occurring on or prior to the Distribution Date, Fortrea and the applicable Fortrea Spinoff Welfare Plans will be solely responsible for all such severance benefits.

(d) The Fortrea Group and/or the Fortrea Spinoff Welfare Plans (as applicable) will be solely responsible for all claims incurred by Fortrea Employees, Former Fortrea Employees and their Plan Payees under the Fortrea Spinoff Welfare Plans before, on and after the U.S. Benefit Transition Date or Applicable Transfer Date. Except as specifically provided in this Employee Matters Agreement, effective as of the U.S. Benefit Transition Date or Applicable Transfer Date, Labcorp will cause Fortrea Employees and their Plan Payees to cease to be covered by the Labcorp Welfare Plans. The Labcorp Group and/or the Labcorp Welfare Plans will remain solely responsible for all claims incurred by Labcorp Employees, Former Labcorp Employees and their Plan Payees under the Labcorp Welfare Plans, whether incurred before, on, or after the Distribution Date.

(e) For purposes of this Section 6.01, a claim will be deemed “incurred” on the date that the event that gives rise to the claim occurs (for purposes of life insurance, severance, sickness, accident and disability programs) or on the date that treatment or services are provided (for purposes of health care programs).

Section 6.02 Continuation of Elections. As of the U.S. Benefit Transition Date, or Applicable Transfer Date, as applicable, Fortrea will cause the Fortrea Spinoff Welfare Plans to recognize elections and designations (including, without limitation, all coverage and contribution elections and beneficiary designations, all continuation coverage and conversion elections, and all qualified medical child support orders and other orders issued by courts of competent jurisdiction) in effect with respect to the Fortrea Employees prior to the U.S. Benefit Transition Date or, if later, the Applicable Transfer Date, under the corresponding Labcorp Welfare Plans, to the extent such elections and designations and orders are applicable to such Fortrea Spinoff Welfare Plan, and apply and maintain in force comparable elections and designations and orders under the Fortrea Spinoff Welfare Plans for the remainder of the period or periods for which such elections or designations are by their original terms effective.

Section 6.03 Deductibles and Preexisting Conditions. As of the U.S. Benefit Transition Date or Applicable Transfer Date, Fortrea will cause the Fortrea Spinoff Welfare Plans to recognize all amounts applied to deductibles, co-payments and out-of-

pocket maximums with respect to Fortrea Employees under the corresponding Labcorp Welfare Plan during the plan year in which the U.S. Benefit Transition Date or the Applicable Transfer Date (as applicable) occurs, and the Fortrea Spinoff Welfare Plans will not impose any limitations on coverage for preexisting conditions other than such limitations as were applicable under the corresponding Labcorp Welfare Plan prior to the U.S. Benefit Transition Date or the Applicable Transfer Date (as applicable).

Section 6.04 Workers' Compensation. As of the U.S. Benefit Transition Date, the Labcorp Group will be solely responsible for all workers' compensation benefits incurred under a workers' compensation policy sponsored by the Labcorp Group and the Fortrea Group will be solely responsible for all workers' compensation benefits incurred under a workers' compensation policy sponsored by the Fortrea Group.

Section 6.05 Flexible Spending Account Treatment. With respect to the portion of a Labcorp Welfare Plan that consists of health care and dependent care flexible spending accounts (the "Labcorp Flexible Account Plan"), as of the U.S. Benefit Transition Date or the Applicable Transfer Date (as applicable), Fortrea will be solely responsible for all liabilities with respect to Fortrea Employees, and the applicable Fortrea Spinoff Welfare Plan (the "Fortrea Flexible Account Plan") will give effect to the elections of Fortrea Employees that were in effect under the corresponding Labcorp Flexible Account Plan as of the U.S. Benefit Transition Date or Applicable Transfer Date (as applicable). As soon as practicable following the U.S. Benefit Transition Date or the Applicable Transfer Date (as applicable), Labcorp will transfer to Fortrea in cash an amount equal to the total amount that Fortrea Employees have contributed to the Labcorp Flexible Account Plan through the U.S. Benefit Transition Date or Applicable Transfer Date for the calendar year that includes the U.S. Benefit Transition Date or Applicable Transfer Date less all amounts that have been paid from Labcorp Flexible Account Plan through the U.S. Benefit Transition Date or Applicable Transfer Date for health care and dependent care claims incurred by the Fortrea Employees in the calendar year that includes the U.S. Benefit Transition Date or Applicable Transfer Date (such difference, the "Flex Plan Amount"). If the Flex Plan Amount is less than $0, as soon as practicable after the U.S. Benefit Plan Transition Date or the Applicable Transfer Date (as applicable), Fortrea will transfer to Labcorp in cash an amount equal to all amounts that have been paid from the Labcorp Flexible Account Plan through the U.S. Benefit Plan Transition Date or Applicable Transfer Date, as applicable, for health care expenses and dependent care claims incurred by the Fortrea Employees in the calendar year that includes the U.S. Benefit Plan Transition Date or Applicable Transfer Date less the total amount that Fortrea Employees have contributed to the Labcorp Flexible Account Plan through the U.S. Benefit Plan Transition Date or Applicable Transfer Date for the calendar year that includes the U.S. Benefit Plan Transition Date or Applicable Transfer Date. After the U.S. Benefit Plan Transition Date or the Applicable Transfer Date (as applicable), the Fortrea Flexible Account Plan will be responsible for reimbursement of all previously unreimbursed health care expenses and dependent care claims incurred by Fortrea Employees, regardless of when the claims were incurred.

Section 6.06 Health Reimbursement Account Treatment. With respect to the portion of a Labcorp Welfare Plan that consists of health reimbursement arrangement accounts (the "Labcorp HRA Plan"), as of the U.S. Benefit Plan Transition Date or the Applicable Transfer Date (as applicable), Fortrea and the applicable Fortrea Spinoff Welfare Plan (the "Fortrea HRA Plan") will be solely responsible for all liabilities with respect to the accumulated account balances of Fortrea Employees in the Labcorp HRA Plan. As soon as practicable following the U.S. Benefit Transition Date or the Applicable

Transfer Date (as applicable), Labcorp will transfer to Fortrea in cash an amount equal to the total unused account balance attributable to each Fortrea Employee in the Labcorp HRA Plan.

Section 6.07 COBRA. Effective as of the U.S. Benefit Plan Transition Date or Applicable Transfer Date, Fortrea or a member of the Fortrea Group will assume or will cause the Fortrea Spinoff Welfare Plans to assume sole responsibility for compliance with COBRA after the U.S. Benefit Plan Transition Date or Applicable Transfer Date for all Fortrea Employees (other than Fortrea Retirees), and their "qualified beneficiaries" for whom a "qualifying event" occurs after the U.S. Benefit Plan Transition Date or the Applicable Transfer Date; provided, however, that Labcorp or a member of the Labcorp Group will be responsible for furnishing any election notice required under COBRA to any Fortrea Transferee for any qualifying events occurring on or prior to the U.S. Benefit Plan Transition Date or the Applicable Transfer Date. Labcorp, the Labcorp Group, or a Labcorp Welfare Plan will remain solely responsible for compliance with COBRA before, on and after the U.S. Benefit Transition Date or Applicable Transfer Date for all Labcorp Employees, Former Labcorp Employees, Former Fortrea Employees, Fortrea Retirees and their "qualified beneficiaries"; provided, however, that Fortrea or a member of the Fortrea Group will be responsible for furnishing any election notice required under COBRA to any Labcorp Transferee for any qualifying events occurring on or after to the U.S. Benefit Transition Date or the Applicable Transfer Date. The terms "qualified beneficiaries" and "qualifying event" will have the meanings given to them under Code Section 4980B and ERISA Sections 601-608. The Fortrea Group shall reimburse the Labcorp Group for all Liabilities incurred by any member of the Labcorp Group with respect to providing COBRA coverage to any Fortrea Employees, Former Fortrea Employees (other than Fortrea Retirees) and their "qualified beneficiaries" after the Distribution Date, regardless of when the COBRA qualifying event occurred, to the extent such Liabilities are in excess of applicable COBRA premiums and not covered by any Labcorp stop-loss policy. The Labcorp Group shall invoice the Fortrea Group for such Liabilities on a monthly basis and the Fortrea Group shall reimburse the Labcorp Group for such Liabilities on a monthly basis in arrears.

ARTICLE VII
DEFINED BENEFIT PLANS

Section 7.01 U.S. Pension Plans.

From and after the Distribution Date, Labcorp and the Labcorp Group will retain all assets and Liabilities under the Laboratory Corporation of America Holdings Cash Balance Retirement Plan, a tax qualified defined benefit plan, and the Laboratory Corporation of America Amended and Restated New Pension Equalization Plan, a non-qualified supplemental plan (collectively, the "Labcorp U.S. Pension Plans").

ARTICLE VIII
U.S. TAX-QUALIFIED DEFINED CONTRIBUTION PLANS

Section 8.01 U.S. Savings Plans.

(a) Effective as of the U.S. Benefit Transition Date, Fortrea or another member of the Fortrea Group will adopt and establish a defined contribution plan that is intended to qualify under Code Section 401(a), and a related trust that is intended to be exempt under Code Section 501(a) (such plan and trust, collectively, the "Fortrea Spinoff 401(k) Plan"), which will have terms and features

that are substantially similar to the terms and features of the Laboratory Corporation of America Holdings Employees' 401(k) Plan (the "Labcorp 401(k) Plan") such that (for the avoidance of doubt) the Labcorp 401(k) Plan is substantially replicated by the Fortrea Spinoff 401(k) Plan. From and after the U.S. Benefit Transition Date, Fortrea will, or will cause a member of the Fortrea Group to, cause the Fortrea Spinoff 401(k) Plan to cover any Fortrea Employee (other than any On-Leave U.S. Fortrea Employee) who, as of immediately prior to the U.S. Benefit Transition Date, participates in or has an account under the Labcorp 401(k) Plan. Fortrea or a member of the Fortrea Group will be solely responsible for taking all necessary, reasonable, and appropriate actions (including the submission of the Fortrea Spinoff 401(k) Plan to the Internal Revenue Service for a determination of tax-qualified status, unless the Fortrea Spinoff 401(k) Plan is a preapproved or volume submitter plan) to establish, maintain and administer the Fortrea Spinoff 401(k) Plan so that it is qualified under Section 401(a) of the Code and that the related trust thereunder is exempt under Section 501(a) of the Code. The Fortrea Spinoff 401(k) Plan will assume liability for all benefits accrued or earned (whether or not vested) by Fortrea Employees under the Labcorp 401(k) Plan as of immediately prior to the U.S. Benefit Transition Date or the Applicable Transfer Date (as applicable).

(b) On or as soon as reasonably practicable following each of the U.S. Benefit Transition Date and the Applicable Transfer Date (as applicable), Labcorp or another member of the Labcorp Group will cause the Labcorp 401(k) Plan to transfer to the Fortrea Spinoff 401(k) Plan, and Fortrea or another member of the Fortrea Group will cause the Fortrea Spinoff 401(k) Plan to accept the transfer of, the accounts (including unvested account balances and loans), related liabilities and related assets in the Labcorp 401(k) Plan attributable to Fortrea Employees and their respective Plan Payees. The transfer of assets will be in cash or in kind (as determined by the transferor) and include outstanding loan balances and be conducted in accordance with Code Section 414(l) and Treasury Regulation Section 1.414(l)-1 and Section 208 of ERISA.

Section 8.02 Continuation of Elections. As of the U.S. Benefit Transition Date or the Applicable Transfer Date (as applicable), Fortrea (acting directly or through a member of the Fortrea Group) will cause the Fortrea Spinoff 401(k) Plan to recognize and maintain all elections, including investment elections that remain applicable after the Distribution and payment form elections, beneficiary designations, and the rights of alternate payees under qualified domestic relations orders with respect to Fortrea Employees and their respective Plan Payees under the Labcorp 401(k) Plan.

Section 8.03 Contributions Due. All amounts payable to the Labcorp 401(k) Plan with respect to employee deferrals, matching contributions and employer contributions for Fortrea Employees relating to a time period ending on or prior to the U.S. Benefit Transition Date, determined in accordance with the terms and provisions of the applicable Labcorp 401(k) Plan, ERISA and the Code, will be paid by Labcorp or another member of the Labcorp Group to the Labcorp 401(k) Plan prior to the date of any asset transfer described in Section 8.01(b).

ARTICLE IX
NONQUALIFIED RETIREMENT PLANS

Section 9.01 Treatment of Deferred Compensation Plans.

(a) Effective as of the Distribution Date, Labcorp or another member of the Labcorp Group will establish a deferred compensation plan with terms and features substantially similar to the frozen Covance Elective Deferral Plan (such new plan the "Covance Elective Deferral Plan for Labcorp Employees") for the benefit of Labcorp Employees, Former Labcorp Employees, Former Fortrea Employees and Labcorp Directors who participated in and have a notional account balance in the frozen Covance Elective Deferral Plan. Fortrea or another member of the Fortrea Group will assign and transfer (and Labcorp or another member of the Labcorp Group will accept) the notional account balances and related liabilities of Labcorp Employees, Former Labcorp Employees, Former Fortrea Employees and Labcorp Directors (as applicable) from the frozen Covance Executive Deferral Plan to the Covance Elective Deferral Plan for Labcorp Employees. From and after the Distribution Date, Labcorp and the Labcorp Group will be solely and exclusively responsible for all obligations and liabilities with respect to, or in any way related to, the Covance Elective Deferral Plan for Labcorp Employees, Former Labcorp Employees, Former Fortrea Employees and Labcorp Directors, whether earned or accrued before, on or after the Distribution Date.

(b) Effective as of the Distribution Date, Fortrea or another member of the Fortrea Group will establish a deferred compensation plan with terms and features substantially similar to the Labcorp Nonqualified Deferred Compensation Plan (effective January 1, 2022) (such new plan the "Fortrea Nonqualified Deferred Compensation Plan") for the benefit of Fortrea Employees and Fortrea Directors who participated in and have a notional account balance in the Labcorp Nonqualified Deferred Compensation Plan. Labcorp or another member of the Labcorp Group will assign and transfer (and Fortrea or another member of the Fortrea Group will accept) the notional account balances and related liabilities of Fortrea Employees and Fortrea Directors (as applicable) from the Labcorp Nonqualified Deferred Compensation Plan to the Fortrea Nonqualified Deferred Compensation Plan. From and after the Distribution Date, Fortrea and the Fortrea Group will be solely and exclusively responsible for all obligations and liabilities with respect to, or in any way related to, the Fortrea Nonqualified Deferred Compensation Plan for Fortrea Employees and Fortrea Directors, whether earned or accrued before, on or after the Distribution Date.

(c) From and after the Distribution Date, (i) Labcorp and the Labcorp Group will be solely and exclusively responsible for all obligations and liabilities with respect to, or in any way related to, the nonqualified retirement plans sponsored or maintained by a member of the Labcorp Group (including, but not limited to, the Labcorp NQDC Plans); and (ii) Fortrea and the Fortrea Group will be solely and exclusively responsible for all obligations and liabilities with respect to, or in any way related to, the nonqualified retirement plans sponsored or maintained by a member of the Fortrea Group (including, but not limited to, the Fortrea NQDC Plans).

Section 9.02 No Distributions on Separation. Labcorp and Fortrea acknowledge that neither the Distribution nor any of the other transactions contemplated by this Employee Matters Agreement, the Separation Agreement or the other Transaction Documents, in and of themselves, will trigger a payment or distribution of compensation under any U.S. Benefit Plan that is a nonqualified retirement plan for any Labcorp Employee, Fortrea Employee, Former Labcorp Employee, Former Fortrea Employee, Labcorp Director or Fortrea Director and, consequently, that the payment or

distribution of any compensation to which any Labcorp Employee, Fortrea Employee, Former Labcorp Employee, Former Fortrea Employee, Labcorp Director or Fortrea Director is entitled under any such U.S. Benefit Plan will occur upon such individual's separation from service from the Labcorp Group or the Fortrea Group, as applicable, or at such other time as specified in the applicable U.S. Benefit Plan.

Section 9.03 Section 409A. Labcorp and Fortrea will cooperate in good faith so that neither the Distribution nor any of the transfers contemplated by this Article IX will result in adverse Tax consequences under Code Section 409A to any current or former employee or director of any member of the Labcorp Group or any member of the Fortrea Group, or their respective Plan Payees, in respect of his or her benefits under any Labcorp U.S. Plan or Fortrea U.S. Plan, Employment Agreement or equity award.

Section 9.04 Delayed Transfer Employees. Any Fortrea Transferee will be treated in the same manner as a Fortrea Employee under this Article IX, except that such Fortrea Transferee may experience a "separation from service" (within the meaning of Code Section 409A) on his or her Applicable Transfer Date.

ARTICLE X
EQUITY PLANS

Section 10.01 Outstanding Labcorp Equity Awards.

(a) Each Labcorp Equity Award that is outstanding as of immediately prior to the Distribution will be adjusted as described below, so that each Labcorp Equity Award held by a Labcorp Participant will be adjusted to be an Adjusted Labcorp Equity Award, and each Labcorp Equity Award held by a Fortrea Participant will be adjusted and converted into a Fortrea Equity Award, unless otherwise provided in this Section 10.01(a); provided, however, that, effective immediately prior to the Distribution, the CHC Committee (or such other committee of the Labcorp Board authorized by the Labcorp Board or such other delegate as authorized by the CHC Committee or such other committee) may provide for different adjustments with respect to some or all of a holder's Labcorp Equity Awards. For greater certainty, any adjustments made by the Labcorp Board, the CHC Committee (or such other committee of the Labcorp Board authorized by the Labcorp Board, or such other delegate as authorized by the CHC Committee or such other committee) will be deemed incorporated by reference herein as if fully set forth below and will be binding on the parties hereto and their respective Subsidiaries.

(i) With respect to Labcorp RSUs:

(A) Labcorp RSUs held by each Labcorp Participant will be adjusted, effective as of the Distribution Date and immediately prior to the Distribution, pursuant to the adjustment provisions of the Labcorp Equity Plan, and will be subject to substantially the same terms, vesting conditions and other restrictions, if any, that were applicable to such Labcorp RSUs immediately prior to the Distribution Date (the "Adjusted Labcorp RSUs"). The number of unvested shares of Labcorp Common Stock subject to the Adjusted Labcorp RSUs will be equal to the product (rounded up to the nearest whole share, except where applicable Law requires otherwise) of (1) the number of unvested shares of Labcorp Common Stock subject to the Labcorp RSU held by the Labcorp

Participant immediately prior to the Distribution Date and (2) a fraction, (x) the numerator of which is the Pre-Distribution Labcorp Share Price and (y) the denominator of which is the Post-Distribution Labcorp Share Price.

(B) Labcorp RSUs held by each Fortrea Participant will, effective as of the Distribution Date and immediately prior to the Distribution, be adjusted and converted into an award of Fortrea RSUs. Pursuant to the adjustment provisions of the Labcorp Equity Plan, the award of Fortrea RSUs will be subject to substantially the same terms, vesting conditions and other restrictions, if any, that were applicable to the Labcorp RSUs immediately prior to the Distribution Date. The number of unvested shares of Fortrea Common Stock subject to such Fortrea RSUs for each such Fortrea Participant will be equal to the product (rounded up to the nearest whole share, except where applicable Law requires otherwise) of (1) the number of unvested shares of Labcorp Common Stock subject to such Labcorp RSUs held by such Fortrea Participant immediately prior to the Distribution Date and (2) a fraction, (x) the numerator of which is the Pre-Distribution Labcorp Share Price and (y) the denominator of which is the Fortrea Share Price.

(ii) Each Labcorp Performance Share Award generally will be adjusted in the manner described below, effective as of the Distribution Date and immediately prior to the Distribution, pursuant to the adjustment provisions of the Labcorp Equity Plan, so that immediately following the Distribution each Labcorp Performance Share Award holder who is a Labcorp Participant will hold Adjusted Labcorp Performance Share Awards, and each Labcorp Performance Share Award holder who is a Fortrea Participant will hold Fortrea Performance Share Awards, in each case, in lieu of the Labcorp Performance Share Awards previously held.

(A) The following adjustments will be applied to each outstanding Labcorp Performance Share Award with a performance period relating to fiscal years 2021 to 2023 (any such award, the "Labcorp 2021-2023 Performance Share Award"), effective as of the Distribution Date and immediately prior to the Distribution:

(1) The determination of whether any portion of a Labcorp 2021-2023 Performance Share Award held by a Labcorp Participant or by a Fortrea Participant has been earned will be made based upon the achievement of the applicable performance criteria measured prior to or as of the Distribution Date. Such determination will be made by the CHC Committee in accordance with the Labcorp Equity Plan. Any portion of the Labcorp 2021-2023 Performance Share Award that is not earned as of the Distribution Date will be cancelled and forfeited without the payment of any consideration. Any portion of the Labcorp 2021-2023 Performance Share Award that is earned will be adjusted as follows:

(a) The earned portion of any Labcorp 2021-2023 Performance Share Award held by each Labcorp Participant will, effective as of the Distribution Date and immediately prior to the Distribution, pursuant to the adjustment provisions of the Labcorp Equity Plan, be adjusted by converting the award into a time-based vesting restricted

stock unit award covering Labcorp Common Stock and subject to substantially the same terms as the Labcorp 2021-2023 Performance Share Award, except that such restricted stock units awards will vest in full on the 30th day following Labcorp's filing of an annual report with the SEC on Form 10-K that includes or incorporates by reference audited financial statements with respect to the three-year period ending December 31, 2023 (subject to continued employment or service with Labcorp or its subsidiary through such date), will not be subject to the achievement of any additional performance criteria, and will be settled in no event later than December 31, 2024 (such award, an "Adjusted Labcorp 2021-2023 Performance Share Award"). The number of shares of Labcorp Common Stock subject to each such Adjusted Labcorp 2021-2023 Performance Share Award for each such Labcorp Participant will be equal to the product (which will be rounded up to the nearest whole share, except where applicable Law requires otherwise) of (I) the number of shares of Labcorp Common Stock subject to the earned portion of each such Labcorp 2021-2023 Performance Share Award, as determined by the CHC Committee, and (II) a fraction, (x) the numerator of which is the Pre-Distribution Labcorp Share Price and (y) the denominator of which is the Post-Distribution Labcorp Share Price.

(b) The earned portion of any Labcorp 2021-2023 Performance Share Award held by each Fortrea Participant will, effective as of the Distribution Date and immediately prior to the Distribution, pursuant to the adjustment provisions of the Labcorp Equity Plan, be adjusted by converting the award into a time-based vesting restricted stock unit award covering Fortrea Common Stock and subject to substantially the same terms as the underlying Labcorp 2021-2023 Performance Share Award, except that such restricted stock units awards will vest in full on the 30th day following Labcorp's filing of an annual report with the SEC on Form 10-K that includes or incorporates by reference audited financial statements with respect to the three-year period ending December 31, 2023 (subject to continued employment or service with Fortrea or its subsidiary through such date), will not be subject to the achievement of any additional performance criteria, and will be settled in no event later than December 31, 2024 (the "Fortrea 2021-2023 Performance Share Awards"). The number of shares of Fortrea Common Stock subject to such Fortrea 2021-2023 Performance Share Award for each such Fortrea Participant will be equal to the product (which will be rounded up to the nearest whole share, except where appliable Law requires otherwise) of (I) the number of shares of Labcorp Common Stock subject to the earned portion of each such Labcorp 2021-2023 Performance Share Award, as determined by the CHC Committee, and (II) a fraction, (x) the numerator of which is the Pre-Distribution Labcorp Share Price and (y) the denominator of which is the Fortrea Share Price.

(A) The following adjustments will be applied to each outstanding Labcorp Performance Share Award with a performance period relating to fiscal years 2022 to 2024 (any such award, a "Labcorp 2022-2024 Performance Share Award"), effective as of the Distribution Date and immediately prior to the Distribution:

(1) Labcorp 2022-2024 Performance Share Awards held by each Labcorp Participant will be adjusted, effective as of the Distribution Date and immediately prior to the Distribution, pursuant to the adjustment provisions of the Labcorp Equity Plan, and will be subject to substantially the same terms, vesting conditions and other restrictions, if any, that were applicable to such Labcorp 2022-2024 Performance Share Award immediately prior to the Distribution Date (the "Adjusted Labcorp 2022-2024 Performance Share Awards"); provided, however, that (x) the number of unvested shares of Labcorp Common Stock subject to the Adjusted Labcorp 2022-2024 Performance Share Awards will be equal to the product (rounded up to the nearest whole share, except where applicable Law requires otherwise) of (a) the number of unvested shares of Labcorp Common Stock subject to the Labcorp 2022-2024 Performance Share Award held by the Labcorp Participant immediately prior to the Distribution Date and (b) a fraction, (i) the numerator of which is the Pre-Distribution Labcorp Share Price and (ii) the denominator of which is the Post-Distribution Labcorp Share Price, and (y) the performance goals for the performance criteria set forth in Exhibit A of each award agreement pertaining to the Labcorp 2022-2024 Performance Share Awards as they pertain to Labcorp Participants will be adjusted by the CHC Committee in its discretion such that the business units comprising Fortrea will be treated as though they were discontinued operations, for purposes of measuring achievement of the performance criteria.

(2) Labcorp 2022-2024 Performance Share Awards held by each Fortrea Participant will be adjusted, effective as of the Distribution Date and immediately prior to the Distribution, pursuant to the adjustment provisions of the Labcorp Equity Plan, as follows (the "Fortrea 2022-2024 Performance Share Awards"):

(x) As to 50% of the target number of shares subject to the Labcorp 2022-2024 Performance Share Awards (the "First 2022-2024 Tranche"), the determination of whether any portion of the First 2022-2024 Tranche held by a Fortrea Participant has been earned will be made based upon the achievement of the applicable performance criteria measured prior to or as of the Distribution Date. Such determination will be made by the CHC Committee in accordance with the applicable Labcorp Equity Plan. Any portion of the First 2022-2024 Tranche that is not earned as of the Distribution Date will be cancelled and forfeited without the payment of any consideration. Any portion of the First 2022-2024 Tranche that is earned will be adjusted by converting such portion into a time-based vesting restricted stock unit award covering Fortrea Common Stock and subject to substantially the same terms as the underlying Labcorp 2022-2024 Performance Share Award, except that such restricted stock unit awards will vest in full on the 30th day following Labcorp's filing of an annual report with the SEC on Form 10-K that includes or incorporates by reference audited financial statements with respect to the

three-year period ending December 31, 2024 (subject to continued employment or service with Fortrea or its subsidiary through such date), will not be subject to the achievement of any additional performance objectives, and will be settled in no event later than December 31, 2025. The number of shares of Fortrea Common Stock subject to the First 2022-2024 Tranche of such Fortrea 2022-2024 Performance Share Award for each such Fortrea Participant will be equal to the product (which will be rounded up to the nearest whole share, except where applicable Law requires otherwise) of (a) the number of shares of Labcorp Common Stock subject to the earned portion of the First 2022-2024 Tranche, as determined by the CHC Committee, and (b) a fraction, the numerator of which is the Pre-Distribution Labcorp Share Price and the denominator of which is the Fortrea Share Price

(y) As to the remaining 50% of the target number of shares subject to the Labcorp 2022-2024 Performance Award (the "Second 2022-2024 Tranche"), such tranche will, effective as of the Distribution Date and immediately prior to the Distribution, be adjusted and converted into a performance share award over Fortrea Common Stock, and will be subject to substantially the same terms, vesting conditions and other restrictions, if any, that were applicable to such Labcorp 2022-2024 Performance Share Award immediately prior to the Distribution Date; provided, however that (a) the number of unvested shares of Fortrea Common Stock subject to the Second 2022-2024 Tranche for each such Fortrea Participant will be equal to the product (rounded up to the nearest whole share, except where applicable Law requires otherwise) of (i) the number of unvested shares of Labcorp Common Stock subject to the Second 2022-2024 Tranche held by such Fortrea Participant immediately prior to the Distribution Date and (ii) a fraction, (A) the numerator of which is the Pre-Distribution Labcorp Share Price and (B) the denominator of which is the Fortrea Share Price, and (b) the performance goals for the performance criteria set forth in Exhibit A of each award agreement pertaining to the Labcorp 2022-2024 Performance Share Awards as they pertain to Fortrea Participants will be subject to the satisfaction of performance criteria established by the CHC Committee in its sole discretion prior to the Distribution Date, and subject to further review and modification by Fortrea after the Distribution Date. For purposes of clarification, any performance shares subject to the Second 2022-2024 Tranche that are earned will be paid to the Fortrea Participant in no event later than December 31, 2025.

(B) The following adjustment will be applied to each outstanding Labcorp Performance Share Award with a performance period relating to fiscal years 2023 to 2025 (any such award, a "Labcorp 2023-2025

Performance Share Award"), effective as of the Distribution Date and immediately prior to the Distribution:

(1) Labcorp 2023-2025 Performance Share Awards held by each Labcorp Participant will be adjusted, effective as of the Distribution Date and immediately prior to the Distribution, pursuant to the adjustment provisions of the Labcorp Equity Plan, and will be subject to substantially the same terms, vesting conditions and other restrictions, if any, that were applicable to such Labcorp 2023-2025 Performance Share Award immediately prior to the Distribution Date (the "Adjusted Labcorp 2023-2025 Performance Share Awards"); provided, however, that (x) the number of unvested shares of Labcorp Common Stock subject to the Adjusted Labcorp 2023-2025 Performance Share Awards will be equal to the product (rounded up to the nearest whole share, except where applicable Law requires otherwise) of (a) the number of unvested shares of Labcorp Common Stock subject to the Labcorp 2023-2025 Performance Share Award held by the Labcorp Participant immediately prior to the Distribution Date and (b) a fraction, (i) the numerator of which is the Pre-Distribution Labcorp Share Price and (ii) the denominator of which is the Post-Distribution Labcorp Share Price, and (y) the performance goals for the performance criteria set forth in Exhibit A of each award agreement pertaining to the Labcorp 2023-2025 Performance Share Awards as they pertain to Labcorp Participants will be adjusted such that the business units comprising Fortrea will be treated as though they were discontinued operations and all performance goals will be adjusted by the CHC Committee in its discretion, for purposes of measuring achievement of the performance criteria.

(2) Labcorp 2023-2025 Performance Share Awards held by each Fortrea Participant will, effective as of the Distribution Date and immediately prior to the Distribution, be adjusted and converted into Fortrea 2023-2025 Performance Share Awards. Pursuant to the adjustment provisions of the Labcorp Equity Plan, the Labcorp 2023-2025 Performance Share Awards will be subject to substantially the same terms, vesting conditions and other restrictions, if any, that were applicable to such Labcorp 2023-2025 Performance Share Awards immediately prior to the Distribution Date; provided, however that (x) the number of unvested shares of Fortrea Common Stock subject to such Fortrea 2023-2025 Performance Share Awards for each such Fortrea Participant will be equal to the product (rounded up to the nearest whole share, except where applicable Law requires otherwise) of (a) the number of unvested shares of Labcorp Common Stock subject to such Labcorp 2023-2025 Performance Share Awards held by such Fortrea Participant immediately prior to the Distribution Date and (b) a fraction, (i) the numerator of which is the Pre-Distribution Labcorp Share Price and (ii) the denominator of which is the Fortrea Share Price, and (y) the performance goals for the performance criteria set forth in Exhibit A of each award agreement pertaining to the Labcorp 2023-2025 Performance Share Awards as they pertain to Fortrea Participants will be subject to the satisfaction of

performance criteria established by the CHC Committee in its sole discretion prior to the Distribution Date, and subject to further review and modification by Fortrea after the Distribution Date. For purposes of clarification, any performance shares subject to the Fortrea 2023-2025 Performance Share Award that are earned will be paid to the Fortrea Participant in no event later than December 31, 2025.

(i) Each Labcorp Option generally will be adjusted in the manner described below, effective as of the Distribution Date and immediately prior to the Distribution, pursuant to the adjustment provisions of the Labcorp Equity Plan, so that immediately following the Distribution each Labcorp Option holder who is a Labcorp Participant will hold Adjusted Labcorp Options, in lieu of the Labcorp Options previously held. For the sake of clarity, there are no Fortrea Participants who hold Labcorp Options. The following procedure will generally be applied to each Labcorp Option held by a Labcorp Participant as of the Distribution Date:

(A) Each Adjusted Labcorp Option will have an exercise price equal to the product (rounded up to the nearest cent) of (1) the applicable Option Exercise Price multiplied by (2) a fraction, (x) the numerator of which is the Post-Distribution Labcorp Share Price and (y) the denominator of which is the Pre-Distribution Labcorp Share Price. The number of shares of Labcorp Common Stock subject to the Adjusted Labcorp Options will be equal to the product (rounded down to the nearest whole share) of (a) the number of shares subject to the Labcorp Option held by such Labcorp Participant immediately prior to the Distribution Date and (b) a fraction, (i) the numerator of which is the Pre-Distribution Labcorp Share Price and (ii) the denominator of which is the Post-Distribution Labcorp Share Price. Such Adjusted Labcorp Options will be subject to the same vesting requirements and dates and other terms and conditions as the Labcorp Options to which they relate.

(c) If an Adjusted Labcorp Equity Award or Fortrea Equity Award is subject to accelerated vesting in connection with a change in control or a separation from service, a change in control or separation from service will be deemed to have occurred (i) with respect to an Adjusted Labcorp Equity Award, only upon a change in control of, or separation from service with, Labcorp (as defined in the applicable equity incentive plan or award agreement) and (ii) with respect to a Fortrea Equity Award, only upon a change in control of, or separation from service with, Fortrea (as defined in the applicable equity incentive plan or award agreement).

(d) Prior to the Distribution Date, Fortrea will establish the Fortrea Equity Plan, so that upon the Distribution, Fortrea will have in effect an equity compensation plan that allows grants of equity compensation awards subject to substantially the same terms as those that apply to the corresponding Labcorp Equity Awards, as set forth herein. From and after the Distribution Date, each Fortrea Equity Award will be subject to the terms of the Fortrea Equity Plan, the award agreement governing such Fortrea Equity Award and any exhibits thereto, and any Employment Agreement to which the applicable holder is a party (if applicable). From and after the Distribution Date, Fortrea will retain, pay, perform, fulfill and discharge all Liabilities arising out of or relating to the Fortrea

Equity Awards and Labcorp will retain, pay, perform, fulfill and discharge all Liabilities arising out of or relating to the Adjusted Labcorp Equity Awards.

(e) In all events, the adjustments provided for in this Section 10.01 will be made in a manner that, as determined by Labcorp, avoids adverse Tax consequences to holders under Code Section 409A.

(f) Labcorp and Fortrea shall determine in good faith the adjustments to the Labcorp Equity Awards that shall apply to each Delayed Transfer Employee, with the intent that the treatment of Labcorp Equity Awards held by Delayed Transfer Employees shall be treated to the greatest extent possible consistent with the terms of this Section 10.01.

(g) Fortrea shall assume the obligation to pay dividend equivalent rights on each Fortrea Equity Award issued in replacement of a Labcorp Equity Award, including with respect to dividend equivalents accrued on shares of Labcorp Common Stock on or before the Distribution Date or Applicable Transfer Date, as applicable.

Section 10.02 Labcorp ESPP.

(a) The last purchase for all eligible Fortrea Employees under the Labcorp ESPP that occurs for calendar year 2023 shall be on May 31, 2023. From and after the Distribution Date, Fortrea Employees shall cease to be eligible to participate in the Labcorp ESPP.

(b) On or prior to the Distribution Date, Fortrea shall adopt the Fortrea ESPP under which options to purchase Fortrea Common Stock may, at the time determined by Fortrea in its sole discretion, be granted to eligible Fortrea Employees, which Fortrea ESPP shall have terms that are substantially comparable to those in effect, as of immediately prior to the Distribution Date, under the Labcorp ESPP, to the extent required by applicable Law.

Section 10.03 Conformity with Non-U.S. Laws. Notwithstanding anything to the contrary in this Employee Matters Agreement, (a) to the extent any of the provisions in this Article X (or any equity award described herein) do not conform with applicable non-U.S. Laws (including provisions for the collection of withholding taxes), such provisions shall be modified to the extent necessary to conform with such non-U.S. Laws in such manner as is equitable and to preserve the intent hereof, as determined by the parties in good faith, and (b) the provisions of this Article X may be modified to the extent necessary to avoid undue cost or administrative burden arising out of the application of this Article X to awards subject to non-U.S. Laws.

Section 10.04 Tax Withholding and Reporting.

(a) Except as otherwise required by applicable Law, the appropriate member of the Labcorp Group will be responsible for all payroll Taxes, withholding and reporting with respect to Adjusted Labcorp Equity Awards held by Labcorp Participants. Except as otherwise required by applicable Law, the appropriate member of the Fortrea Group will be responsible for all payroll Taxes, withholding and reporting with respect to Fortrea Equity Awards held by Fortrea Participants.

(b) If Labcorp or Fortrea determines in its reasonable judgment that any action required under this Article X will not achieve the intended Tax, accounting and legal results, including, without limitation, the intended results under Code Section 409A or FASB ASC Topic 718 – Stock Compensation, then at the request of Labcorp or Fortrea, as applicable, Labcorp or Fortrea will mutually cooperate in taking such actions as are necessary or appropriate to achieve such results, or most nearly achieve such results if the originally-intended results are not fully attainable.

Section 10.05 Employment Treatment.

(a) Continuous employment with the Fortrea Group and the Labcorp Group following the Distribution Date will be deemed to be continuing service for purposes of vesting and exercisability for the Fortrea Equity Awards and the Adjusted Labcorp Equity Awards. However, in the event that a Fortrea Employee terminates employment after the Distribution Date and becomes employed by the Labcorp Group, for purposes of Article X, the Fortrea Employee will be deemed terminated and the terms and conditions of the applicable equity incentive plan and equity award agreements under which grants were made will apply. Similarly, in the event that a Labcorp Employee terminates employment after the Distribution Date and becomes employed by the Fortrea Group, for purposes of Article X, the Labcorp Employee will be deemed terminated and the terms and conditions of the equity incentive plan under which grants were made will apply. Notwithstanding the foregoing, for purposes of this Article X only, if an individual is a Delayed Transfer Employee, such individual will not be considered to have terminated on his or her Applicable Transfer Date, provided such treatment does not result in adverse Tax consequences under Code Section 409A. In addition, Labcorp Directors will be treated in a similar manner to that described in this Section 10.05(a), as applicable.

(b) If, after the Distribution Date, Labcorp or Fortrea identifies an administrative error in the individuals identified as holding Adjusted Labcorp Equity Awards or Fortrea Equity Awards, the amount of such awards so held, the vesting level of such awards, or any other similar error, Labcorp and Fortrea will mutually cooperate in taking such actions as are necessary or appropriate to place, as nearly as reasonably practicable, the individual and Labcorp or Fortrea in the position in which they would have been had the error not occurred.

Section 10.06 Registration. Fortrea will register the shares of Fortrea Common Stock relating to the Fortrea Equity Awards and make any necessary filings with the appropriate Governmental Authorities as required under United States and foreign securities Laws.

ARTICLE XI
TRANSITION SERVICES; THIRD-PARTY CLAIMS

Section 11.01 General Principles. From and after the Distribution Date, any services that a member of the Fortrea Group will provide to the members of the Labcorp Group or that a member of the Labcorp Group will provide to the members of the Fortrea Group relating to any U.S. Benefit Plan, Employment Agreement, Non-U.S. Plan, equity award or equity plan will be set forth in the Transition Services Agreement (and, to the extent provided therein, a member of the Fortrea Group or the Labcorp

Group will provide administrative services referred to in this Employee Matters Agreement) to the extent not addressed herein.

Section 11.02 Third-Party Claims. Any Third-Party Claim relating to the matters addressed in this Employee Matters Agreement shall be governed by the applicable provisions of the Separation Agreement.

ARTICLE XII
INDEMNIFICATION

Section 12.01 Indemnification. All Liabilities assumed by or allocated to Fortrea or the Fortrea Group pursuant to this Employee Matters Agreement will be deemed to be Fortrea Liabilities for purposes of the Separation Agreement, and all Liabilities retained or assumed by or allocated to Labcorp or the Labcorp Group pursuant to this Employee Matters Agreement will be deemed to be Excluded Liabilities for purposes of the Separation Agreement. All such Fortrea Liabilities and Excluded Liabilities shall be governed by the applicable indemnification terms of the Separation Agreement.

ARTICLE XIII
COOPERATION

Section 13.01 Cooperation. Following the date of this Employee Matters Agreement, Labcorp and Fortrea will, and will cause their respective Subsidiaries, agents and vendors to, use reasonable best efforts to cooperate with respect to any employee transfers, labor and/or government authority notifications, approvals, information and/or consultation procedures with works councils, trade unions or employee representative bodies (as applicable), employee compensation, benefits or human resources systems matters that Labcorp and Fortrea, as applicable, reasonably determines require the cooperation of both Labcorp and Fortrea in order to accomplish the objectives of this Employee Matters Agreement. Without limiting the generality of the preceding sentence, (a) Labcorp and Fortrea will cooperate in coordinating each of their respective payroll systems in connection with the transfers of Fortrea Employees to the Fortrea Group and the Distribution, (b) Labcorp will, and will cause its Subsidiaries to, transfer records to Fortrea as reasonably necessary for the proper administration of the Fortrea Benefit Plans, to the extent such records are in Labcorp's possession, (c) Labcorp and Fortrea will share, with each other and with their respective agents and vendors, all employee, participant and beneficiary information necessary for the efficient and accurate administration of the U.S. Benefit Plans and Non-U.S. Plans, (d) Labcorp and Fortrea will share such information as is necessary to administer equity awards pursuant to Article X, to provide any required information to holders of such equity awards, and to make any governmental filings with respect thereto; (e) Labcorp and Fortrea will cooperate in coordinating, preparing and submitting (i) any labor authority or government filings and (ii) give all necessary information and take all reasonable steps necessary to facilitate and support the completion of any information and/or consultation processes required by applicable Law or any CBA, in connection with the transfers of Fortrea Employees to the Fortrea Group and Labcorp Employees to the Labcorp Group or otherwise as a result of the transactions contemplated under this Employee Matters Agreement, the Separation Agreement or any Transaction Documents

ARTICLE XIV
MISCELLANEOUS

Section 14.01 Vendor Contracts. Prior to the Distribution, Labcorp and Fortrea will use reasonable best efforts to (a) negotiate with the current third-party providers to separate and assign the applicable rights and obligations under each group insurance policy, health maintenance organization, administrative services contract, third-party administrator agreement, letter of understanding or arrangement that pertains to one or more Labcorp U.S. Plans or Labcorp Non-U.S. Plans and one or more Fortrea U.S. Plans or Fortrea Non-U.S. Plans (each, a "Vendor Contract") to the extent that such rights or obligations pertain to Fortrea Employees and Former Fortrea Employees and their respective Plan Payees or, in the alternative, to negotiate with the current third-party providers to provide substantially similar services to the Fortrea U.S. Plans and Fortrea Non-U.S. Plans on substantially similar terms under separate contracts with Fortrea or the Fortrea U.S. Plans and Fortrea Non-U.S. Plans and (b) to the extent permitted by the applicable third-party provider, obtain and maintain pricing discounts or other preferential terms under the Vendor Contracts.

Section 14.02 Further Assurances. Prior to the Distribution, if either party identifies any commercial or other service that is needed to ensure a smooth and orderly transition of its business in connection with the consummation of the transactions contemplated hereby, and that is not otherwise governed by the provisions of this Employee Matters Agreement, the parties will cooperate in determining whether there is a mutually acceptable arm's-length basis on which the other party will provide such service.

Section 14.03 Employment Taxes Withholding Reporting Responsibility. Labcorp and Fortrea hereby agree to follow the standard procedure for United States employment Tax withholding as provided in Section 4 of Rev. Proc. 2004-53, I.R.B. 2004-34. Labcorp or a member of the Labcorp Group will withhold and remit all employment Taxes for the last payroll date preceding the Distribution Date with respect to all current and former employees of Labcorp (or a member of the Labcorp Group) and Fortrea (or a member of the Fortrea Group) who receive wages on such payroll date.

Section 14.04 Data Privacy. The Labcorp Group and the Fortrea Group will both adhere to the requirements of the Data Processing Agreement between Labcorp and Fortrea in discharging their respective obligations hereunder.

Section 14.05 Third-Party Beneficiaries. Nothing contained in this Employee Matters Agreement will be construed to create any third-party beneficiary rights in any Person, including without limitation any Labcorp Employees, Former Labcorp Employees, Labcorp Directors, Fortrea Employees, Former Fortrea Employees and/or Fortrea Directors (including any dependent or beneficiary thereof) nor will this Employee Matters Agreement be deemed to amend any benefit plan or employee arrangement of Labcorp, Fortrea, or their Affiliates or to prohibit Labcorp, Fortrea or their respective Affiliates from amending or terminating any benefit plan or employee arrangement.

Section 14.06 Effect If Distribution Does Not Occur. If the Distribution does not occur, then all actions and events that are, under this Employee Matters Agreement, to be taken or occur effective as of the Distribution, or otherwise in connection with the Distribution will not be taken or occur except to the extent specifically agreed upon by the parties.

Section 14.07 Fiduciary Matters. Labcorp and Fortrea each acknowledge that actions required to be taken pursuant to this Employee Matters Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable law, and neither Labcorp nor Fortrea shall be deemed to be in violation of this Employee Matters Agreement if it fails to comply with any provisions hereof based upon its good faith determination that to do so would violate such a fiduciary duty or standard. Each of Labcorp and Fortrea shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other party for any Liabilities caused by the failure to satisfy any such responsibility.

Section 14.08 Incorporation of Separation Agreement Provisions. The following provisions of the Separation Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions will apply as if fully set forth herein (references in this Section 14.08 to an "Article" or "Section" will mean Articles or Sections of the Separation Agreement, and references in the material incorporated herein by reference will be references to the Separation Agreement): Section 3.01 (relating to Further Assurances; Efforts to Obtain Approvals or Notifications); Section 3.02 (relating to Access to Information; Cooperation); Section 3.03 (relating to Confidentiality); Section 3.06 (relating to Privileged Matters); Article IV (relating to Indemnification; Limitation of Liability); Article V (relating to Dispute Resolution); and Article VII (relating to Miscellaneous).

Section 14.09 No Representation or Warranty. Each of Labcorp (on behalf of itself and each member of the Labcorp Group) and Fortrea (on behalf of itself and each member of the Fortrea Group) understands and agrees that, except as expressly set forth in this Employee Matters Agreement, the Separation Agreement or in any other Transaction Document, no party (including its Affiliates) to this Employee Matters Agreement, the Separation Agreement or any other Transaction Document, makes any representation or warranty with respect to any matter in this Employee Matters Agreement, including, without limitation, any representation or warranty with respect to the legal or Tax status or compliance of any U.S. Benefit Plan or Non-U.S. Plan, compensation arrangement, equity award, equity plan or Employment Agreement, and Labcorp and Fortrea disclaim any and all liability with respect thereto. Except as expressly set forth in this Employee Matters Agreement, the Separation Agreement or any other Transaction Document, none of Labcorp, Fortrea or any of their respective Subsidiaries (including their respective Affiliates) makes any representation or warranty about and will not have any Liability for the accuracy of or omissions from any information, documents or materials made available in connection with entering into this Employee Matters Agreement, the Separation Agreement or any other Transaction Documents or the transactions contemplated hereby or thereby.

[*Remainder of page intentionally blank; signature page follows.*]

IN WITNESS WHEREOF, the parties have caused this Employee Matters Agreement to be executed on the date first written above by their respective duly authorized officers.

LABORATORY CORPORATION OF AMERICA HOLDINGS

By:__
Name:
Title:

FORTREA HOLDINGS INC.

By:__
Name:
Title:

FORM OF TRANSITION SERVICES AGREEMENT

BETWEEN

LABORATORY CORPORATION OF AMERICA HOLDINGS

AND

FORTREA INC.

Dated **[l]**, 2023

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

Page

TRANSITION SERVICES AGREEMENT

THIS TRANSITION SERVICES AGREEMENT dated **[I]**, 2023 (this "Agreement"), is between Laboratory Corporation of America Holdings ("Labcorp"), and Fortrea Inc. ("Fortrea"). Labcorp and Fortrea are sometimes referred to herein individually as a "Party", and collectively as the "Parties".

RECITALS

A. Fortrea Holdings Inc. ("Fortrea Holdings") and Labcorp are parties to that certain Separation and Distribution Agreement dated as of even date herewith (the "Separation Agreement").

B. Pursuant to the Separation Agreement, Labcorp and Fortrea Holdings agreed to separate Labcorp into two companies (1) Fortrea Holdings, which will own and conduct, directly and indirectly, the Fortrea Business; and (2) Labcorp, which will continue to own and conduct, directly and indirectly, the Retained Business (the "Separation").

C. In connection with the transactions contemplated by the Separation Agreement and in order to ensure a smooth transition following the Separation, each Party desires that the other Party provide, or cause its Affiliates or contractors to provide, certain transition services.

D. It is the intent of the Parties that, except as otherwise provided in this Agreement, the Services be provided at cost, and therefore, the Fees set forth on Annex C or Annex D were calculated to reflect costs.

In consideration of the forgoing and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. Unless otherwise defined herein, each capitalized term will have the meaning specified for such term in the Separation Agreement. As used in this Agreement:

"Additional Labcorp Service" has the meaning set forth in Section 2.2(a).

"Additional Fortrea Service" has the meaning set forth in Section 2.2(b).

"Affiliate" has the meaning set forth in the Separation Agreement.

"Agreement" has the meaning set forth in the Preamble.

"Availed Party" has the meaning set forth in Section 5.5(a).

"Business" means the Retained Business or the Fortrea Business, as the case may be.

"Confidential Information" shall mean all Information that is either confidential or proprietary.

"Controller" means the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the Processing of Personal Data, as defined in Data Protection Laws.

"COVID-19" shall mean SARS-CoV-2 or COVID-19, and any evolutions, variants, mutations or worsening thereof or related or associated epidemics, pandemics or disease outbreaks (including any subsequent waves).

"Data Processing Agreement" means the data Processing agreement attached in Annex G of this Agreement.

"Data Protection Laws" means all Laws, industry standards that govern the privacy, protection, transfer or security (including breach notification obligations) of Personal Data, including without limitation, European Data Protection Laws, U.S. Data Protection Laws and all equivalent, comparable or applicable federal, state privacy, security and data breach notification applicable Laws that apply to Personal Data.

"Data Subject" means an identified or identifiable natural person to whom Personal Data relates.

"Distribution Date" has the meaning set forth in the Separation Agreement.

"Effective Time" has the meaning set forth in the Separation Agreement.

"Eligible Services" has the meaning set forth in Section 6.2(a).

"European Data Protection Laws" means the GDPR, the EU e-Privacy Directive (i.e., Directive 2002/58/EC) as amended in 2009 by Directive 2009/136/EC and its national implementing laws, applicable Laws relating to cyber security, including Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972, and repealing Directive (EU) 2016/1148 ("NIS 2 Directive"), the UK Data Protection Act 2018, the GDPR as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended (including by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019) ("UK GDPR") and the Swiss Federal Act on Data Protection ("FADP"), and any other applicable Laws or regulations relating to data protection or the Processing of Personal Data or privacy, in each case, including any regulations under such legislation, as amended, supplemented or replaced from time to time.

"EU Standard Contractual Clauses" shall mean the standard contractual clauses for the transfer of Personal Data to third countries pursuant to the GDPR, as provided in the EU Commission Implementing Decision 2021/914 of 4 June 2021, as amended from time to time.

"Extendable Service" has the meaning set forth in Section 6.1(b).

"Fees" means the fees for a particular Service as set forth on Annex C or Annex D, as the case may be.

"Force Majeure" shall mean, with respect to a Party, an event beyond the reasonable control of such Party (or any Person acting on its behalf), which event (a) does not arise or result from the fault or negligence of such Party (or any Person acting on its behalf) and (b) by its nature would not reasonably have been foreseen by such Party (or such Person), or, if it would reasonably have been foreseen, was unavoidable, and includes acts of God, acts of civil or military authority, acts of terrorism, cyberattacks, embargoes, epidemics, pandemics (including COVID-19 and Pandemic Measures), war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or unavailability of parts, or, in the case of computer systems, any significant and prolonged failure in electrical or air conditioning equipment.

"Fortrea" has the meaning set forth in the Preamble.

"Fortrea Business" has the meaning set forth in the Separation Agreement.

"Fortrea Group" has the meaning set forth in the Separation Agreement.

"Fortrea Holdings" has the meaning set forth in the Recitals.

"Fortrea Indemnified Parties" has the meaning set forth in the Separation Agreement.

"Fortrea Services" means the Services generally described on Annex D and any other Service provided by Fortrea or any of its Subsidiaries pursuant to this Agreement.

"GDPR" means the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the Processing of Personal Data and on the free movement of such data and repealing Directive 95/46/EC, as amended, replaced or superseded from time to time.

"Governmental Authority" has the meaning set forth in the Separation Agreement.

"Group" has the meaning set forth in the Separation Agreement.

"HIPAA" means the Federal Health Insurance Portability and Accountability Act of 1996, as amended, including by the Health Information Technology for Economic and Clinical Health Act, and the regulations promulgated thereunder.

"Information" means information in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, forecasts, budgets, reports, records, books, Contracts, instruments, surveys, discoveries, ideas,

concepts, know-how, recipes, techniques, designs, specifications, processes, procedures, policies, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other Software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos, manuals and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data, but in any case excluding back-up tapes.

"Invoice" has the meaning set forth in Section 4.3(a).

"Labcorp" has the meaning set forth in the Preamble.

"Labcorp Group" means Labcorp and each Person that is a Subsidiary of Labcorp (other than Fortrea and any of its Subsidiaries).

"Labcorp Indemnified Parties" has the meaning set forth in the Separation Agreement.

"Labcorp Services" means the Services generally described on Annex C and any other Service provided by Labcorp or any member of the Labcorp Group pursuant to this Agreement.

"Law" means any statute, law, ordinance, regulation, rule, code or other requirement of, or Order or Governmental Permit issued by, a Governmental Authority.

"Level of Service" has the meaning set forth in Section 3.1(a).

"Liabilities" has the meaning set forth in the Separation Agreement.

"Local Agreement" has the meaning set forth in Section 2.5.

"Notification" has the meaning set forth in Section 6.9(i).

"Objection Notice" has the meaning set forth in Section 4.4.

"Pandemic Measures" shall mean any quarantine, "shelter in place," "stay at home," workforce reduction, social distancing, shut down, closure, sequester, immunization requirements, safety or similar Law, directive, guidelines or recommendations promulgated by any Governmental Authority, including the Centers for Disease Control and Prevention and the World Health Organization, in each case, in connection with or in response to a pandemic, including COVID-19.

"Partial Termination" has the meaning set forth in Section 6.2(a).

"Party" has the meaning set forth in the Preamble.

"Payment Due Date" has the meaning set forth in Section 4.3(b).

"Personal Data" means information that (a) relates to an identified or identifiable natural person ("Data Subject"); and/or (b) constitutes "personally identifiable personal information", "protected health information", "personal data" or similar information protected by Data Protection Laws; and/or otherwise (c) relates to an identified or identifiable legal entity, where such information or a portion of it constitutes Personal Data under Data Protection Laws. Personal Data includes, but is not limited to, name, an identification number, Pseudonymized Personal Data, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person telephone number, IP address, social security number, driver's license number, state-issued identification card number, financial account numbers, credit card numbers, debit card numbers, or any security code, access code, personal identification number or password, health insurance policy number, subscriber identification number, any unique identifier used by a health insurer to identify the individual, information regarding an individual's medical history, mental or physical condition or medical treatment or diagnosis by a health insurer to identify the individual, username or email address in combination with a password or security question. Personal Data also includes other types of data under Data Protection Laws.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or other entity or organization or a Governmental Authority.

"Post-Distribution Steering Committee" has the meaning set forth in the Separation Agreement, which initial members of the Post-Distribution Steering Committee are listed on Annex A.

"Process" or "Processing" means any operation or set of operations that are performed on Personal Data or on sets of Personal Data, whether or not by automated means (e.g., collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction).

"Processor" means a natural or legal person, public authority, agency or other body which Processes Personal Data on behalf of the Controller.

"Project Managers" has the meaning set forth in Section 7.7.

"Pseudonymized Personal Data" means Personal Data that can no longer be attributed to a specific Data Subject without the use of additional information, provided that such additional information is kept separately and is subject to technical and organisational measures to ensure that the Personal Data are not attributed to an identified or identifiable natural person.

"Representative" has the meaning set forth in the Separation Agreement.

"Retained Business" has the meaning set forth in the Separation Agreement.

"Safety and Security Policies" has the meaning set forth in Section 5.5(a).

"Separation" has the meaning set forth in the Recitals.

"Separation Agreement" has the meaning set forth in the Recitals.

"Service Provider" means (a) in the case of Labcorp Services, Labcorp or any of its Subsidiaries providing a Service hereunder and, or (b) in the case of Fortrea Services, Fortrea or any of its Subsidiaries providing a Service hereunder.

"Service Recipient" means (a) in the case of Labcorp Services, Fortrea or any of its Subsidiaries receiving a Service hereunder and, or (b) in the case of Fortrea Services, Labcorp or any of its Subsidiaries receiving a Service hereunder.

"Service Term" means the term for a particular Service as set forth on Annex C or Annex D.

"Services" means the Labcorp Services or the Fortrea Services, individually, or the Labcorp Services and the Fortrea Services, collectively, as the context may indicate.

"Subsidiary" has the meaning set forth in the Separation Agreement.

"Swiss Standard Contractual Clauses" means the adaptations of the EU Standard Contractual Clauses as approved by the Swiss Data Protection and Information Commissioner, including the necessary adaptations to ensure compliance with Swiss data protection law.

"Systems" has the meaning set forth in Section 5.5(a).

"Term" has the meaning set forth in Section 6.1(a).

"Third Party" shall mean any Person other than the Parties or any of their respective Affiliates.

"Transaction Documents" has the meaning set forth in the Separation Agreement.

"Transferring Employees" means those employees or former employees of the Service Provider wholly or mainly assigned to the provision of a particular Service immediately before the Termination Date.

"Transfer Regulations" means the Acquired Rights Directive 2001/23/EC ("Directive") (or any successor directive thereto) or any national legislation implementing the Directive or any equivalent legislation in any jurisdiction where the Services are provided (including in the UK, the Transfer of Undertakings (Protection of Employment) Regulations 2006) (as amended or replaced from time to time).

"Termination Date" means the date on which the Service Provider ceases to provide a particular Service for the Service Recipient

"UK Standard Contractual Clauses" means the UK international data transfer addendum to the European Commission's standard contractual clauses issued by the Information Commissioner on March 21, 2022, as amended, replaced or superseded from time to time.

"U.S. Data Protection Laws" means all Laws, contractual or industry standards concerning the privacy, protection, transfer or security in the U.S., including but not limited to, the California Consumer Privacy Act, as amended by the California Privacy Rights Act, the Virginia Consumer Data Protection Act, and when effective, the Colorado Privacy Act, Connecticut Data Privacy Act, and the Utah Data Consumer Privacy Act, HIPAA, and the Payment Card Industry Data Security Standard ("PCI-DSS"), as amended, replaced or superseded from time to time.

ARTICLE II
PERFORMANCE AND SERVICES

Section 2.1 General.

(a) During the Term, and subject to the terms and conditions of this Agreement, Labcorp will provide, or cause to be provided, the Labcorp Services to Fortrea and its Subsidiaries. The applicable Fee for each Labcorp Service will be the specified Fee for such Service set forth on Annex C, and the applicable Service Term for each Labcorp Service will be the specified Service Term for such Labcorp Service set forth on Annex C. Notwithstanding anything to the contrary contained herein or on any Annex, Labcorp will have no obligation under this Agreement to: (i) operate the Fortrea Business or any portion thereof (it being acknowledged and agreed by Labcorp and Fortrea that providing the Labcorp Services will not be deemed to be operating the Fortrea Business or any portion thereof); (ii) advance funds or extend credit to Fortrea; (iii) hire new employees for the purpose of providing the Labcorp Services; (iv) provide Labcorp Services to any Person other than Fortrea or any of its Subsidiaries; or (v) implement, develop or acquire systems, processes, technologies, plans or initiatives not already implemented or utilized by Labcorp or members of the Labcorp Group.

(b) During the Term, and subject to the terms and conditions of this Agreement, Fortrea will provide, or cause to be provided, the Fortrea Services to Labcorp and the other members of the Labcorp Group. The applicable Fee for each Fortrea Service will be the specified Fee for such Fortrea Service set forth on Annex D, and the applicable Service Term for each Fortrea Service will be the specified Service Term for such Fortrea Service set forth on Annex D. Notwithstanding anything to the contrary contained herein or on any Annex, Fortrea will have no obligation under this Agreement to: (i) operate the Retained Business or any portion thereof (it being acknowledged and agreed by Labcorp and Fortrea that providing the Fortrea Services will not be deemed to be operating the Retained Business or any portion thereof); (ii) advance funds or extend credit to Labcorp; (iii) hire new employees for the purpose of providing the Fortrea Services; (iv) provide Fortrea Services to any Person other than members of the Labcorp Group; or (v) implement, develop or acquire systems, processes, technologies, plans or initiatives not already implemented or utilized by Fortrea or members of the Fortrea Group.

(c) Notwithstanding anything to the contrary in this Agreement, neither Labcorp nor Fortrea (nor any of their respective Subsidiaries) will be required to perform Services hereunder or take any actions relating thereto that conflict with or violate any applicable Law, contract, license, sublicense, authorization, certification or permit.

Section 2.2 Additional Services.

(a) If Fortrea reasonably determines in good faith after the date hereof that additional transition services (not listed on Annex C) of the type previously provided by members of the Labcorp Group to the Fortrea Business are necessary to conduct the Fortrea Business, and Fortrea or its Subsidiaries are not able to provide such services to the Fortrea Business or such services are not commercially available from Third Party providers, then Fortrea may provide written notice thereof to Labcorp. Upon receipt of such notice by Labcorp, if Labcorp is willing, in its sole discretion, to provide such additional service during the Term, the Parties will negotiate in good faith an amendment to Annex C setting forth the additional service (each such service an "Additional Labcorp Service"), the terms and conditions for the provision of such Additional Labcorp Service and the Fees payable by Fortrea for such Additional Labcorp Service, such Fees to be determined on an arm's-length basis with the intent that they reflect costs.

(b) If Labcorp reasonably determines in good faith after the date hereof that additional transition services (not listed on Annex D) of the type previously provided by Fortrea or any of its Subsidiaries to the Retained Business are necessary to conduct the Retained Business, and Labcorp or members of the Labcorp Group are not able to provide such services to the Retained Business or such services are not commercially available from Third Party providers, then Labcorp may provide written notice thereof to Fortrea. Upon receipt of such notice by Fortrea, if Fortrea is willing, in its sole discretion, to provide such additional service during the Term, the Parties will negotiate in good faith an amendment to Annex D setting forth the additional service (each such service an "Additional Fortrea Service"), the terms and conditions for the provision of such Additional Fortrea Service and the Fees payable by Fortrea for such Additional Fortrea Service, such Fees to be determined on an arm's-length basis with the intent that they reflect costs.

Section 2.3 Service Requests. Any requests by a Party to the other Party regarding the Services or any modification or alteration to the provision of the Services must be made by a Project Manager or the Post-Distribution Steering Committee (it being understood that the receiving Party will not be obligated to agree to any modification or alteration requested thereby). Notwithstanding anything to the contrary hereunder, each Party may avail itself of the remedies set forth in Section 6.3 without fulfilling the notice requirements of this Section 2.3.

Section 2.4 Access.

(a) Subject to ARTICLE V, Fortrea, at the reasonable request of Labcorp, will make available on a timely basis to Labcorp all information reasonably requested by Labcorp to enable it to provide the Labcorp Services. Fortrea will give Labcorp

and its Affiliates, employees, agents and representatives, as reasonably requested by Labcorp, reasonable access, during regular business hours and at such other times as are reasonably required, to the Systems, premises, equipment, facilities and data of the Fortrea Business for the purposes of providing the Labcorp Services.

(b) Subject to ARTICLE V, Labcorp, at the reasonable request of Fortrea, will make available on a timely basis to Fortrea all information reasonably requested by Fortrea to enable it to provide the Fortrea Services. Labcorp will give Fortrea and its Affiliates, employees, agents and representatives, as reasonably requested by Fortrea, reasonable access, during regular business hours and at such other times as are reasonably required, to the Systems, premises, equipment, facilities and data of the Retained Business for the purposes of providing the Fortrea Services

Section 2.5 Local Agreements. Each Party recognizes and agrees that it may be necessary or desirable to separately document certain matters relating to the Services provided hereunder in various jurisdictions from time to time or to otherwise modify the scope or nature of such Services, in each case to the extent necessary to comply with applicable Law. If such an agreement or modification of any of the Services is required by applicable Law, or if the applicable Parties mutually determine entry into such an agreement or modification of Services would be desirable, in each case in order for Service Provider or its Subsidiaries to provide any of the Services in a particular jurisdiction, Service Provider and Service Recipient shall, or shall cause their applicable Subsidiaries to, to enter into local implementing agreements (as each may be amended and in effect from time to time, each a "Local Agreement") in form and content reasonably acceptable to the applicable Parties; provided that the execution or performance of any such Local Agreement shall in no way alter or modify any term or condition of this Agreement or the effect of any such term or condition, except to the extent expressly specified in such Local Agreement. Each Party agrees that any Local Agreement shall be subject to Section 5.3 of this Agreement. Except as used in this Section 2.5, any references herein to this Agreement and the Services to be provided hereunder, shall include any Local Agreement and any local services to be provided thereunder. Except as expressly set forth in any Local Agreement, in the event of a conflict between the terms contained in a Local Agreement and the terms contained in this Agreement (including the applicable Schedules), the terms in this Agreement shall take precedence.

Section 2.6 System Shutdown. Service Provider shall have the right to shut down temporarily for maintenance or similar purposes the operation of any facilities or systems providing any Service whenever in Service Provider's reasonable judgment such action is necessary or advisable for general maintenance or emergency purposes; provided that without limiting the immediately following sentence, Service Provider will schedule non-emergency general maintenance impacting the Services so as not to materially disrupt the operation of the Fortrea Business or the Retained Business, as applicable, by Service Recipient. To the extent possible, such shut downs shall occur during non-business hours. Service Provider will use commercially reasonable efforts to provide Service Recipient advance notice of any shut down for general maintenance purposes or other planned shutdown.

ARTICLE III
SERVICE QUALITY; INDEPENDENT CONTRACTOR

Section 3.1 Service Quality.

(a) Unless otherwise provided with respect to a specific Service on the Applicable Annex, the Service Provider will perform the Services in a manner and quality that is substantially consistent with the manner (including as to quantity) and quality that such Services were performed by such Party (or its applicable Affiliate) in the 12 months prior to the Distribution Date for the Retained Business or the Fortrea Business, as applicable, and in any event in compliance with any terms or service levels set forth on the applicable Annex (collectively referred to as the "Level of Service"). The Service Recipient will use the Services in substantially the same manner and on substantially the same scale as they were used by such Party and its Affiliates in the past practice of the Retained Business or the Fortrea Business, as applicable, prior to the Distribution Date.

(b) Each Party acknowledges and agrees that certain of the Services to be provided under this Agreement have been, and will continue to be provided (in accordance with this Agreement and the Annexes hereto) to the Retained Business or the Fortrea Business, as applicable, by Third Parties designated by the Service Provider. To the extent so provided, the Party responsible for providing such Services will use Commercially Reasonable Efforts to (i) cause such Third Parties to provide such Services under this Agreement and/or (ii) enable the Party seeking the benefit of such Services and its Subsidiaries to avail itself of such Services; provided, however, that if any such Third Party is unable or unwilling to provide any such Services, the Parties agree to use their Commercially Reasonable Efforts to determine the manner, if any, in which such Services can best be provided (it being acknowledged and agreed that any costs or expenses to be incurred in connection with obtaining a Third Party to provide any such Services will be paid by the Party to which such Services are provided; provided that the Service Provider will use Commercially Reasonable Efforts to communicate the costs or expenses expected to be incurred in advance of incurring such costs or expenses).

Section 3.2 Independent Contractor; Assets; Subcontractors.

(a) The Service Provider is an independent contractor. All employees and representatives of the Service Provider and any of its Subsidiaries involved in providing Services will be under the exclusive direction, control and supervision of the Service Provider or its Subsidiaries (or their subcontractors) providing such Services, and not of the Service Recipient. The Service Provider or its Subsidiaries (or their subcontractors) providing the Services will be solely responsible for compensation of its employees, and for all withholding, employment or payroll taxes, unemployment insurance, workers' compensation, and any other insurance and fringe benefits with respect to such employees. The Service Provider or its Subsidiaries (or their subcontractors) providing the Services will have the exclusive right to hire and fire any of its employees in accordance with applicable Law. The Service Recipient will have no right to direct and control any of the employees or

representatives of the Party or its Subsidiaries (or their subcontractors) providing such Services.

(b) All procedures, methods, systems, strategies, tools, equipment, facilities, software, data and other resources used by a Party, any of its Subsidiaries or any Third Party service provider in connection with the provision of the Services hereunder will remain the property of such Party, its Subsidiaries or such service providers and, except as otherwise provided herein, will at all times be under the sole direction and control of such Party, its Subsidiaries or such Third Party service provider. No license under any patents, know-how, trade secrets, copyrights or other rights is granted by this Agreement or any disclosure in connection with this Agreement by either Party. Service Recipient shall not attempt to decompile, translate, reverse engineer or make excessive copies of any intellectual property owned or licensed by Service Provider, and Service Recipient shall promptly notify Service Provider of any such attempt, regardless of whether by Service Recipient or any Third Party, of which Service Recipient becomes aware.

(c) The Service Provider may hire or engage one or more subcontractors to perform any or all of its obligations under this Agreement; provided that (a) the Service Provider will use the same degree of care in selecting any such subcontractor as it would if such contractor was being retained to provide similar services to the Service Provider; and (b) the Service Provider will in all cases remain primarily responsible for all of its obligations hereunder with respect to the scope of the Services, the standard for services as set forth in ARTICLE III and the content of the Services provided to the Service Recipient. The Service Provider may replace a subcontractor providing Services under this Agreement, provided that the costs of the replacement subcontractor are not materially higher than the costs for such previous subcontractor. The Service Provider will provide notice to the Service Recipient prior to replacing or hiring new subcontractors whenever reasonably possible.

Section 3.3 Uses of Services. The Service Provider will be required to provide the Services only to the Service Recipient and the Service Recipient's Subsidiaries in connection with the Service Recipient's operation of the Business. The Service Recipient may not resell any Services to any Person whatsoever or permit the use of such Services by any Person other than in connection with the operation of the Business in the ordinary course of business.

Section 3.4 Modification of Services. The Parties agree that each Service Provider may make changes from time to time in the manner of performing the applicable Service if such Service Provider is making similar changes in performing similar services for itself, its Affiliates or other Third Parties, if any, provided that such Service Provider furnishes to the Service Recipient substantially the same notice (in content) as such Service Provider provides to its Affiliates or Third Parties, if any, respecting such changes; provided further that each Service Provider may make any of the following changes without obtaining the prior consent of, and without prior notice to, the Service Recipient: (a) changes to the process of performing a particular Service that do not adversely affect the benefits to the Service Recipient in any material respect or materially increase the charge for such Service; (b) emergency

changes on a temporary and short-term basis; and (c) changes to a particular Service in order to comply with applicable Law.

Section 3.5 Transition of Responsibilities. Each Party agrees to use Commercially Reasonable Efforts to reduce or eliminate its and its Subsidiaries' dependence on each Service as soon as is reasonably practicable. Each Party agrees to cooperate with the other Party to facilitate the smooth transition of the Services being provided to the Service Recipient by the Service Provider.

Section 3.6 Substantive Business Decisions Prohibited. Notwithstanding anything to the contrary contained in this Agreement or the accompanying schedules, none of the Service Provider or its Subsidiaries, authorized agents and subcontractors (if any) shall make any substantive business decisions with respect to Service Recipient in performing Services. Each provision of this Agreement and the schedules shall be interpreted in a manner consistent with this Section 3.6.

Section 3.7 Disclaimer of Warranties. Except as expressly set forth in this Agreement: (i) each Party acknowledges and agrees (on behalf of itself and any other Service Recipient) that Service Provider makes no warranties of any kind with respect to the Services to be provided hereunder; and (ii) Service Provider hereby expressly disclaims all warranties with respect to the Services to be provided hereunder, as further set forth immediately below.

> EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE SERVICES OR ACCESS TO SYSTEMS, FACILITIES AND DATA TO BE PROVIDED UNDER THIS AGREEMENT WILL BE PROVIDED AS-IS, WHERE-IS, WITH ALL FAULTS, AND WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO ANY REPRESENTATION OR DESCRIPTION, TITLE OR ANY OTHER WARRANTY WHATSOEVER.

ARTICLE IV
FEES; PAYMENT

Section 4.1 Fees. The Service Recipient will pay the Service Provider the Fees for the Services provided by such Service Provider under this Agreement. The Fees for the Services are set forth on Annex C and Annex D. During the term of this Agreement, the amount of a Fee for any Service may be modified to the extent of (a) any adjustments mutually agreed to by the Parties, (b) any adjustments due to a change in Level of Service requested by Service Recipient and agreed upon by Service Provider and (c) any adjustment in the rates or charges imposed by any Third Party provider that is providing Services; provided that Service Provider will notify Service Recipient in writing of any such change in rates at least thirty (30) days prior to the effective date of such rate change.

Section 4.2 Taxes. To the extent required or permitted by applicable Law, there will be added to any Fees due under this Agreement, and Service Recipient agrees to pay to the Service Provider, amounts equal to any Taxes paid or payable by the

Service Provider, however designated or levied, based upon such Fees, or upon this Agreement or the Services provided under this Agreement, or their use. In the event Taxes are not added to an invoice from the Service Provider hereunder, the Service Recipient is responsible to remit to the appropriate jurisdiction any additional amounts due, including Taxes, interest and penalties. The Parties will reasonably cooperate with each other to minimize any of these Taxes and to obtain and provide each other with reasonable documentation related to these Taxes. If additional amounts are determined to be due on the Services provided hereunder as a result of an audit by a tax jurisdiction, Service Recipient agrees to reimburse the Service Provider for the additional amounts due including Taxes, interest and penalties. The Parties further agree that, notwithstanding the foregoing, neither Party will be required to pay any income, franchise or employment Taxes of the other Party. All payments and reimbursements due under this Section 4.2 will be calculated in a manner that ensures that the Service Provider receives the same net amounts under this Agreement that it would have received in the absence of Taxes.

Section 4.3 Invoices and Payment.

(a) Unless otherwise specified in Annex C or Annex D, within 30 days following the end of each fiscal month of Service Provider, the Service Provider will submit to the Service Recipient for payment a written statement of amounts due under this Agreement for such month (an "Invoice"). The Invoice will set forth the Fees and any Third Party costs or charges that are required to be reimbursed by Service Recipient in connection with the provision of any Services, in the aggregate and itemized, based on the descriptions set forth on Annex C or Annex D, as the case may be. Each statement will specify the nature of any amounts due for any Fees as set forth on Annex C or Annex D and will contain reasonably satisfactory documentation in support of such amounts as specified therein and such other supporting detail as the Service Recipient may reasonably require to validate such amounts due.

(b) Unless otherwise specified in Annex C or Annex D, the Service Recipient will pay all amounts due pursuant to an Invoice no later than 60 days after the date of the Invoice (the "Payment Due Date"). All timely payments under this Agreement will be made without early payment discount.

(c) Subject to Section 4.4, if the Service Recipient fails to pay the full amount of any invoice by the Payment Due Date, such failure will be considered a material default under this Agreement. The remedies provided to each Party by this Section 4.3(c) and by Section 6.3 will be cumulative with respect to any other applicable provisions of this Agreement. Payments made after the Payment Due Date will bear interest at the rates set forth in Annex C or Annex D for the applicable Services.

Section 4.4 Payment Disputes. The Service Recipient may object to any amounts for any Service invoiced to it at any time before, at the time of, or after payment is made, provided such objection is made in writing ("Objection Notice") to the Service Provider prior to the Payment Due Date. Any dispute under this Section 4.4 will be resolved in accordance with the provisions of Section 7.8 and the provisions of

Article V of the Separation Agreement. The Service Recipient will pay interest, which will begin to accrue beginning on the date that is 60 days following receipt of the Service Recipient's Objection Notice, at an annual rate equal to the Prime Rate plus 2.0% (compounded monthly) on any amounts it is required to pay to the Service Provider upon resolution of the dispute if the dispute is resolved in the Service Provider's favor.

ARTICLE V
CONFIDENTIALITY; SECURITY

Section 5.1 Labcorp and Fortrea Obligations. Subject to Section 5.4, until the six (6)-year anniversary of the date of the termination of this Agreement in its entirety, each of Labcorp and Fortrea, on behalf of itself and each of its Subsidiaries, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that applies to Labcorp's Confidential Information pursuant to policies in effect as of the Effective Time, all Confidential Information concerning the other Party or its Subsidiaries or their respective businesses that is either in its possession (including Confidential Information in its possession prior to the date hereof) or furnished by such other Party or such other Party's Subsidiaries or their respective Representatives at any time pursuant to this Agreement, and shall not use any such Confidential Information other than for such purposes as may be expressly permitted hereunder, except, in each case, to the extent that such Confidential Information (a) is in the public domain or is generally available to the public, other than as a result of a disclosure by such Party or any of its Subsidiaries or any of their respective Representatives in violation of this Agreement; (b) is lawfully acquired from other sources by such Party or any of its Subsidiaries, which sources are not themselves known by such Party or any of its Subsidiaries to be bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such Confidential Information; (c) is independently developed or generated without reference to or use of the Confidential Information of the other Party or any of its Subsidiaries; or (d) was in such Party's or its Subsidiaries' possession on a non-confidential basis prior to the time of disclosure to such Party and at the time of such disclosure was not known by such Party or any of its Subsidiaries to be prohibited from being disclosed by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such Confidential Information. If any Confidential Information of a Party or any of its Subsidiaries is disclosed to the other Party or any of its Subsidiaries in connection with providing the Services, then such disclosed Confidential Information shall be used only as required to perform such Services.

Section 5.2 No Release; Return or Destruction. Each Party agrees (a) not to release or disclose, or permit to be released or disclosed, any Confidential Information of the other Party addressed in Section 5.1 to any other Person, except its Representatives who need to know such Confidential Information in their capacities as such (who shall be advised of their obligations hereunder with respect to such Confidential Information) and except in compliance with Section 5.4, and (b) to use commercially reasonable efforts to maintain such Confidential Information in accordance with Section 3.03 of the Separation Agreement. Without limiting the foregoing, when any such Confidential Information is no longer needed for the

purposes contemplated by the Separation Agreement, this Agreement or any other Transaction Documents, each Party will promptly after request of the other Party either return to the other Party all such Confidential Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or notify the other Party in writing that it has destroyed such information (and such copies thereof and such notes, extracts or summaries based thereon); provided that the Parties may retain electronic back-up versions of such Confidential Information maintained on routine computer system backup tapes, disks or other backup storage devices; and provided, further, that any such retained back-up information shall remain subject to the confidentiality provisions of this Agreement.

Section 5.3 Privacy and Data Protection Laws.

(a) Each Party warrants and agrees to:

(i) Comply with all applicable Data Protection Laws in the Processing of Personal Data for the purpose of the provision of the Services under this Agreement;

(ii) Execute the Data Processing Agreement where applicable and required by Data Protection Laws. Subject to Section 5.3 (a)(iii) below, should any agreements between the Parties, including this Agreement, be in conflict with the provisions of the Data Processing Agreement, the latter agreement shall control;

(iii) Process Personal Data solely as required by the Agreement and the Data Processing Agreement;

(iv) Execute the EU Standard Contractual Clauses, UK Standard Contractual Clauses and/or Swiss Standard Contractual Clauses where applicable and consistent with applicable Data Protection Laws. As required by Clause 5 of the EU Standard Contractual Clauses, the EU Standard Contractual Clauses shall prevail over any other term of the Data Processing Agreement and this Agreement;

(v) Implement appropriate technical and organizational measures to ensure a level of security appropriate to the risk; and

(vi) Comply with all applicable Data Protection Laws that are or that may in the future be applicable to the provision of the Services under this Agreement.

(b) Each Party acknowledges that it and members of its Group may presently and, following the Effective Time, Process Personal Data (including personal health information) relating to a Data Subject (i) that was received under privacy policies and data protection notices prior to the Effective Time; or (ii) that, as between the Parties, was originally collected by the other Party or members of such other Party's Group and that may be subject to privacy policies and data protection notices, as well as applicable Data Protection Laws or other applicable Laws.

(c) In the event of a modification of the Services in accordance with Section 3.4, each Party agrees and acknowledges that the Data Processing Agreement shall be amended to reflect any further instructions of the Controller regarding the Processing of Personal Data.

Section 5.4 Protective Arrangements. Subject to applicable Data Protection Laws, in the event that a Party or any of its Subsidiaries either determines on the advice of its counsel that it is required to disclose any information pursuant to applicable Law or receives any request or demand under lawful process or from any Governmental Authority to disclose or provide information of the other Party (or any of its Subsidiaries) that is subject to the confidentiality provisions hereof, such Party shall notify the other Party (to the extent legally permitted) as promptly as practicable under the circumstances prior to disclosing or providing such information and shall cooperate, at the expense of the other Party, in seeking any appropriate protective order requested by the other Party. In the event that such other Party fails to receive such appropriate protective order in a timely manner and the Party receiving the request or demand reasonably determines that its failure to disclose or provide such information shall actually prejudice the Party receiving the request or demand, then the Party that received such request or demand may thereafter disclose or provide information to the extent required by such Law (as so advised by its counsel) or by lawful process or such Governmental Authority and will exercise reasonable efforts to obtain assurance that confidential treatment will be accorded to such Confidential Information, and the disclosing Party shall promptly provide the other Party with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted. The obligations in this ARTICLE V shall survive any expiration or termination of this Agreement for six (6) years after the date of expiration or termination of this Agreement; provided, however, that, with respect to each trade secret of a Party or its Affiliates, such obligations shall continue as long as such trade secret remains otherwise protectable as a trade secret.

Section 5.5 Security.

Subject to applicable Data Protection Laws:

(a) If either Party (including its Affiliates and their employees, authorized agents and subcontractors) is given access to the other Party's computer systems or software (collectively, "Systems"), premises, equipment, facilities or data in connection with the Services, the Party given access (the "Availed Party") will each comply with (and will cause its Affiliates, and their employees, authorized agents and subcontractors to comply with) their respective policies and procedures in relation to the use and access of the other Party's Systems, premises, equipment, facilities or data (collectively, "Safety and Security Policies"), and will not compromise or circumvent any safety, security or audit measures employed by such other Party. The Availed Party will access and use only those Systems, premises, equipment, facilities and data of the other Party for which it has been granted the right to access and use.

(b) Each Party will use Commercially Reasonable Efforts to ensure that only those of its personnel who are specifically authorized to have access to the Systems, premises, equipment, facilities and data of the other Party gain such access, and use Commercially Reasonable Efforts to prevent unauthorized access, use, destruction, alteration or loss of such Systems, premises, equipment, facilities or data (including, in each case, any information contained therein), including notifying its personnel of the restrictions set forth in this Agreement and of the Safety and Security Policies.

(c) If, at any time, the Availed Party determines that any of its personnel has sought to circumvent, or has circumvented, the Safety and Security Policies, that any unauthorized Availed Party personnel has accessed the Systems, premises, equipment, facilities or data, or that any of its personnel has engaged in activities that may lead to the unauthorized access, use, destruction, alteration or loss of, or damage to, premises, facilities, equipment, data, information or software of the other Party, the Availed Party will promptly terminate any such person's access to the Systems, premises, equipment, facilities or data and promptly notify the other Party. In addition, such other Party will have the right to deny personnel of the Availed Party access to its Systems, premises, equipment, facilities or data upon notice to the Availed Party in the event that the other Party reasonably believes that such personnel have engaged in any of the activities set forth above in this Section 5.5(c) or otherwise pose a security concern. The Availed Party will use Commercially Reasonable Efforts to cooperate with the other Party in investigating any apparent unauthorized access to such other Party's Systems, premises, equipment, facilities or data.

(d) If any Systems, premises, equipment or facilities of a Party are damaged (ordinary wear and tear excepted) due to the conduct of the Availed Party or any of its Affiliates, or their employees, authorized agents or subcontractors, the Availed Party will be liable to the other Party for all costs associated with such damage, to the extent such costs exceed any available insurance proceeds.

ARTICLE VI
TERMINATION

Section 6.1 Term.

(a) The term of this Agreement (the "Term") will commence on the Distribution Date and end on the earliest to occur of (i) the date on which the provision of all Services have terminated pursuant to Annex C or Annex D (inclusive of any term extension agreed to by the Parties for any Extendable Service pursuant to Section 6.1(b)), (ii) the date on which the provision of all Services has been terminated by the Parties pursuant to Section 6.2, (iii) the date this Agreement is terminated pursuant to Section 6.3 and (iv) the date that is 24 months after the Distribution Date.

(b) Unless identified on Annex C and Annex D as ineligible for extension, all Services are eligible for an extension of their respective Service Term as provided in this Section 6.1(b) (each such Service, an "Extendable Service"). To the extent

reasonably necessary to (i) continue the transition of any Extendable Service from Service Provider or its Affiliates to Service Recipients, its Affiliates or other providers and (ii) the continued operation of Service Recipient's business in connection therewith, in each case, as reasonably agreed by Service Provider and Service Recipient, Service Recipient may elect, by delivering written notice to Service Provider no later than 60 days prior to the end of the then in effect term for such Extendable Service, to extend any such Extendable Service (and, as necessary, the term of this Agreement with respect to such Service) for a maximum period of six months beyond the scheduled termination of such Service (which period shall in no event end later than the date that is the 24-month anniversary of the Distribution Date); provided, however, that Service Recipient may only extend each such Extendable Service one time; provided further, however, that any extension of the Service Term for such Extendable Service is subject to receiving any necessary consents from Third Party vendors to such extension. To the extent the Service Term of any Extendable Service is extended hereunder, Service Recipient will be responsible for any incremental costs related to enabling such extension. If Service Provider agrees to provide such Extendable Service during the requested period, then (i) the Parties shall in good faith negotiate the terms of an amendment to the Annexes hereto, which amendment shall be consistent with the terms of the applicable Service; and (ii) the Fee for such Service during the extension of the Service Term shall be equal to 105% of the original Fee for such Service

Section 6.2 Partial Termination.

(a) Unless identified on Annex C or Annex D as ineligible for termination prior to the expiration of the Service Term, all Services are eligible for termination prior to the expiration of the Service Term ("Eligible Services"). The Service Recipient may, upon providing 60 days written notice to the Service Provider and satisfying any such other requirements specified in Annex C or Annex D with respect to any such Eligible Service, terminate any Eligible Services that, prior to the expiration of the Service Term, are no longer needed from the Service Provider, in which case this Agreement will terminate as to such Eligible Services (a "Partial Termination"); provided, that such termination shall not relieve the Service Recipient from any obligations arising under this Agreement prior to the termination of such Service(s) or its obligations with regard to those Services it continues to receive. The Parties will mutually agree as to the effective date of any Partial Termination.

(b) In the event of any termination prior to the scheduled expiration of the Service Term or of any Partial Termination hereunder, with respect to any terminated Services in which the Fee for such terminated Services is charged as a flat monthly rate, if termination occurs other than the end of the month, there will be no proration of the monthly rate. To the extent any amounts due or advances made hereunder related to costs or expenses that have been or will be incurred and that cannot be recovered by the Service Provider, such amounts due or advances made will not be prorated or reduced and the Service Provider will not be required to refund to the Service Recipient any prorated amount for such costs or expenses; and the Service Recipient will reimburse the Service Provider for (i) Service Recipient's proportional share of any Third Party costs or charges that are required to be paid in connection with the provision of any Services and that cannot be terminated and (ii) any Third

Party cancellation or similar charges incurred as a result of the Service Recipient's early termination.

Section 6.3 Termination of Entire Agreement. Subject to the provisions of Section 6.5, a Party will have the right to terminate this Agreement or effect a Partial Termination effective upon delivery of written notice to the other Party if the other Party:

(a) makes an assignment for the benefit of creditors, or becomes bankrupt or insolvent, or is petitioned into bankruptcy, or takes advantage (with respect to its own property and business) of any state, federal or foreign bankruptcy or insolvency act, or if a receiver or receiver/manager is appointed for all or any substantial part of its property and business and such receiver or receiver/manager remains undischarged for a period of 30 days; or

(b) materially defaults in the performance of any of its covenants or obligations contained in this Agreement (or, in the case of a Partial Termination, with respect to the Services being terminated) and such default is not remedied to the non-defaulting Party's reasonable satisfaction within 30 days after receipt of written notice by the defaulting Party informing such Party of such default, or if such default is not capable of being cured within 30 days, if the defaulting Party has not promptly begun to cure the default within such 30-day period and thereafter proceeded with all diligence to cure the same.

Section 6.4 Procedures on Termination. Following any termination of this Agreement or Partial Termination, each Party will cooperate with the other Party as reasonably necessary to avoid disruption of the ordinary course of the other Party's and its Subsidiaries' businesses. Termination will not affect any right to payment for Services provided prior to termination.

Section 6.5 Effect of Termination. Section 4.1 and Section 4.2 (in each case, with respect to Fees and Taxes attributable to periods prior to termination), Section 3.2, Section 4.3, Section 4.4, Section 6.4, this Section 6.5, ARTICLE I, ARTICLE V, ARTICLE VII and ARTICLE VIII will survive any termination of this Agreement. In the event of a Partial Termination, this Agreement will remain in full force and effect with respect to the Services which have not been terminated by the Parties as provided herein. For the avoidance of doubt, the termination of this Agreement with respect to the Services provided under one Annex, but not the other Annex, will not be a termination of this Agreement.

Section 6.6 Exit. The Parties acknowledge that the Transfer Regulations may apply on termination of the whole or part of this Agreement such that the contracts of employment between the Service Provider and the Transferring Employees may have effect as if originally made between the Service Recipient and the Transferring Employees (except in relation to pension benefits) and that any collective agreements applicable to such Transferring Employees shall have effect between the Service Recipient and the relevant trade union.

Section 6.7 Responsibility for Salary and Other Benefits on Exit. All emoluments and outgoings in relation to the Transferring Employees (including without limitation all wages, bonuses, holiday pay, social insurance contributions, pension contributions and otherwise) shall be borne by the Service Provider up to and including the Termination Date and by the Service Recipient with effect from the Termination Date.

Section 6.8 Indemnities on Exit. In connection with a transfer under Section 6.6, the Parties agree that:

(a) the Service Provider will indemnify, keep indemnified and hold harmless the Service Recipient against all Liabilities in respect of the Transferring Employees, arising from, in respect of or as a result of:

(i) any act or omission by the Service Provider (including any failure to comply with an applicable obligation under Section 6.7) relating to any Transferring Employees occurring prior to the Termination Date; and

(ii) any failure by the Service Provider to comply with any requirement of Regulation 13 and 14 of the Transfer Regulations except to the extent that such failure is caused by a failure by the Service Recipient to comply with Regulation 13(4) of the Transfer Regulations (or equivalent provision under the Directive or any national implementing legislation of the Directive, as applicable);

(b) the Service Recipient will indemnify, keep indemnified and hold harmless, the Service Provider against all Liabilities in respect of the Transferring Employees arising from, in respect of or as a result of:

(i) any act or omission by the Service Recipient (including any failure to comply with an applicable obligation under Section 6.7) relating to any Transferring Employees occurring on or after the Termination Date;

(ii) any claim arising out of the provision of or proposal by the Service Recipient to offer or effect any variation to any benefit, term or condition or working condition of any Transferring Employees which is intended to take effect on or after the Termination Date; and

(iii) any failure by the Service Recipient to comply with Regulations 13(4) of the Transfer Regulations (or equivalent provision under the Directive or any national implementing legislation of the Directive, as applicable) in respect of the Transferring Employees.

Section 6.9 Procedure and indemnity for claims by non-Transferring Employees.

(a) If any person other than any Transferring Employee claims or alleges as a result of the termination of this agreement that his contract of employment has

transferred to the Service Recipient pursuant to the Transfer Regulations the following process shall apply:

(i) the Service Recipient shall notify the Service Provider in writing within 35 days of the Termination Date and in any event seven days of becoming aware of that allegation or claim ("Notification");

(ii) within 28 days of Notification, the Service Provider may offer employment to such person on their existing terms and conditions of employment. If such offer of employment is accepted, the Service Recipient shall immediately release the person from its employment; and

(iii) if an offer of employment has not been made or accepted then the Service Recipient may terminate the employment of such person within seven days of the expiry of the 28 day period referred to in Section 6.9(a)(ii).

Subject to the provisions of Section 6.9 being followed by the Service Recipient, the Service Provider will indemnify, keep indemnified and hold harmless, the Service Recipient against all Liabilities arising out of such allegation or claim up to the date of and in respect of such termination. If the Service Recipient fails to take the action outlined in Section 6.9(a)(iii) within the appropriate time period then such person will be deemed a Transferring Employee.

ARTICLE VII
INDEMNIFICATION AND DISPUTE RESOLUTION

Section 7.1 Limitation of Liability.

(a) No Party nor any of such Party's Affiliates will be liable, whether in contract, tort (including negligence and strict liability) or otherwise, for any special, indirect, punitive, incidental or consequential damages whatsoever that in any way arise out of, relate to, or are a consequence of, its performance or nonperformance hereunder, or the provision of or failure to provide any Service hereunder, including loss of profits, loss of data, diminution in value, business interruptions and claims of customers, whether or not such damages are foreseeable or any Party has been advised of the possibility or likelihood of such damages.

(b) Except for Liabilities arising out of or related to the gross negligence, willful misconduct or bad faith of the Service Provider, in no event will the Service Provider's aggregate liability arising under or in connection with this Agreement (or the provision of Services hereunder) exceed the Fees paid or payable to the Service Provider from the Service Recipient pursuant to this Agreement in respect of the Service from which such Liabilities flows.

(c) Each Party will use Commercially Reasonable Efforts to mitigate the Liabilities for which the other is responsible hereunder. In the event of any breach of this Agreement by any Service Provider with respect to the provision of any Services (with respect to which the Service Provider can reasonably be expected to re-

perform in a commercially reasonable manner), the Service Provider shall promptly correct in all material respects such error, defect or breach or to perform again in all material respects such Services at the request of the Service Recipient and at the sole cost and expense of the Service Provider. Any request for re-performance in accordance with this Section 7.1(c) by the Service Recipient must be in writing and specify in reasonable detail the particular error, defect or breach, and such request must be made no more than one (1) month from the date such error, defect or breach becomes apparent to the Service Recipient or should have reasonably become apparent to the Service Recipient. This Section 7.1(c) shall survive any termination of this Agreement.

Section 7.2 Indemnification by Fortrea. Fortrea will indemnify, defend and hold harmless each of the Labcorp Indemnified Parties for any Liabilities incurred by the Labcorp Indemnified Parties to the extent arising from or relating to: (a) any material breach of this Agreement by Fortrea (including in the event resulting in a termination by Labcorp under Section 6.3); (b) any gross negligence, willful misconduct, fraud or bad faith by Fortrea, the other members of the Fortrea Group, or its or their employees, suppliers or contractors, in the provision of the Fortrea Services by Fortrea, the other members of the Fortrea Group or its or their employees, suppliers or contractors pursuant to this Agreement; and (c) the provision of the Labcorp Services by Labcorp, the other members of the Labcorp Group or its or their employees, suppliers or contractors, except to the extent that such Liabilities are finally determined by a court of competent jurisdiction to have arisen out of the material breach of this Agreement, gross negligence, willful misconduct or bad faith of Labcorp, the other members of the Labcorp Group or its or their employees, suppliers or contractors in providing the Labcorp Services.

Section 7.3 Indemnification by Labcorp. Labcorp will indemnify, defend and hold harmless each of the Fortrea Indemnified Parties for any Liabilities attributable to any Liabilities incurred by to the extent arising from or relating to: (a) any material breach of this Agreement by Labcorp (including in the event resulting in a termination by Fortrea under Section 6.3); (b) any gross negligence, willful misconduct, fraud or bad faith by Labcorp, the other members of the Labcorp Group, or its or their employees, suppliers or contractors, in the provision of the Labcorp Services by Labcorp, the other members of the Labcorp Group or its or their employees, suppliers or contractors pursuant to this Agreement; and (c) the provision of the Fortrea Services by Fortrea, the other members of the Fortrea Group or its or their employees, suppliers or contractors, except to the extent that such Liabilities are finally determined by a court of competent jurisdiction to have arisen out of the material breach of this Agreement, gross negligence, willful misconduct or bad faith of Fortrea, the other members of the Fortrea Group or its or their employees, suppliers or contractors in providing the Fortrea Services.

Section 7.4 Exclusive Remedy. Except for equitable relief and rights pursuant to Section 4.2, Section 4.3(b) or ARTICLE V, the indemnification provisions of this ARTICLE VII will be the exclusive remedy for breach of this Agreement.

Section 7.5 Risk Allocation. Each Party agrees that the Fees charged under this Agreement reflect the allocation of risk between the Parties, including the disclaimer

of warranties in Section 3.7 and the limitations on liability in Section 7.1. Modifying the allocation of risk from what is stated here would affect the Fees that are charged for the Services, and in consideration of those Fees, each Party agrees to the stated allocation of risk.

Section 7.6 Indemnification Procedures. All claims for indemnification pursuant to Section 5.5(d) or this ARTICLE VII will be made in accordance with the provisions set forth in Article IV of the Separation Agreement. Notwithstanding anything to the contrary hereunder, neither Party may assert against the other Party or submit to arbitration or legal proceedings any cause of action, dispute or claim for indemnification which accrued more than two years after the later of (a) the occurrence of the act or event giving rise to the underlying cause of action, dispute or claim and (b) the date on which such act or event was, or should have been, in the exercise of reasonable due diligence, discovered by the Party asserting the cause of action, dispute or claim.

Section 7.7 Project Managers. Each Party shall appoint one or more Representatives who will be its authorized representative and empowered to act on its behalf in connection with this Agreement (each a "Project Manager" and collectively, the "Project Managers"). The Project Managers shall (a) represent and act for their respective Party for matters related to the applicable Service, and (b) meet and/or confer on a regular basis (at mutually agreed times and locations) to review the activities under this Agreement and to discuss the status and progress of such activities, including, without limitation, any partial termination of Services and progress towards transitioning off of Services. The Project Managers will have day-to-day responsibility for the provision and use of the Services. The initial Project Managers will be the Persons identified on Annex B. Each Party will promptly notify the other in writing in the event of any change to the appointment a Project Manager.

Section 7.8 Dispute Resolution. Except for claims arising under ARTICLE V, any Dispute arising out of or relating to this Agreement will be resolved as provided in Article V of the Separation Agreement; provided, however, that before doing so, the Parties will first attempt to resolve such Dispute by engaging in good faith discussions between the Project Mangers, the functional leads and, if necessary, the Post-Distribution Steering Committee; provided, further, that any Dispute regarding any Services designated as "critical" on Annex C or Annex D, as applicable, shall be escalated to Post-Distribution Steering Committee if not addressed within 24 hours of notice provided to the applicable Project Manager.

ARTICLE VIII
MISCELLANEOUS

Section 8.1 Amendments and Waivers.

(a) This Agreement may be amended and any provision of this Agreement may be waived; provided, however, that any such amendment or waiver, as the case may be, is in writing and signed, in the case of an amendment, by the Parties or, in the case of a waiver, by the Party against whom the waiver is to be effective. No course of dealing between or among any Persons having any interest in this

Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Party under or by reason of this Agreement.

(b) No delay or failure in exercising any right, power or remedy hereunder will affect or operate as a waiver thereof; nor will any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or remedy preclude any further exercise thereof or of any other right, power or remedy. The rights and remedies hereunder are cumulative and not exclusive of any rights or remedies that any Party would otherwise have.

Section 8.2 Notices. All notices, requests, permissions, waivers and other communications hereunder will be in writing and will be deemed to have been duly given (a) upon transmission, if sent by email with confirmation of receipt, (b) when delivered, if delivered personally to the intended recipient, and (c) one Business Day following sending by overnight delivery via an international courier service and, in each case, addressed to a Party at the following address for such Party:

If to Labcorp or any member of the Labcorp Group:

Laboratory Corporation of America Holdings
358 South Main Street
Burlington, North Carolina 27215
Attention: **[ ]**
Email: **[ ]**

if to Fortrea or any member of the Fortrea Group:

Fortrea Inc.
8 Moore Drive
Durham, NC 27709, USA
Attention: **[ ]**
Email: **[ ]**

or to such other address(es) as may be furnished in writing by any such Party to the other Party in accordance with the provisions of this Section 8.2.

Section 8.3 Entire Agreement. This Agreement, including the Annexes hereto and the sections of the Separation Agreement referenced herein, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements and understandings of the Parties of any nature, whether oral or written, with respect to such subject matter.

Section 8.4 No Third-Party Beneficiaries. Except to the extent otherwise provided in ARTICLE VII, this Agreement is solely for the benefit of the Parties and does not confer on Third Parties any remedy, claim, reimbursement, claim of action or other right in addition to those existing without reference to this Agreement.

Section 8.5 Governing Law. This Agreement and all disputes or controversies arising out of or relating to this Agreement will be governed by, and construed in accordance with, the Laws of the State of Delaware, without regard to the conflict of Laws provisions thereof that would cause the Laws of another state to apply.

Section 8.6 Assignability. No Party may assign its rights or delegate its duties under this Agreement without the written consent of the other Party, except that a Party may assign its rights or delegate its duties under this Agreement to a member of its Group, provided that (a) such Person agrees in writing to be bound by the terms and conditions contained in this Agreement and (b) such assignment or delegation will not relieve any Party of its indemnification obligations or other obligations under this Agreement. Any attempted assignment or delegation in contravention of the foregoing will be void.

Section 8.7 Severability. The Parties agree that (a) the provisions of this Agreement will be severable in the event that for any reason whatsoever any of the provisions hereof are invalid, void or otherwise unenforceable, (b) any such invalid, void or otherwise unenforceable provisions will be replaced by other provisions which are as similar as possible in terms to such invalid, void or otherwise unenforceable provisions but are valid and enforceable, and (c) the remaining provisions will remain valid and enforceable to the fullest extent permitted by applicable Law.

Section 8.8 Counterparts. This Agreement may be executed in multiple counterparts (any one of which need not contain the signatures of more than one Party), each of which will be deemed to be an original but all of which taken together will constitute one and the same agreement. This Agreement, and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, will be treated in all manner and respects as an original agreement and will be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. At the request of any Party, the other Party will re-execute original forms thereof and deliver them to the requesting Party.

Section 8.9 Rules of Construction. The descriptive headings herein are inserted for convenience of reference only and are not intended to be a substantive part of or to affect the meaning or interpretation of this Agreement. Whenever required by the context, any pronoun used in this Agreement or Annexes will include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns, pronouns, and verbs will include the plural and vice versa. Reference to any agreement, document, or instrument means such agreement, document, or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof. References in this Agreement to any document, instrument or agreement (including this Agreement) includes and incorporates all exhibits, disclosure letters, schedules and other attachments thereto. Unless the context otherwise requires, any references to an “Annex,” “Section” or “Article” will be to an Annex, Section or Article to or of this Agreement. The use of the words “include” or “including” in this Agreement or the Schedules will be deemed to be followed by the words “without limitation.” The use of the word “covenant” will mean “covenant and agreement.” The use of the words “or,” “either” or “any” will not

be exclusive. Days mean calendar days unless specified as Business Days. References to statutes will include all regulations promulgated thereunder, and references to statutes or regulations will be construed to include all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation as of the date hereof. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Except as otherwise expressly provided elsewhere in this Agreement or any other Transaction Document, any provision herein which contemplates the agreement, approval or consent of, or exercise of any right of, a Party, such Party may give or withhold such agreement, approval or consent, or exercise such right, in its sole and absolute discretion, the Parties hereby expressly disclaiming any implied duty of good faith and fair dealing or similar concept.

Section 8.10 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement was not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the Parties will be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the performance of the terms and provisions of this Agreement without proof of actual damages, this being in addition to any other remedy to which any Party is entitled at Law or in equity. Each Party further agrees that no other Party or any other Person will be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 8.10, and each Party irrevocably waives any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument and will not contest the appropriateness of specific performance as a remedy.

Section 8.11 Precedence of Schedules. Each Schedule attached to or referenced in this Agreement is hereby incorporated into and shall form a part of this Agreement; provided, however, that the terms contained in such Schedule shall only apply with respect to the Services provided under that Schedule. In the event of a conflict between the terms contained in an individual Schedule and the terms in the body of this Agreement, the terms in the Schedule shall take precedence with respect to the Services under such Schedule only. No terms contained in individual Schedules shall otherwise modify the terms of this Agreement.

Section 8.12 Force Majeure. No Party shall be deemed in default of this Agreement for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. Without limiting the termination rights contained in this Agreement, in the event of any such excused delay, the time for performance of such obligation (other than a payment obligation) shall be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any

such Force Majeure condition; and (b) use Commercially Reasonable Efforts to remove any such causes and resume performance under this Agreement as soon as reasonably practicable (and in no event later than the date that the affected Party resumes analogous performance under any other agreement for itself, its Affiliates or any Third Party) unless this Agreement has previously been terminated under ARTICLE VI.

[*Signatures on Following Page***]**

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

LABORATORY CORPORATION OF AMERICA HOLDINGS

By: _____
Name:
Title:

FORTREA INC.

By: _____
Name:
Title:

FORM OF FORTREA INC.
NONQUALIFIED DEFERRED COMPENSATION PLAN

(Effective July 1, 2023)

PURPOSE OF THE PLAN

Fortrea Inc. (the "Company") hereby adopts, effective July 1, 2023, a nonqualified deferred compensation plan for the benefit of certain of the Company's employees known as the Fortrea Inc. Nonqualified Deferred Compensation Plan (the "Plan"). The Plan is a continuation of the Laboratory Corporation of America Holdings Nonqualified Deferred Compensation Plan, effective January 1, 2022 (the "Labcorp Plan"), and provides benefits on the same terms and conditions as provided in the Labcorp Plan to certain active Participants of Laboratory Corporation of America Holdings ("Labcorp") as of June 30, 2023, who were transferred to the Company in connection with its spin-off from Labcorp (the "Spinoff"). Any Participants of the Labcorp Plan who had a Separation from Service before the Spinoff, or remained with Labcorp following the Spinoff, continued to be retained and administered by the Labcorp Plan. The purpose of the Plan is to provide certain eligible employees of the Company and its affiliates with the opportunity to receive certain deferred compensation made on their behalf by the Company in the absence of certain restrictions and limitations in the Code.

The Plan is an "employee pension benefit plan" within the meaning of ERISA. However, the Plan is unfunded and maintained for a select group of management or highly compensated employees and, therefore, it is intended that the Plan will be exempt from Parts 2, 3, and 4 of Title 1 of ERISA. The Plan is not intended to qualify under Code Section 401(a).

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. For purposes of the Plan, the following words and phrases shall have the meanings set forth below, unless their context clearly requires a different meaning.

(a) "Account" shall mean the bookkeeping account maintained by the Company on behalf of each Participant pursuant to this Plan.

(b) "Account Crediting Options" shall mean the investment funds, which may include funds within life insurance policies, selected by the Company, in its sole discretion, in which the Accounts will be hypothetically invested as set forth in Section 4.4.

(c) "Administrator" shall mean the Administrator as defined in Article VI, provided, however, that if the Administrator has delegated any of its powers or duties, a reference to the Administrator herein will be deemed to be a reference to the Administrator's delegate.

(d) "Affiliated Employer" shall mean any business entity, whether or not incorporated, which at the time of reference controls, is controlled by, or is under common

control with the Company (within the meaning of Sections 414(b) and (c) of the Code, or which must be taken into account as if it were an Employer under Sections 414(m) or (o) of the Code).

(e) "Beneficiary" or "Beneficiaries" shall mean the person or persons designated by the Participant in accordance with the provisions of this Plan as being entitled to receive any benefit payable under the Plan upon the death of the Participant.

(f) "Board" means the Board of Directors of the Company.

(g) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(h) "Company" shall mean Fortrea Inc.

(i) "Company Contributions" shall mean the amounts, as determined by the Company or an Affiliated Employer on an annual basis based on the provisions of Section 3.3 of this Plan, credited by the Employer to the Account of each Participant.

(j) "Deferral Contributions" shall mean the amounts, as determined by the Participant on an annual basis based on the provisions of Section 3.1 of this Plan, credited by the Employer to the Account of each Participant.

(k) "Deferral Election" shall mean the Election Agreement (or portion thereof) completed by a Participant and filed with the Company that indicates the percentage amount of the Participant's Deferral Contributions.

(l) "Disability" shall mean the condition that exists when the Participant (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last for a continuous period of not less than 12 months or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering Employees of the Employer.

(m) "Election Agreement" shall mean an agreement designated as such by that Administrator and that may be written, may be in electronic form, or may be in such other form as determined by the Administrator.

(n) "Election Filing Date" shall mean December 31 of the Plan Year immediately prior to the first day of the Plan Year for which the Compensation is earned.

(o) "Eligible Employee" shall mean an employee who has been designated by the Company, pursuant to Section 2.1, as eligible to make contributions to the Plan and receive Company Contributions to the Plan.

(p) "Employee" shall mean any common-law employee of the Company or Affiliated Employers.

(q) “Employer” shall mean Fortrea Inc. and each Affiliated Employer. Unless the context otherwise requires, “the Employer” shall mean Fortrea Inc.

(r) “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

(s) “In-Service Subaccount” shall mean the portion of a Participant's Account attributable to Deferral Contributions and earnings thereon and payable pursuant to a Participant's In-Service Distribution Election.

(t) “Incentive Bonus” shall mean the bonus given to members of management based on various economic factors including, but not limited to, the profitability of the Employer. The Incentive Bonus is given at the discretion of the Employer.

(u) “Participant” shall mean each Employee who is eligible to participate and has been selected for participation in the Plan and who has become a Participant pursuant to Article II. Upon a Participant’s Separation from Service, such Participant (or Beneficiary) shall remain a Plan Participant only for as long as the Employee has any balance in the Account.

(v) “Payment Election” shall mean the Election Agreement (or portion thereof) completed by a Participant and filed with the Company that indicates the time of commencement of payment and form of payment of amounts deferred under the Plan.

(w) “Plan” shall mean the Fortrea Inc. Nonqualified Deferred Compensation Plan, as set forth herein and as may be amended or restated from time to time.

(x) “Plan Year” shall mean the calendar year ending December 31.

(y) “Retirement Date” shall mean the date a Participant has attained the age of fifty-five and has at least five (5) years of service.

(z) “Retirement Subaccount” shall mean the portion of a Participant's Account attributable to all Deferral Contributions and Company Contributions credited to the Account for a Plan Year and earnings thereon.

(aa) “Separation from Service” shall mean a separation from service within the meaning of Treasury Regulation Section 1.409A-1(h)(1), or any successor thereto.

(bb) “Specified Employee” shall mean a “specified employee” with respect to the Company (or a controlled group member) determined pursuant to procedures adopted by the Company in compliance with Section 409A of the Code.

(cc) “Trust” shall mean the trust fund established pursuant to the terms of the Plan.

(dd) “Trustee” shall mean the corporation named in the agreement establishing the Trust and such successor and/or additional trustees as may be named in accordance with the Trust Agreement.

(ee) "Unforeseeable Emergency" shall mean a severe financial hardship to the Participant resulting from one of the following:

(1) an illness or accident of the Participant, the Participant's spouse, or the Participant's dependent (as defined in Code Section 152(a));

(2) a loss of the Participant's property due to casualty; or

(3) any other similar extraordinary and unforeseeable circumstance arising as a result of events beyond the Participant's control.

Section 1.2 Gender and Number. As required by the context, an expression in the singular may be deemed to refer to the plural and vice versa. A word in the masculine gender will be deemed also to include the feminine.

ARTICLE II
ELIGIBILITY AND PARTICIPATION

Section 2.1 Eligibility. Employees who are eligible for participation in the Plan are certain key employees who are a part of a select group of management or highly compensated employees, as defined for purposes of ERISA Sections 201(2), 301(a)(3), and 401(a)(1), and whom the Company has designated or may designate as eligible to participate in the Plan at its discretion. Employees must also be subject to the income tax laws of the United States in order to be eligible for participation in the Plan.

The Company shall designate one or more individuals to elect Eligible Employees for participation in the Plan and shall notify each Eligible Employee of selection for participation. Subject to the provisions of Section 2.3, an Eligible Employee must meet the eligibility requirements each Plan Year. The Company may terminate an Employee's participation in the Plan at any time in its sole discretion; provided that any irrevocable deferral elections in effect will remain in effect through the Plan Year (or end of performance period with respect to "performance-based" compensation").

Section 2.2 Commencement of Participation. An Employee shall become an Eligible Employee when the Administrator, in its sole discretion, grants eligibility by determining the effective date on which an Eligible Employee may participate in the Plan (the "Participation Effective Date"). An Eligible Employee will become a Participant when the Participant timely elects to defer income into the Plan pursuant to an Election Agreement completed pursuant to Section 3.1(a) or Section 3.1(b) or the Plan receives a Company Contribution for the Participant's benefit

Section 2.3 Termination of Participation. Once an Eligible Employee has become a Participant in the Plan for a Plan Year, participation shall continue until the first to occur of (a) payment in full of all benefits to which the Participant or applicable Beneficiary is entitled under the Plan, (b) the occurrence of an event specified in Section 2.4 which results in loss of

benefits, or (c) termination of the individual's participation pursuant to Section 2.1 or Section 9.4.

Section 2.4 Missing Persons. If the Company is unable to locate the Participant or applicable Beneficiary for purposes of making a distribution, the amount of the Participant's benefits under the Plan that would otherwise be considered as nonforfeitable shall be forfeited effective four (4) years after (a) the last date a payment of said benefit was made, if at least one such payment was made, or (b) the first date a payment of said benefit was directed to be made by the Administrator pursuant to the terms of the Plan, if no payments have been made. If such person is located after the date of such forfeiture, the benefits for such Participant or Beneficiary shall not be reinstated hereunder.

Section 2.5 Relationship to Other Plans. Participation in the Plan shall not preclude the Participant from participating in any other fringe benefit program or plan sponsored by the Employer for which such Participant would otherwise be eligible.

ARTICLE III
CONTRIBUTIONS AND VESTING

Section 3.1 Deferral Elections.

(a) To participate in the Plan, each Eligible Employee must timely execute and deliver to the Employer an Election Agreement to reduce Compensation by a specified percentage (equal to a whole number multiple of one (1) percent), provided, however that said election does not exceed: (i) 50% of base salary for deferrals of base salary, (ii) 90% of commissions and/or sales incentive payments for deferrals of commissions and/or sales incentive payments, and (iii) 90% of Incentive Bonus for deferrals of Incentive Bonus. The Employer shall credit an amount to the Account maintained on behalf of the Participant corresponding to the amount of said reduction as soon as practicable after the amount would have otherwise been paid to the Participant. The Eligible Employee must properly complete and return the Election Agreement to the Employer not later than the Election Filing Date. An Eligible Employee who timely delivers an Election Agreement to the Employer shall be a Participant. An Eligible Employee may alter, change or revoke the Election Agreement prior to the Election Filing Date. Under no circumstances may an election to defer Compensation be adopted retroactively. A Participant may not revoke an election to defer Compensation for a Plan Year during that year. A Participant's Election Agreement will be effective for one specific Plan Year or such other period of time described on the Election Agreement. For subsequent Plan Years, if the Participant is eligible to participate in the Plan pursuant to Article II, the Participant must complete a new Election Agreement applicable to a succeeding Plan Year in accordance with this Section 3.1(a). A Participant may not alter or amend an Election Agreement after the Election Filing Date.

(b) Notwithstanding the foregoing provisions of Subsection (a), an Eligible Employee who previously had a Separation from Service who is rehired by the Company may, at the sole discretion of the Company, be allowed to execute and deliver an Election Agreement within 30 days of being determined to be eligible to participate in the Plan after being rehired. However,

such Election Agreement will only relate to Compensation paid for services performed after the election, and, to be eligible to make such an election, the Participant either must have previously been paid the entire Account under the Plan and ceased to participate in the Plan prior to being rehired, or not been eligible to participate in the Plan for a period of at least 24-months prior to being rehired. Any such deferral election will comply with the requirements of Treas. Reg. § 1.409A-2(a)(7).

(c) Notwithstanding the foregoing provisions of Subsection (a), with respect to any "performance-based" compensation (as determined by the Company in accordance with Section 409A of the Code) based on services performed over a period of at least 12 months, an Eligible Employee may, at the discretion of the Company and on such terms and conditions established by the Company, complete and deliver an Election Agreement to the Employer, and alter or amend such Election Agreement, up until the date that is six months before the end of such period.

Section 3.2 Payment Elections. Except as provided in Section 5.3, all Payment Elections are irrevocable and shall be made on an Election Agreement filed with the Employer. Each Payment Election shall contain the Participant's elections regarding the time and form of payment of the amount of Compensation that the Participant deferred pursuant to the Election Agreement and any Company Contributions made during the period covered by the Agreement. The Payment Elections available to Participants shall be as follows:

(a) A Participant shall elect on the first Election Agreement the form of payment of the entire Account balance upon (1) the date the Participant incurs a Separation from Service for any reason other than death or Disability before the Retirement Date (the "Separation from Service Election"), (2) the date the Participant incurs a Separation from Service for any reason other than death or Disability on or after the Retirement Date (a "Retirement Date Election"), and (3) Disability prior to Separation from Service (the "Disability Election").

(b) In addition to the elections required by Section 3.2(a), a Participant may elect each year in an Election Agreement to have payment of the amount deferred under the Election Agreement made on a date specified by the Participant and the form of payment for such amount (an "In-Service Distribution Election"); provided, however, that payment as a result of an In-Service Distribution Election shall not commence any sooner than the January 1 of the third (3rd) year following the Plan Year to which the Deferral Election relates. A Participant also may elect each year in an Election Agreement to have a new form of payment for the amount deferred under the Election Agreement pursuant to a new Retirement Date Election. Amounts deferred under such an election shall be credited to a new Retirement Subaccount.

(c) In addition to the elections required by Section 3.2(a), a Participant may elect each year in an Election Agreement to have payment of the amount deferred under the Election Agreement made upon a Change in Control (a "Change in Control Election"). For this purpose, "Change in Control" means a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation as described under Treas. Reg. § 1.409A-3(i)(5).

(d) Payment Elections will be provided each Plan Year in the timely filed Election Agreement for such Plan Year.

Section 3.3 Company Contributions.

(a) At such time as an Employee becomes a Participant pursuant to Article II, the Employer may make contributions to the Participant's Account as determined by the Employer in its sole discretion.

(b) The Employer may, in its sole discretion, contribute such additional amounts, if any, to the Account of any one or more Participants as the Employer may determine.

(c) All Company Contributions shall vest pursuant to a vesting schedule determined by the Administrator, in its sole discretion, at the time the Company Contribution is made.

(d) The Company Contributions shall not be subject to an In-Service Distribution Election, and shall be payable, to the extent vested, only upon Separation from Service, death, Disability, or Unforeseeable Emergency.

Section 3.4 Deferral Contributions Vesting. A Participant shall always be one hundred percent (100%) vested in Deferral Contributions.

ARTICLE IV
ACCOUNTS AND INVESTMENTS

Section 4.1 Establishment of Recordkeeping Accounts. A separate Account shall be maintained for each Participant. Such Account shall be credited with Deferral Contributions and Company Contributions made by the Employer, if any, pursuant to this Plan and credited (or charged, as the case may be) with the hypothetical investment results determined pursuant to this Article of the Plan.

Section 4.2 Subaccounts. Within each Participant's Account, separate subaccounts shall be maintained to the extent the Employer deems necessary or appropriate for the administration of the Plan.

Section 4.3 Hypothetical Nature of Accounts. The Accounts established under this Article shall be hypothetical in nature and shall be maintained for recordkeeping purposes only so that hypothetical gains or losses on Deferral Contributions and Company Contributions, if any, made to the Plan can be credited (or charged, as the case may be).

Section 4.4 Investment Gains or Losses. Account Crediting Options will be determined by the Company in its sole discretion, except that they are hypothetical in nature and no funds are actually held in the Plan. Account Crediting Options determine the hypothetical gain or loss to be reflected in the Participant Accounts. The Company specifically retains the right to change the Account Crediting Options at any time, in its sole discretion.

The Participants and their Beneficiaries may be given the opportunity to allocate their Account balance among the Account Crediting Options as provided by the Plan. The Company is neither required nor obligated to accept a Participant's or Beneficiary's allocation of the Account among the Account Crediting Options. Subject to the Company's exercise of its discretion, a Participant or Beneficiary may change the allocation of the Account in accordance with the investment procedure established by the Company in its sole discretion. A Participant or Beneficiary may allocate and reallocate the entire Account among the Account Crediting Options in accordance with the then existing investment procedure. The Company may amend or modify the investment procedure at any time in its sole discretion.

Section 4.5 Hypothetical Gains or Losses. Any hypothetical dividends, capital gains, and any other income or share activity will be reflected in the Account Crediting Options. The timing of these will be the same as for the funds on which each Account Crediting Option is based. The gain or loss on Participant Accounts will be calculated each business day except as otherwise determined by the Company in its sole discretion.

ARTICLE V
DISTRIBUTION OF ACCOUNT

Section 5.1 Timing of Distributions.

(a) **In General.** Subject to earlier commencement under subsections (b) and (c) below, payment of a Participant's Plan benefit shall commence as follows:

(1) In-Service Subaccounts. Payment of the balance in a Participant's In-Service Subaccount shall commence as of the earlier of the date specified in the applicable In-Service Distribution Election or the Participant's Separation from Service.

(2) Other Amounts. Payment of the balance in a Participant's Account not credited to an In-Service Subaccount shall commence upon the first day of the seventh month after Separation from Service, provided that, a Participant may elect in an Election Agreement to defer commencement of such balance to a date not more than two (2) years following Separation from Service (with such commencement date being the "Permissible Payment Date").

(3) Commencement Within 90 Days. Payments commencing upon Separation from Service shall begin within 90 days following the Permissible Payment Date, and payments commencing as of the date specified in a Participant's In-Service Distribution Election shall begin within 90 days following the date specified in the Election Agreement, provided that, in all cases, the Participant shall not have the right to designate the year of payment.

(b) **Death.** In the event of the death of a Participant prior to Separation from Service, the amount of the Participant's Account shall be paid to the Beneficiary or Beneficiaries within 90 days of the day of death; provided that the Beneficiary or Beneficiaries shall not have the right to designate the year of payment.

(c) **Disability.** If prior to a Participant's Separation from Service, the Participant should sustain a Disability, the Plan will begin to make distributions to the Participant no later than ninety (90) days after the Disability. The Company's determination of a Participant's Disability shall be conclusive. Notwithstanding the foregoing, if payments have commenced from a Participant's In-Service Subaccount prior to Disability, such payments shall continue without any change due to the Participant's Disability.

(d) **Small Payments.** Notwithstanding the foregoing provisions of this Section 5.1, if upon the Participant's Separation from Service the total balance in the Account(s) and any other agreements, methods, programs, plans or other arrangements with respect to which deferrals of compensation are treated as having been deferred under a single nonqualified deferred compensation plan with the account balances under the Plan under Treas. Reg. § 1.409A-1(c)(2) (the "Aggregate Account Balance") is less than the annual contribution limit under Section 402(g) of the Code ($22,500 in 2023 and as indexed for later years), the amount of the Participant's Aggregate Account Balance may, at the discretion of the Company, be paid in an immediate lump sum at the time provided in Section 5.1(a)(3).

Section 5.2 Determination of Method of Distribution. The Participant will select the method of distribution of benefits to the Participant and the method of distribution to the applicable Beneficiary in accordance with Section 3.2. With respect to Deferral Contributions and Company Contributions in any Plan Year for which the Participant does not select the method of distribution to the Participant or the applicable Beneficiary upon a certain event, the method shall be a lump sum.

In the event a Participant incurs a Separation from Service prior to the Participant's Retirement Date, or prior to the date any payments would be made under the Participant's In-Service Distribution Election, if applicable, the method of distribution shall be based on the Participant's Separation from Service Election. If a Participant's Separation from Service occurs on or after the Retirement Date, the method of distribution shall be based on the Participant's Retirement Date Election(s).

A Participant may elect among the following distribution methods for a distribution under Section 5.1:

(a) For payments made in accordance with the Separation from Service Election, the Participant may elect in the Election Agreement between a lump sum and annual installments over a period of up to five (5) years.

(b) Payments made due to the death of the Participant shall be in a lump sum.

(c) For payments made in accordance with a Retirement Date Election, the Participant may elect in the Election Agreement between a lump sum and annual installments over a period of up to fifteen (15) years.

(d) If a Participant elects to have payments made in accordance with an In-Service Distribution Election, the Participant may elect in the Election Agreement between a lump sum and annual installments over a period of up to four (4) years.

(e) For payments made in accordance with a Disability Election, the Participant may elect in the Election Agreement between a lump sum and annual installments over a period of up to five (5) years.

(f) Payments made in accordance with a Change in Control Election shall be in a lump sum.

As indicated in Section 3.2, a Participant may choose different forms of payment for each In-Service Subaccount and for each Retirement Subaccount.

Annual payments will be made on the anniversary of the event that triggered the Participant's initial distribution under Section 5.1 or the anniversary of the date specified in an In-Service Distribution Election. Each annual payment will be equal to the Account balance at the time of payment calculation divided by the number of annual payments remaining in the payment schedule. The Participant's Account balance will be adjusted for investment gain or loss before determining the amount of the remaining annual payments.

Section 5.3 Distribution Changes. Subject to the approval of the Company and any additional requirements imposed by the Company, a Participant may change the time or form of payment for an amount, provided that the election meets all of the following requirements and is in writing on a form provided by the Company:

(a) the subsequent election shall not take effect until at least 12 months after the date on which such election is made;

(b) in the case of a subsequent election related to a payment not made on account of the Participant's death or an Unforeseeable Emergency, the first payment with respect to which the election is made shall in all cases be deferred for a period of not less than 5 years from the date on which such payment otherwise would have been made;

(c) in the case of a subsequent election related to a payment that is to be made at a specified time or pursuant to a fixed schedule, such an election must be made at least 12 months prior to the date of the scheduled payment.

Section 5.4 Designation of Beneficiary. Each Participant shall have the right to designate a Beneficiary to receive payment of the Account in the event of the Participant's death. A Beneficiary designation shall be made by executing and filing the Beneficiary designation form prescribed by the Company. Any such designation may be changed at any time by execution of a new designation in accordance with this Section.

If no such designation is on file with the Company at the time of the death of the Participant, or such designation is not effective for any reason as determined by the Company,

then the Beneficiary to receive such benefit shall be the Participant's surviving spouse, if any, or if none, the Participant's estate.

Section 5.5 Unforeseeable Emergencies. A Participant may apply in writing to the Company for, and the Company may grant, (i) a cancellation of a deferral election for the current Plan Year and/or (ii) an emergency withdrawal of all or any part of the vested portion of the Participant's Account, if the Company, in its sole discretion, determines that the Participant has incurred an Unforeseeable Emergency.

The Company shall determine whether an event qualifies as an Unforeseeable Emergency within the meaning of this Section 5.5, in its sole and absolute discretion.

The amount that may be withdrawn shall be limited to the amount reasonably necessary to relieve the emergency upon which the request is based, plus the federal and state taxes due on the withdrawal, as determined by the Company in accordance with Code Section 409A and applicable provisions of the Treasury Regulations. In making this determination, the Company shall take into account the extent to which such emergency may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship). The Company may require a Participant who requests an emergency withdrawal to submit such evidence as the Company, in its sole discretion, deems necessary or appropriate to substantiate the emergency upon which the request is based and to determine the amount to be distributed with respect to the emergency.

ARTICLE VI
ADMINISTRATION

Section 6.1 Administrator. The Plan shall be administered by one or more individuals hereinafter referred to as the Administrator. The Administrator shall be appointed by the Board. The Administrator shall be responsible for the general operation and administration of the Plan and for carrying out the provisions thereof. The Administrator may delegate to others certain aspects of the management and operations of the Plan including the employment of advisors and the delegation of ministerial duties to qualified individuals, provided that such delegation is in writing.

Section 6.2 General Powers of Administration. The Administrator shall have all powers necessary or appropriate to enable it to carry out its administrative duties. Not in limitation, but in application of the foregoing, the Administrator shall have the duty and power to interpret the Plan and determine all questions that may arise hereunder as to the status and rights of Employees, Participants, Beneficiaries, and any other person. The Administrator may exercise the powers hereby granted in its sole and absolute discretion. The Administrator shall not be personally liable for any actions taken under this Plan unless the actions involve willful misconduct.

Whenever, in the administration of the Plan, any discretionary action by the Administrator is required, the Administrator shall exercise its authority in a nondiscriminatory manner so that all persons similarly situated will receive substantially the same treatment.

Section 6.3 Costs of Administration. The costs of administering the Plan and the Trust shall be borne by the Company.

Section 6.4 Indemnification of Administrator. The Company shall indemnify the Administrator (and any other individuals to whom are delegated Plan administrative responsibilities) against any and all claims, losses, damages, expenses, including attorneys' fees, incurred by them and any liability, including any amounts paid in settlement with their approval, arising from their action or failure to act, except when the same is judicially determined to be attributable to its willful misconduct.

Section 6.5 Agent for Service of Legal Process. The agent for service of legal process under the Plan shall be Fortrea Inc., 8 Moore Drive, Durham, NC 27709, United States.

Section 6.6 Tax Law Compliance.

(a) To the extent applicable, it is intended that this Plan (including all amendments thereto) comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the Participants or a Beneficiary. This Plan shall be administered in a manner consistent with this intent.

(b) Notwithstanding any provision of this Plan to the contrary, in light of the uncertainty with respect to the proper application of Section 409A of the Code, the Company reserves the right to make amendments to this Plan as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A of the Code. In any case, a Participant shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on a Participant or for a Participant's account in connection with this Plan (including any taxes and penalties under Section 409A of the Code), and neither the Company nor any of its affiliates shall have any obligation to indemnify or otherwise hold a Participant harmless from any or all of such taxes or penalties.

ARTICLE VII
CLAIMS PROCEDURE

Section 7.1 Claims. A person who believes that he or she is being denied a benefit to which he or she is entitled under the Plan (hereafter referred to as a "Claimant") may file a written request for such benefit with the Administrator setting forth the claim. The request must be addressed to the Administrator at the Administrator's then principal place of business. In making all decisions on claims, the Administrator shall apply the Plan consistently to similarly-situated individuals.

Section 7.2 Claim Decision. Upon receipt of a claim, the Administrator shall advise the Claimant that a reply will be forthcoming within ninety (90) days and shall, in fact, deliver a

written reply within that period. The Administrator may, however, extend the reply period for an additional ninety (90) days due to special circumstances. To obtain this additional ninety (90) days, the Administrator must provide written notice to the Claimant, prior to the expiration of the initial ninety-day (90-day) period, of the special circumstances requiring the extension of time and the date by which the Administrator expects a decision to be made.

If the claim is denied in whole or in part, the Administrator shall adopt a written opinion, using language calculated to be understood by the Claimant, setting forth all of the following:

(a) The specific reason or reasons for such denial.

(b) The specific reference to pertinent provisions of the Plan on which such denial is based and the Claimant's right to review the same.

(c) A description of any additional material or information necessary for the Claimant to perfect the claim and an explanation why such material or such information is necessary.

(d) An explanation of the Plan's claims review procedure under Sections 7.3 and 7.4 and the time limits applicable to such procedures.

(e) A statement of the Claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.

Section 7.3 Request for Review. Within sixty (60) days after the receipt by the Claimant of the written opinion described above, the Claimant may request in writing that the Company review the determination of the Administrator. Such request must be addressed to the Secretary of the Company, at its then principal place of business. If the Claimant does not request the Company's Secretary to review the Administrator's determination within such sixty-day (60-day) period, the Claimant shall be forever barred and estopped from challenging the Administrator's determination.

Section 7.4 Review of Decision. Following a request for review, the Secretary shall fully and fairly review the decision denying the claim. The Secretary may hold a hearing or conduct an independent investigation regarding the merits of the denied claim. The Claimant shall have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. The Claimant shall be provided, upon request and free of charge, with reasonable access to and copies of all documents, records, and other information relevant to the Claimant's claim for benefits. Any such review of the denied claim shall take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim without regard to whether such information was submitted or considered in the initial determination.

The Secretary shall notify the Claimant of its decision on review within sixty (60) days after its receipt of the Claimant's request for review. If the Secretary determines that special circumstances (such as the need to hold a hearing) require an extension of time, the Secretary shall furnish the Claimant, prior to the expiration of the initial sixty-day (60-day) period, written

notice of an extension of sixty (60) days from the end of the initial sixty-day (60-day) period. The written extension notice shall indicate the special circumstances requiring the extension and the date by which the Secretary expects to render its decision on review.

If the Secretary renders a decision on review which is adverse to the Claimant, the Secretary shall provide the Claimant with a written notice thereof. The written notice shall be prepared in a manner calculated to be understood by the Claimant and shall set forth (a) the specific reason or reasons for the adverse decision, (b) reference to the specific Plan provisions on which the determination is based and the Claimant's right to review said provisions, (c) the Claimant's right to receive, upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the Claimant's claim, and (d) the Claimant's right to bring a civil action under ERISA Section 502(a).

For all purposes under the Plan, such decision on claims where no review is requested and decisions on claims where review is requested shall be final, binding, and conclusive on all interested parties.

To the extent permitted, notice of a claim decision may be provided by electronic notification. Any such electronic notification shall comply with the standards imposed by Department of Labor (DOL) Regulation Section 2520.104b-1(c)(1)(i), (iii), and (iv).

All actions set forth herein to be taken by a Claimant may likewise be taken by a representative of a Claimant who is duly authorized to act on the Claimant's behalf. The Administrator and/or the Company may require reasonable evidence of the representative's authority to act on behalf of the Claimant.

Any portion of this claims procedure which is contrary to or inconsistent with DOL Regulation Section 2560.503-1 shall be null and void. The remaining portions of this claims procedure shall be interpreted and applied in accordance with DOL Regulation Section 2560.503-1.

Section 7.5 Determination of Claims Based on Disability. In any case in which a Claimant seeks a benefit based on a claim that he or she has sustained a Disability, Section 7.2 shall be interpreted and applied as if the phrase "ninety (90) days" were replaced by the phrase "forty-five (45) days," and the phrase "ninety-day (90-day) period" were replaced by the phrase "forty-five-day (45-day) period," and the claims procedures under this Article VII shall otherwise be revised as necessary to comply with the rules for disability claims under DOL Regulation Section 2560.503-1.

ARTICLE VIII
THE TRUST

Section 8.1 Establishment of Trust. The Employer may establish a Trust between the Employer and the Trustee, in accordance with the terms and conditions as set forth in a separate agreement, under which assets are held, administered, and managed, subject to the claims of the Employer's creditors in the event of the Employer's insolvency, until paid to

Participants and their Beneficiaries as specified in the Plan. Any such Trust is intended to be treated as a grantor trust under the Code, and the establishment of the Trust is not intended to cause Participants to realize current income on amounts contributed thereto.

ARTICLE IX
MISCELLANEOUS

Section 9.1 No Contract of Employment. The adoption and maintenance of the Plan shall not be deemed to be a contract between the Employer and any person and shall not be consideration for the employment of any person. Nothing herein contained shall be deemed to give any person the right to be retained in the employ of the Employer or to restrict the right of the Employer to discharge any person at any time nor shall the Plan be deemed to give the Employer the right to require any person to remain in the employ of the Employer or to restrict any person's right to terminate employment at any time.

Section 9.2 Non-Assignability of Benefits.

(a) No Participant, Beneficiary, or distributee of benefits under the Plan shall have any power or right to transfer, assign, anticipate, hypothecate, or otherwise encumber any part or all of the amounts payable hereunder, which are expressly declared to be unassignable and non-transferable. Any such attempted assignment or transfer shall be void. No amount payable hereunder shall, prior to actual payment thereof, be subject to seizure by any creditor of any such Participant, Beneficiary, or other distributee for the payment of any debt judgment or other obligation, by a proceeding at law or in equity, or transferable by operation of law in the event of the bankruptcy, insolvency, or death of such Participant, Beneficiary, or other distributee hereunder.

(b) Notwithstanding the foregoing, all or a portion of a Participant's benefit may be paid to another person as specified in a domestic relations order that the Administrator determines is qualified (a "Qualified Domestic Relations Order"). For this purpose, a Qualified Domestic Relations Order means a judgment, decree, or order (including the approval of a settlement agreement) which is:

(1) issued pursuant to a State's domestic relations law;

(2) relates to the provision of child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent of the Participant;

(3) creates or recognizes the right of a spouse, former spouse, child or other dependent of the Participant to receive all or a portion of the Participant's benefits under the Plan; and

(4) meets such other requirements established by the Administrator.

The Administrator shall determine whether any document received by it is a Qualified Domestic Relations Order. In making this determination, the Administrator may

consider the rules applicable to the "domestic relations orders" under Section 414(p) of the Code and Section 206(d) of ERISA, and such other rules and procedures as it deems relevant.

(c) Except as permitted under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the Code) payable to a Participant or for a Participant's benefit under this Plan may not be reduced by, or offset against, any amount owing by a Participant to the Company or any of its affiliates.

Section 9.3 Withholding. All deferrals and payments provided for hereunder shall be subject to applicable withholding and other deductions as shall be required of the Employer under any applicable local, state, or federal law.

Section 9.4 Amendment and Termination. The Board may from time to time, in its discretion, amend, in whole or in part, any or all of the provisions of the Plan; provided, however, that no amendment may be made that would impair the rights of a Participant with respect to amounts already allocated to the Account. The Board may terminate the Plan at any time without any liability hereunder for any such discontinuance or termination. In the event that the Plan is terminated, the balance in a Participant's Account shall be paid to such Participant or Beneficiary as provided in Section 5.1 unless applicable legal authority, which may include Section 409A of the Code, permits a single cash lump sum payment in full satisfaction of all such Participant's or Beneficiary's benefits hereunder. Any such amendment to or termination of the Plan shall be in writing and signed by a member of the Board. Subject to the same limitations that apply to Board amendments, the Senior Vice President, Chief Legal Officer (as such title may be revised) may amend the Plan to make ministerial changes or to make changes required by law.

Section 9.5 Unsecured General Creditor Status of Employee. Any payments to any Participant, Beneficiary, or any other distributee hereunder shall be made from assets which shall continue, for all purposes, to be a part of the general, unrestricted assets of the Employer. No person shall have or acquire any interest (legal, equitable, or otherwise) in any such assets by virtue of the provisions of this Plan. The Employer's obligation hereunder shall be an unfunded and unsecured promise to pay money in the future. To the extent that the Participant, Beneficiary, or other distributee acquires a right to receive payments from the Employer under the provisions hereof, such right shall be not greater than the right of any unsecured general creditor of the Employer. No such person shall have or acquire any right, title, interest, or claim (legal, equitable, or otherwise) in or to any property or assets of the Employer.

In the event that, in its discretion, the Employer purchases an insurance policy, or policies, insuring the life of an Employee, or any other property, to allow the Employer to recover the cost of providing the benefits, in whole, or in part, hereunder, neither the Participant, Beneficiary, or other distributee shall have or acquire any rights whatsoever therein or in the proceeds therefrom. The Employer shall be the sole owner and beneficiary of any such policy or policies and, as such, shall possess and may exercise all incidents of ownership therein. No such policy, policies, or other property shall be held in any trust for a Participant, Beneficiary, or other distributee or held as collateral security for any obligation of the Employer hereunder. An Employee's participation in the underwriting or other steps necessary to acquire such policy or

policies may be required by the Employer and, if required, shall not be a suggestion of any beneficial interest in such policy or policies to a Participant.

Section 9.6 Notices. Any notice permitted or required under the Plan shall be in writing and shall be hand-delivered or sent, postage prepaid, by first class mail, or by certified mail with return receipt requested, to the principal office of the Company if no other address is specifically stated in the Plan, if to the Administrator or the Company, or to the address last shown on the records of the Company, if to a Participant or Beneficiary. Any such notice shall be effective as of the date of hand-delivery or mailing.

Section 9.7 Severability. If any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions hereof; instead, each provision shall be fully severable, and the Plan shall be construed and enforced as if said illegal or invalid provision had never been included herein.

Section 9.8 Governing Laws. All provisions of the Plan shall be construed, administered, and enforced according to ERISA to the extent governed by federal law, and by the laws of the state of North Carolina (without regard to its choice of law rules) to the extent not preempted by ERISA.

Section 9.9 Binding Effect. This Plan shall be binding on each Participant and the Participant's heirs, devisees, and legal representatives and on the Employer and its successors and assigns.

Section 9.10 Entire Agreement. This document and any amendments contain all the terms and provisions of the Plan and shall constitute the entire Plan, any other alleged terms or provisions being of no effect.

IN WITNESS WHEREOF, the undersigned authorized officer of the Company has executed this document on this _____ day of _____, 2023.

FORTREA INC.

By: _____

Name: _____

Title: _____

Exhibit 99.1

358 South Main Street
Burlington, North Carolina 27215
United States

Adam Schechter
Chairman, President and Chief Executive Officer

, 2023

Dear Fellow Labcorp Stockholder:

We are pleased to inform you that the board of directors of Laboratory Corporation of America® Holdings ("Labcorp") has approved the spinoff to stockholders of our Clinical Development and Commercialization Services business. The Clinical Development and Commercialization Services business will be transferred to Fortrea Holdings Inc. ("Fortrea"), a newly incorporated Delaware corporation, and its shares will be distributed to Labcorp stockholders on June 30, 2023 as a pro rata distribution intended to be tax-free to our stockholders for U.S. federal income tax purposes, except to the extent of any cash received in lieu of fractional shares.

Fortrea will be a leading global contract research organization providing comprehensive phase I through IV biopharmaceutical product and medical device services, patient access solutions and other enabling services to pharmaceutical, biotechnology and medical device organizations. Its common stock will be listed on The Nasdaq Stock Market LLC under the symbol "FTRE."

As a Labcorp stockholder, you will receive one share of Fortrea common stock for every share of Labcorp common stock you hold as of the record date.

Stockholder approval of the distribution is not required, nor are you required to take any action to receive your Fortrea common shares.

Following completion of the spinoff, Labcorp common shares will continue to trade on the New York Stock Exchange under the symbol "LH" and Labcorp will remain a global leader advancing healthcare through science, innovation and technology with deep scientific expertise, vast health data and insights, and an extensive, advanced global laboratory network.

We invite you to learn more about Fortrea and the spinoff by reviewing the enclosed information statement, which contains important information about Fortrea, including financial information.

Thank you for your continued support of Labcorp and your future support of Fortrea.

Sincerely,

Adam Schechter
Chairman, President and Chief Executive Officer
Laboratory Corporation of America® Holdings

Enclosure

8 Moore Drive
Durham, NC 27709
United States

Thomas Pike

Chairman and Chief Executive Officer

, 2023

Dear Future Fortrea Stockholder:

I am excited to welcome you as a future stockholder of Fortrea Holdings Inc. ("Fortrea"). Fortrea will hold Labcorp's Clinical Development and Commercialization Services business, and will be a leading global contract research organization providing phase I through IV biopharmaceutical product and medical device services, patient access solutions and other enabling services to global pharmaceutical, biotechnology and medical device organizations.

Following the spinoff, Fortrea will be positioned to:

- capitalize on growth opportunities across phases I through IV clinical trials and extend its leadership in oncology, cell and gene therapy, rare disease, and other emerging therapeutic areas;
- increase agility with large pharmaceutical and biotechnology clients, ranging from industry leaders to emerging organizations, to better serve customers and advance life-saving therapies;
- utilize access to Labcorp's vast health and clinical data set through an arrangement which will enable it to provide enhanced trial execution and a differentiated value proposition;
- continue to invest in capabilities, technologies, diverse talent and innovation to enhance trial execution and better serve all of its customers; and
- implement a capital structure that is tailored to support its growth strategy and enhance stakeholder value.

Fortrea's common stock will be listed on The Nasdaq Stock Market LLC under the symbol "FTRE."

We look forward to our future as an independent, publicly traded company and to your support as a stockholder of Fortrea.

Sincerely,

Thomas Pike
Chairman and Chief Executive Officer
Fortrea Holdings Inc.

Enclosure

Information contained herein is subject to completion or amendment. A Registration Statement on Form 10 relating to these securities has been filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Subject to Completion, dated June 2, 2023

INFORMATION STATEMENT

Fortrea Holdings Inc.

Shares of Common Stock

Laboratory Corporation of America® Holdings ("Labcorp") is sending this information statement to its stockholders in connection with the pro rata distribution of all the outstanding shares of Fortrea Holdings Inc.'s ("Fortrea") common stock to holders of Labcorp's common stock. As of the date of this information statement, Labcorp wholly owns Fortrea.

On July 28, 2022, Labcorp announced a plan to pursue a separation of its Clinical Development and Commercialization Services business from Labcorp through a spinoff (the "spinoff"). Holders of Labcorp's common stock will be entitled to receive one share of Fortrea common stock for every share of Labcorp common stock owned as of 5:00 p.m., Burlington, North Carolina time, on the record date, June 20, 2023. The distribution date for the spinoff will be June 30, 2023 (the "distribution date"). After the spinoff, Fortrea will be an independent, publicly traded company. The spinoff is intended to be tax-free to Labcorp and its stockholders for U.S. federal income tax purposes, except, in the case of stockholders, to the extent of any cash received in lieu of fractional shares.

You will not be required to pay anything for the Fortrea common stock that will be distributed to you or to surrender or exchange your Labcorp common stock to receive Fortrea common stock in the spinoff. The spinoff will not affect the number of shares of Labcorp common stock that you hold. Immediately following the spinoff, your proportionate interest in Fortrea will be identical to your proportionate interest in Labcorp (as adjusted for any fractional shares). Fortrea common stock will be issued in book-entry form only, which means that no physical stock certificates will be issued. No approval by Labcorp stockholders of the spinoff is required or is being sought. You are not being asked for a proxy and you are requested not to send a proxy.

As discussed under "The Spinoff—Trading of Labcorp Common Stock After the Record Date and On or Prior to the Distribution," if you sell your Labcorp common stock in the "regular way" market after the record date and before or on the distribution date, you will be selling your right to receive Fortrea common stock in connection with the spinoff. You are encouraged to consult with your financial advisor regarding the specific implications of selling your Labcorp common stock before or on the distribution date.

There is no current trading market for Fortrea common stock. However, we expect that a limited market, commonly known as a "when-issued" trading market, for Fortrea common stock will begin on or about June 16, 2023, and we expect that "regular way" trading of Fortrea common stock will begin the first day of trading after the distribution date. We have applied to list Fortrea common stock on The Nasdaq Stock Market LLC ("NASDAQ") under the symbol "FTRE." The spinoff is contingent upon the acceptance of the Fortrea common stock for listing on a national securities exchange approved by Labcorp, such as NASDAQ, subject to official notice of issuance.

In reviewing this information statement, you should carefully consider the matters described under the caption "Risk Factors " beginning on page 26 of this information statement.

Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Labcorp first mailed this information statement to its stockholders on or about , 2023.

The date of this information statement is , 2023**.**

Table of Contents

Presentation of Information

Unless we otherwise state or the context otherwise indicates, all references in this information statement to "Fortrea," "us," "our," or "we" mean Fortrea Holdings Inc. and its subsidiaries, and all references to "Labcorp" mean Laboratory Corporation of America® Holdings and its subsidiaries, other than, for all periods following the spinoff, Fortrea. When referenced individually, the Clinical Development and Commercialization Services business will refer to the business pre-spinoff, and Fortrea will refer to the business post-spinoff, unless the context otherwise specifies.

The term "GAAP" refers to generally accepted accounting principles in the United States of America (the "U.S.").

The transaction in which Fortrea will be separated from Labcorp and become an independent, publicly traded company is referred to in this information statement as the "spinoff" and the "separation." The pro rata distribution of Fortrea common stock to stockholders of Labcorp to affect to the spinoff is referred to in this information statement as the "distribution."

This information statement is being sent solely to provide information to Labcorp stockholders who will receive Fortrea common stock in connection with the spinoff. It is not provided as an inducement or encouragement to buy or sell any securities. You should not assume that the information contained in this information statement is accurate as of any date other than the date set forth on the cover. Changes to the information contained in this information statement may occur after that date, and we undertake no obligation to update the information contained in this information statement, unless we are so required by applicable securities laws.

Trademarks and Copyrights

We use various trademarks, service marks, trade names, and brand names, such as *Fortrea, endpoint, FSPx,* and *Xcellerate*, that we deem particularly important to the advertising activities and operation of our business, and some of these marks are registered or pending registration in the U.S. and, in some cases, other jurisdictions. This information statement may also refer to the brand names, trademarks, or service marks of other companies. All logos, trademarks, service marks, trade names, brand names, and copyrights cited in this information statement are the property of their respective holders. For convenience, we may not include the SM, ®, ™ or © symbols, but such omission is not meant to indicate that we would not protect our intellectual property rights to the fullest extent allowed by law.

Market and Industry Data

This information statement includes estimates regarding market and industry data and forecasts, which are based on publicly available information, industry publications and surveys, reports from government agencies, reports by market research firms, and our own estimates based on our management's knowledge of, and experience in, the markets in which we compete. This information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and uncertainties inherent in surveys of market size. Furthermore, all of this information involves a variety of assumptions, limitations, and methodologies and is inherently subject to uncertainties, and therefore you are cautioned not to give undue weight to these estimates.

QUESTIONS AND ANSWERS ABOUT THE SPINOFF

Q: What is the spinoff?

A: The spinoff is the method by which Fortrea will separate from Labcorp. To complete the spinoff, Labcorp will distribute, pro rata and as a dividend to its stockholders, all of the shares of Fortrea common stock that it owns. Following the spinoff, we will be an independent, publicly traded company, and Labcorp will not retain any ownership interest in us. You do not have to pay any consideration or give up any portion of your Labcorp common stock to receive our common stock in the spinoff.

Q: What is the expected date for the completion of the spinoff?

A: The completion and timing of the spinoff are dependent on a number of conditions, but if the conditions are timely met, we expect the spinoff to be completed on June 30, 2023. See "The Spinoff—Spinoff Conditions and Termination."

Q: What are the reasons for the spinoff?

A: Labcorp's Clinical Development and Commercialization Services business operates largely autonomously, although it and Labcorp have benefited by sharing executive management and some overhead costs. Among other benefits, the spinoff is expected to provide each of Labcorp and Fortrea with strengthened strategic flexibility and operational focus to pursue specific market opportunities and better meet customer needs, focused capital structures and capital allocation strategies to drive innovation and growth, a more targeted investment opportunity for different investor bases, the ability to align its particular incentive compensation with its financial performance, and an improved ability to use its equity as consideration for beneficial acquisitions. Labcorp expects that the spinoff will result in enhanced long-term performance of the businesses held by both Labcorp and Fortrea. For more information, see "The Spinoff—Reasons for the Spinoff."

Q: What is the Company?

A: The Company is a Delaware corporation that was formed on January 31, 2023 for the purpose of holding the Fortrea businesses following the spinoff. Prior to the transfer by Labcorp of these businesses, which will occur in connection with the spinoff, we will have had no operations other than those incidental to our formation or undertaken in preparation for the spinoff.

Q: Who will manage Fortrea after the separation?

A: We will benefit from an experienced leadership team after the separation. Thomas Pike, who served as President and Chief Executive Officer of the Drug Development, Clinical Development and Commercialization Services business unit of Labcorp since January 2023, will serve as our Chief Executive Officer bringing his 30+ years of industry experience to the job. Jill McConnell, the Chief Financial Officer of the Drug Development, Clinical Development and Commercialization Services business unit of Labcorp, will be appointed as our Chief Financial Officer in connection with the spinoff. Additionally, Mark Morais, President of Clinical Development and Commercial Solutions, within Labcorp Drug Development, and Chief Operating Officer and President of Labcorp Clinical Development, will serve as our Chief Operating Officer and President, Clinical Services.

Mr. Pike will serve as Chairman of our board of directors. We will also benefit from the knowledge, experience, and skills of our full board of directors and officers. For more information regarding our management team and our board of directors following the separation, see "Management."

Q: What is being distributed in the spinoff?

A: Labcorp will distribute one share of Fortrea common stock for every share of Labcorp common stock outstanding as of the record date for the spinoff. The number of Labcorp shares you own and your proportionate interest in Labcorp will not change as a result of the spinoff. Immediately following the spinoff, your proportionate interest in Fortrea will be identical to your proportionate interest in Labcorp (as adjusted for any fractional shares).

Q: What is the record date for the spinoff, and when will the spinoff occur?

A: The record date is June 20, 2023, and ownership is determined as of 5:00 p.m., Burlington, North Carolina time, on that date. Fortrea common stock will be distributed on the distribution date, June 30, 2023.

Q: Can Labcorp decide to cancel the spinoff even if all the conditions have been met?

A: Yes. The spinoff is subject to the satisfaction or waiver by Labcorp, at the direction of its board of directors, of certain conditions, including, among others, approval of the Labcorp board of directors, declaration of the effectiveness of our registration statement on Form 10 of which this information statement is a part, and receipt of (i) a private letter ruling from the U.S. Internal Revenue Service (the "IRS") regarding certain U.S. federal income tax matters relating to the spinoff and certain related transactions (which Labcorp has received) and (ii) an opinion of tax counsel regarding the qualification of the spinoff and certain related transactions as generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended (the "Code"). See "The Spinoff—Spinoff Conditions and Termination." Even if all the conditions are met, Labcorp has the right not to complete the spinoff if, at any time prior to the distribution, the board of directors of Labcorp determines, in its sole and absolute discretion, that the spinoff is not in the best interests of Labcorp or its stockholders, that a sale or other alternative is in the best interests of Labcorp or its stockholders, or that market conditions or other circumstances are such that it is not advisable to separate the Fortrea business from Labcorp at that time. In the event Labcorp, at the direction of its board of directors, amends, modifies, or abandons the spinoff, Labcorp will notify its stockholders in a manner reasonably calculated to inform them of such modifications or abandonment with a press release, Current Report on Form 8-K, or other similar means.

Q: Can Labcorp waive conditions and still proceed with the spinoff?

Yes. Labcorp may waive conditions to the spinoff in its sole discretion and proceed with the spinoff even if such conditions have not been met. If the spinoff is completed and the Labcorp board of directors waived any such condition, such waiver could have a material adverse effect on (i) Fortrea's and Labcorp's respective business, financial condition or results of operations, (ii) the trading price of Fortrea's common stock, (iii) the ability of stockholders to sell their Fortrea shares after the distribution, including, without limitation, as a result of (a) illiquid trading if Fortrea common stock is not accepted for listing or (b) litigation relating to any injunctions sought to prevent the consummation of the spinoff or (iv) the tax consequences of the spinoff. In the event Labcorp, at the direction of its board of directors, waives a material condition or amends or modifies the spinoff or the ancillary agreements entered into thereto, Labcorp will evaluate the applicable facts and circumstances at that time and make such additional disclosure and take such other actions as Labcorp determines to be necessary and appropriate in accordance with applicable law.

Q: As a holder of Labcorp common stock as of the record date, what do I have to do to participate in the spinoff?

A: You are not required to take any action to participate in the spinoff, although you are urged to read this entire document carefully. You will receive one share of Fortrea common stock for every share of Labcorp common stock held as of the record date and retained through the distribution date. You may also participate in the spinoff if you purchase Labcorp common stock in the "regular way" market after the record date and retain your Labcorp common stock through the distribution date. See "The Spinoff—Trading of Labcorp Common Stock After the Record Date and On or Prior to the Distribution."

Q: **If I sell my shares of Labcorp common stock before or on the distribution date, will I still be entitled to receive shares of Fortrea common stock in the spinoff?**

A: If you own shares of Labcorp common stock on the record date and hold such shares through the distribution date, you will receive one share of Fortrea common stock for every share of Labcorp common stock held as of the record date and retained through the distribution date. However, if you sell shares of Labcorp common stock after the record date and before or on the distribution date, you will also be selling your right to receive shares of Fortrea common stock in connection with the spinoff. See "The Spinoff—Trading of Labcorp Common Stock After the Record Date and On or Prior to the Distribution." You are encouraged to consult with your financial advisor regarding the specific implications of selling your Labcorp common stock before or on the distribution date.

Q: **How will fractional shares be treated in the spinoff?**

A: Any fractional shares of common stock otherwise issuable to you will be sold on your behalf, and you will receive a cash payment with respect to that fractional share. For an explanation of how the cash payments for fractional shares will be determined, see "The Spinoff—Treatment of Fractional Shares."

Q: **Will the spinoff affect the trading price of my Labcorp common stock?**

A: Yes, the trading price of Labcorp common stock immediately following the spinoff is expected to be lower than immediately prior to the spinoff because the trading price of Labcorp's common stock will no longer reflect the value of Fortrea and Labcorp. However, we cannot provide you with any guarantees as to the prices at which the Labcorp common stock or Fortrea common stock will trade following the spinoff.

Q: **Will my Labcorp common stock continue to trade on a stock market?**

A: Yes, Labcorp common stock will continue to be listed on NYSE under the symbol "LH."

Q: **What are the U.S. federal income tax consequences to me of the distribution of shares of Fortrea common stock pursuant to the spinoff?**

A: Labcorp has received a private letter ruling (the "IRS Ruling") from the IRS on certain issues relevant to the qualification of the spinoff and certain related transactions as tax-free under Sections 368(a)(1)(D) and 355 of the Code, based on certain facts and representations set forth in such request. The IRS Ruling does not address all of the requirements for tax-free treatment of the spinoff, and the spinoff is conditioned upon, among other things, Labcorp's receipt of an opinion of tax counsel regarding the qualification of the spinoff and certain related transactions as generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the Code. Assuming that the spinoff so qualifies, for U.S. federal income tax purposes, you will not recognize any gain or loss, and no amount will be included in your income in connection with the spinoff, except to the extent of any cash received in lieu of fractional shares. See "The Spinoff—Material U.S. Federal Income Tax Consequences of the Spinoff." You should consult your tax advisor as to the particular consequences of the spinoff and related transactions to you, including the applicability and effect of any U.S. federal, state and local tax laws, as well as any foreign tax laws.

Q: When will I receive my shares of Fortrea common stock? Will I receive a stock certificate for my shares of Fortrea common stock distributed as a result of the spinoff?

A: Registered holders of Labcorp common stock who are entitled to participate in the spinoff will receive a book-entry account statement reflecting their ownership of Fortrea common stock, which means that no physical stock certificates will be issued. For additional information, registered stockholders in the U.S., Canada, or Puerto Rico should contact Labcorp's transfer agent, American Stock Transfer & Trust Company, at (800) 937-5449 or through email at help@astfinancial.com. Stockholders located outside the U.S., Canada, and Puerto Rico may call +1 (718) 921-8137. If you would like to receive physical certificates evidencing your shares of Fortrea common stock, please contact Fortrea's transfer agent. See "The Spinoff—When and How You Will Receive Fortrea Shares."

Q: What if I hold my shares of common stock through a broker, bank, or other nominee?

A: Labcorp stockholders who hold their shares of common stock through a broker, bank, or other nominee will have their brokerage account credited with shares of Fortrea common stock. For additional information, those stockholders should contact their broker, bank, or other nominee directly.

Q: What if I have stock certificates reflecting my shares of Labcorp common stock? Should I send them to the transfer agent or to Labcorp?

A: You should not send your stock certificates to the transfer agent or to Labcorp. You should retain your Labcorp stock certificates.

Q: Will Fortrea incur any debt or enter into any financing arrangements prior to or at the time of the spinoff?

A: In connection with the spinoff, we expect to incur indebtedness in an aggregate principal amount of approximately $1,640 million, which we expect to consist of borrowings under senior secured term loan facilities and senior secured notes. We also expect to enter into a $450 million senior secured revolving credit facility, which we do not expect to borrow under prior to the spinoff, and an accounts receivable purchase program ("ARPP"), which we also do not expect to take advantage of, other than in a testing capacity, prior to the spinoff. The ARPP establishes a receivables purchase facility that provides for up to approximately $80 million in funding based on the availability of certain eligible receivables and the satisfaction of certain conditions.

We expect to use the proceeds from these debt and other financing transactions to make an expected $1,605 million cash distribution to Labcorp as partial consideration for the assets that will be contributed to us in connection with the spinoff. After giving effect to such payment and approximately $35 million of associated fees and expenses incurred in connection with the entry into the above, we expect to begin operations as an independent company with a cash balance of approximately $120 million. The cash benefit to Labcorp of the dividend offset by the operating cash at spin is expected to be $1,485 million.

Our capital structure remains under review and will be finalized prior to the spinoff. Once finalized, disclosure regarding our capital structure will be provided in a current report on Form 8-K prior to the consummation of the spinoff. See "Capitalization," "Unaudited Pro Forma Combined Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity, Capital Resources and Financial Position" and "Description of Certain Indebtedness and Other Financing." For more information about risks related to our capital structure see "Risk Factors—We may not be able to access the capital and credit markets on terms that are favorable to us, or at all" and "Risk Factors—The terms and conditions of our expected new senior secured term loan facilities, senior secured revolving credit facility, the indenture governing our senior secured notes and the agreement governing the ARPP have not been finalized."

Q: Are there risks to owning common stock of Fortrea?

A: Yes. Ownership of Fortrea common stock is subject to both general and specific risks relating to Fortrea's business, the industry in which it operates, its ongoing contractual relationships with Labcorp, and its status as a separate, publicly traded company. Ownership of Fortrea common stock is also subject to risks relating to the spinoff. See "Risk Factors."

Q: What will govern my rights as a Fortrea stockholder?

A: Your rights as a Fortrea stockholder will be governed by Delaware law, as well as our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws. Below please find a table that outlines the specific material differences between the rights of the holders of Labcorp's common stock and Fortrea's common stock at the time of the distribution:

Right	Labcorp	Fortrea
Classified Board*	No	Yes
Proxy Access	Yes	No
Director Removal For Cause Only (threshold)	No	Yes (75%)
Shareholders May Call Special Meetings	Yes	No
Shareholders May Act By Written Consent	Yes	No
Supermajority For Certain Charter Amendments (threshold)*	No	Yes (75%)
Supermajority For Certain Bylaw Amendments (threshold)*	No	Yes (75%)

Other than the material differences outlined above, at the time of the distribution, we expect that there will be no other material differences between the rights of the holders of Labcorp's common stock and the holders of Fortrea's common stock. For additional details regarding the Fortrea stock and Fortrea stockholder rights, including the fact that rights denoted with a "*" will expire at the annual meeting of stockholders to be held in 2028, see "Description of Capital Stock."

Q: Does Fortrea intend to pay cash dividends?

A: We do not currently expect to declare or pay dividends on our common stock for the foreseeable future. Instead, we intend to retain earnings for use in the operation and expansion of our business. Any future payment of dividends will be at the discretion of our board of directors and will depend upon various factors then existing, including earnings, financial condition, results of operations, capital requirements, level of indebtedness, contractual restrictions with respect to payment of dividends, restrictions imposed by applicable law, general business conditions, and other factors that our board of directors may deem relevant. See "Dividend Policy."

Q: Will Fortrea common stock trade on a stock market?

A: Yes. Currently, there is no public market for our common stock. We have applied to list our common stock on NASDAQ under the symbol "FTRE." We cannot predict the trading price for our common stock when such trading begins.

Q: What will happen to Labcorp stock options, restricted stock, performance stock unit awards, restricted stock units, and deferred stock unit awards?

A: Generally, outstanding Labcorp equity awards held by employees of Fortrea will be converted into Fortrea equity awards, and outstanding Labcorp equity awards held by employees of Labcorp will remain Labcorp equity awards. As of the distribution date, (i) the exercise price and number of options subject to each outstanding Labcorp stock option award will be adjusted in a manner intended to provide the same value from immediately before the spinoff to immediately after the spinoff, (ii) each restricted stock unit award that is held immediately prior to the spinoff by any employee of Fortrea will be converted into a respective restricted stock unit award denominated in shares of our common stock; and (iii) each outstanding performance share award that is held immediately prior to the spinoff by any employee of Fortrea will be treated as follows: (a) performance share awards for the 2021 to 2023 performance period will be converted into time-based restricted stock units denominated in shares of our common stock based on achievement of performance goals as determined by the Compensation and Human Capital Committee (the "Labcorp Compensation Committee") of Labcorp's board of directors immediately prior to the spinoff; (b) performance share awards for the 2022 to 2024 performance period will be converted into awards denominated in shares of our common stock, with 50% of the target number being converted into time-base restricted stock units based on achievement of performance goals as determined by the Labcorp Compensation Committee immediately prior to the spinoff and the remaining 50% of the target number being converted into performance shares of Fortrea subject to the achievement of performance criteria established by the Labcorp Compensation Committee, and subject to further review and modification by Fortrea in its discretion; and (c) performance share awards for the 2023 to 2025 performance period shall be converted into performance shares of Fortrea subject to the achievement of performance criteria established by the Labcorp Compensation Committee, and subject to further review and modification by Fortrea in its discretion. Each of our converted awards will generally be subject to the same terms, vesting conditions and other restrictions that applied to the original Labcorp award immediately before the spinoff except that performance-vesting conditions applicable to performance share awards will be adjusted as described in the preceding sentence. For further information regarding the treatment of equity awards in the spinoff, see "The Spinoff—Stock-Based Plans—Treatment of Equity-Based Compensation."

Q: What will the relationship between Labcorp and Fortrea be following the spinoff?

A: In connection with the spinoff, we and Labcorp will enter into a separation and distribution agreement that will contain key provisions relating to the separation of our business from Labcorp, the transfer of Labcorp's Clinical Development and Commercialization Services business to us, and the distribution of our common stock. In addition, we and Labcorp will enter into several agreements to govern our relationship following the distribution, including a tax matters agreement, an employee matters agreement, a transition services agreement, lease agreements and other agreements governing ongoing commercial relationships. See "Relationship with Labcorp After the Spinoff—Agreements Between Labcorp and Us."

Q: Will I have appraisal rights in connection with the spinoff?

A: No. Holders of Labcorp common stock are not entitled to appraisal rights in connection with the spinoff.

Q: Who is the transfer agent for your shares of common stock?

A: American Stock Transfer & Trust Company.

Q: Who is the distribution agent for the spinoff?

A: American Stock Transfer & Trust Company.

Q: **Whom can I contact for more information?**

A: If you have questions relating to the mechanics of the distribution of Fortrea common stock, you should contact the distribution agent:

By Mail, Overnight Courier or Hand-Delivery to:

American Stock Transfer & Trust Company
Shareholder Services
6201 Fifteenth Avenue
Brooklyn, NY 11219

By Phone or Email:

Telephone: (800) 937-5449
Outside the U.S., Canada and Puerto Rico: +1 (718) 921-8137
Email: help@astfinancial.com

Before the spinoff, if you have questions relating to the spinoff, you should contact Labcorp at:

Laboratory Corporation of America Holdings
358 South Main Street
Burlington, North Carolina 27215
Attention: Chas Cook, VP Investor Relations
Telephone: +1 (336) 436-5076

After the spinoff, if you have questions relating to Fortrea, you should contact Fortrea at:

Fortrea Holdings Inc.
8 Moore Drive
Durham, NC 27709
Attention: Hima Inguva, SVP of Investor Relations, Corporate Development and Competitive Intelligence
Telephone: +1 (877) 495-0816

SUMMARY

The following is a summary of some of the information contained in this information statement. It does not contain all the details concerning Fortrea or the spinoff, including information that may be important to you. We urge you to read this entire document carefully, including "Risk Factors" and "Unaudited Pro Forma Combined Financial Information" and the combined financial statements and the notes to those financial statements included elsewhere in this information statement.

Except as otherwise indicated or unless the context otherwise requires, the information included in this information statement assumes the completion of the separation of Fortrea from Labcorp and the related distribution of our common stock.

Our Business

We are a leading global contract research organization ("CRO") providing comprehensive phase I through IV biopharmaceutical product and medical device services, patient access solutions and other enabling services. For over 30 years, we have provided our global pharmaceutical, biotechnology, and medical device customers with clinical pharmacology, clinical development, and other service capabilities. In addition, we offer our customers highly flexible delivery models that include Full Service, Functional Service Provider ("FSP"), and Hybrid structures. We believe we are well positioned to leverage our global scale, access to clinical data-driven insights, industry network, and decades of experience to bring customers tailored solutions. Fortrea intends to capitalize on the global demand for clinical development services across a diverse set of therapeutic areas.

Our team of approximately 21,000 staff (including more than 2,600 global, cross-functional clinical research associates) conducts operations in 90 countries and delivers a broad range of clinical development solutions and other services for our customers. Our services streamline the biopharmaceutical product and medical device development process. Additionally, we successfully utilize enabling technologies to optimize processes and evolve with a dynamic marketplace.

Figure 1: Fortrea's clinical experience over the past five years

	CLIN PHARM	PHASE I	PHASE I-II	PHASE II	PHASE III	PHASE IV	MULTIPLE[1]	DEVICE[2]	TOTAL
STUDIES	600	900	200	700	900	400	1,000	700	5,400
UTILIZED SITES	-	4,000	3,100	15,900	46,900	9,200	1,000	3,400	83,500
PARTICIPANTS	-	34,700	77,100	69,900	437,200	165,600	5,700	138,900	929,100

Source: Internal Company Data.
Note: Data reflects in-progress Clinical Development trials running between Jan. 2017 – Dec. 2021. It includes experience for standalone, full service clinical trial management and functional service provision experiences for phases I-IV. Utilized sites are not necessarily unique sites across phases. Numbers rounded to the nearest hundred.
[1] Multiple/Not Phase Specific. [2] Medical Device & Diagnostic unit.

Over the last five years, we have completed over 5,400 studies utilizing approximately 83,500 sites spanning 929,100 participants. These studies encompass more than 20 therapeutic areas and every phase of clinical trials. As the volume of clinical development spend outsourced to CROs continues to grow, we are bringing together global scale, deep scientific expertise, and a comprehensive suite of solutions to better serve our customers.

In sum, Fortrea combines decades of domain expertise with the nimbleness required to meet market demand for adaptable engagements with large and small customers. We intend to differentiate this pairing of technical expertise

with innovative solutions that provide access to unique clinical data assets. Our relationship with Labcorp and other leading third parties provides Fortrea with actionable and data-driven insights that accelerate investigator and patient recruitment. Further, this key differentiator positions Fortrea to enhance clinical trial diversity while streamlining protocol development processes. We seek to apply creativity and experience to every challenge, and our core competencies create efficiencies to deliver life-changing solutions faster.

Services

Our expertise in the biopharmaceutical product and medical device development process has driven us to design service offerings to better meet the needs of customers. We have a robust customer base across pharmaceutical, biotechnology, and medical device organizations. We manage our business in two reporting segments — Clinical Services and Enabling Services. Our Clinical Services segment brings solutions to market which include clinical pharmacology and comprehensive clinical development capabilities. Our Enabling Services segment provides patient access and technology solutions which can be deployed across any of our global solutions depending on the scope of our customers' needs. This comprehensive platform provides our customers with efficient processes across delivery models.

Clinical Services Segment:

- *Clinical Pharmacology*. Our capabilities and solutions support early-phase studies in normal healthy volunteers, special populations, and patient populations across a spectrum of diseases. We deliver critical services to our customers including first-in-human trials ("FIH"), single ascending dose escalation studies ("SAD"), multiple ascending dose escalation studies ("MAD"), radiolabeled human absorption, metabolism, and excretion pharmacokinetics studies ("AME"), drug-drug interaction ("DDI"), hepatic and renal impairment, food effect, QTc interval, and other study types. In addition, we conduct phase Ib hybrid studies that move from normal healthy volunteers into patient populations, providing early insights into pharmacodynamics and signals of therapeutic effectiveness. We have developed a multi-national infrastructure of phase I facilities in both the U.S. and the United Kingdom ("U.K."). This infrastructure is part of an integrated platform designed to enable consistent execution of complex early-phase clinical trials. This includes project management, comprehensive monitoring, pharmacokinetic analysis, and biometrics. Over the past five years, we have conducted more than 600 clinical pharmacology studies.

- *Clinical Development*. We are a leading full-service provider of phase I through IV clinical studies with a flexible approach to serving our customers. Clinical Development is Fortrea's largest offering in terms of annual revenue contribution, and has been for the last five years. Services include, but are not limited to, regulatory affairs, protocol design, operational planning, study and site start-up, patient recruitment, project management, comprehensive monitoring, data management and biostatistics, pharmacovigilance, medical writing, and mobile clinical services. Our service offerings are supported by technological innovations such as digital and decentralized clinical trial ("DCT") capabilities. We focus on rapidly expanding research areas such as oncology, rare diseases, and cell and gene therapies. Additionally, we have deep scientific expertise in a broad spectrum of therapeutic areas and diseases, such as cardiovascular, renal, central nervous system ("CNS") and neurodegenerative, autoimmune, metabolic, infectious disease, dermatology, ophthalmology, immunology, inflammation, respiratory, nephrology, rheumatology, women's health, and nonalcoholic steatohepatitis ("NASH"), among others. Over the past five years, we have conducted 4,100 phase I through IV clinical trial projects. Clinical development is enhanced by our pharmacology learnings, which we apply to future clinical programs. We also have a significant medical device and diagnostics offering, and have conducted over 700 clinical trials in this area. We believe Fortrea is poised to capture additional market share in the large and expanding development market. .

  We offer our customers a tailored approach to clinical trial solutions through the use of three delivery models: Full Service, FSP, and Hybrid.

  - Full Service. Integrates multiple disciplines from our service offering to comprehensively support our customers in their development programs across key geographies. Our service offering integrates protocol design and operational planning, site start-up and patient recruitment, project

and program management, comprehensive site monitoring, centralized monitoring and medical data review, clinical and biometrics services, medical writing, and mobile clinical services. Our project-centric approach utilizes dynamic team resourcing with agile role-based structures. This approach allows for more adaptability to trial types with customer-tailored designs.

- Functional Service Provider. Offers customers experienced personnel to perform targeted activities throughout their development programs. This approach reduces our customers' need to recruit and train dedicated internal resources which saves on cost and time and enables flexibility. Our service offering delivers comprehensive, strategic solutions designed to adapt to the level of customer control and infrastructure. Our FSP team can provide dedicated offerings in clinical operations, clinical data management, biostatistics, statistical programming, pharmacovigilance, mobile clinical services, and medical writing, among other customized solutions.

- Hybrid. Provides the project-centric approach of a Full Service model while integrating FSP models, to varying degrees on large portfolios with therapeutic similarities, to drive efficiencies and enhance sponsor control for clinical development. Our ability to tailor our services to customer needs demonstrates the flexibility we can offer customers across the industry value chain. Fortrea offers this flexibility at a global scale and we expect to position our team as a partner of choice for customers that require a tailored approach

- *Consulting Services*. We provide consulting services that include product development strategy, protocol development, regulatory advisory, patient access guidance, and medical affairs advisory. This solution supports critical decision points in the lifecycle of our customers' products. Further, this spinoff gives Fortrea ample opportunity to expand customer relationships that bolt on additional services in our portfolio.

Enabling Services Segment:.

- *Patient Access*. Fortrea has established a comprehensive portfolio of services to optimize patient support, adherence, and product access. We provide solutions for co-pay, reimbursement and affordability assistance, real-time analytics and market access consulting. Our team operates on behalf of biopharmaceutical product and medical device manufacturers by employing highly trained agents within contact centers and field-based teams. Our field reimbursement specialists enable healthcare practitioners in the United States to navigate product access for their patients. Our nurse-educator staffed call centers provide customized patient support programs designed to address barriers to product use and adherence. We have our non-commercial specialty pharmacy solution providing cold chain storage and specialty prescription dispensing on behalf of biopharmaceutical customers. Our priority is to help patients gain access to treatments on behalf of our customers.
- *Technology Solutions*. We provide our customers access to products that support critical decision points in the lifecycle of their assets. Endpoint Clinical ("Endpoint") provides comprehensive randomization and trial supply management ("RTSM") technology solutions. Our Interactive Response Technology ("IRT") and clinical supplies management solution, streamlines complex randomization and trial supply methods, refines and improves drug supply management, and simplifies site, study and subject administration. Our flexible RTSM technology enables customers to manage a broad range of standard and complex randomization methods, supporting complex trial designs. We believe these products optimize the supply chain and minimize operational costs, while supporting timely and accurate patient dosing. We have invested in direct-to-patient technology that provides comprehensive DCT capabilities supporting electronic solutions and telemedicine to augment trial experiences by decreasing the burden of participation for patients. We also offer a suite of technology and data to deliver insights that enable development and oversight in the effort to maximize trial outcomes. These tools include modules focused on study design optimization; extensive risk, issue, and quality management; centralized data and medical review; diversity and inclusion study insights; clinical monitoring and study oversight.

Industry

CROs provide services to assist in phase I through phase IV clinical trials and commercialization to accelerate the development and reach of safe, effective medical therapies and devices. Developing new biopharmaceutical products and medical devices for the treatment of human disease is a complex, costly, and lengthy process. Prior to commercialization, a biopharmaceutical product or medical device must undergo extensive pre-clinical and clinical testing as well as regulatory review to demonstrate an acceptable benefit-risk profile by regulatory authorities. As a result, bringing a new biopharmaceutical product or medical device to market can take up to 12 years and costs $2.5 billion or more on average.[1]

The biopharmaceutical product development process consists of three stages: pre-clinical, clinical, and commercialization. The pre-clinical process is the stage of research that begins prior to clinical studies and collects data on the feasibility, efficacy, and safety of drugs through experiments outside of the human body. The clinical stage is the most time-consuming and expensive part of the drug development process. During this stage, the product candidate undergoes a series of tests on humans. In phase I, small groups of study volunteers are exposed to ascending doses of the experimental product in order to assess safety and to determine the distribution of the drug and maximally tolerated dose. Preliminary assessment of the relationships between dosage, safety, and effectiveness follow in phase II before expanding to larger trials, phase III, to formally test effectiveness and safety in the target population. Phase IV, or post-approval trials, involves monitoring or verifying the risks and benefits of a drug product.

The clinical development market is a large, attractive and growing market. Clinical development spend by the pharmaceutical and biotechnology industry was estimated at $100 billion in 2022[2]. Of this, we estimate the current addressable market for Fortrea to be $35 billion. Over the next several years, pharmaceutical and biotechnology companies are projected to increase research and development (“R&D”) investment, grow their pipelines, and outsource more programs to CROs. We believe these underlying market trends represent a significant opportunity for us.

In addition to the growth in R&D expenses, an increase in outsourcing has also supported the growth of the CRO sector. Global pharmaceutical and biotechnology companies are a major driver of this growth as they continue to outsource a significant amount of the biopharmaceutical product development process as they seek therapeutic diversity for their pipelines, target diverse global populations, and require deep scientific research. We believe there are three key trends affecting our end markets and believe that such trends will continue creating an increased demand for our services:

- *Increasing Pharmaceutical and Biotechnology R&D Spend*. Growing R&D investment will help propel the CRO market as new indications are discovered, resulting in a greater demand for clinical trials. Over the past decade, we have seen the biopharma industry leverage science, technology, and artificial intelligence (“AI”) to advance the level of understanding of the pathogenesis of human disease, and to identify new therapeutic targets and treatments. Despite a relative downturn in 2022 compared to 2020 and 2021, over the medium to longer term we expect the biotechnology funding to be strong.

- *Elevated Outsourcing Levels*. As large biopharmaceutical companies seek to reduce the cost and time to develop biopharmaceutical products, they have increasingly relied on CROs for services to preserve flexibility and reduce costs associated with clinical trials and improve time to market. According to multiple industry investment sources, the CRO market is expected to grow more slowly for the next two years, at approximately 3-5%, returning to a growth rate of 6-9% in the longer term. The growth is driven by low single-digit percentile growth from large pharmaceutical companies, double-digit percentile growth from smaller biotechnology companies, and a continued drive for more outsourcing generally.

- *Expanding Scope of Capabilities*. CROs have successfully expanded the scope of services they are able to offer pharmaceutical, biotechnology, and medical device companies, increasing the addressable market that

[1] Geoffrey Levitt testimony before Senate Judiciary Committee July 31, 2021.
[2] Simoens S and Huys I (2021) R&D Costs of New Medicines: A Landscape Analysis: Front. Med. 8:760762. doi: 10.3389/fmed.2021.760762 and 2022 Pharma R&D Spend. Evaluate Ltd.

they serve. Examples include the expansion of DCT services, global logistics, and management of highly complex biologics, and cell and gene therapy trials. The need for biopharmaceutical companies to expand the commercial potential of their products internationally has been a catalyst for the increasingly global nature of clinical trials. CROs that can capitalize on extensive datasets to inform decisions and increase efficiency in international clinical trials have benefited from these changing dynamics. As R&D pipelines continue to prioritize biologics and advanced therapies, such as cell and gene therapies, additional complex clinical trial capabilities will also be required from CROs. We are built to handle this increased complexity and global demand that underpin these industry tailwinds.

Despite the large, attractive and growing market that Fortrea operates in, our business is subject to a number of risks inherent to our industry, including our customers' ability to access sufficient funding to complete clinical trials, our ability to generate net new business awards or our new business awards being delayed, terminated, reduced in scope, or failing to go to contract, and our ability to contract with suitable investigators and recruit and enroll patients for clinical trials, among others. Any number of these factors could impact our business, and there is no guarantee that our historical performance will be predictive of future operational and financial performance. For a description of the challenges we face and the risks and limitations that could harm our prospects, see "Cautionary Statement Concerning Forward-Looking Statements," "—Summary of Risk Factors" and "Risk Factors" included elsewhere in this information statement.

Competitive Strengths

We believe we are strategically positioned to serve the pharmaceutical, biotechnology, and medical device industries. Our credibility and reputation in the market is a direct result of our multi-decade track record of operational execution, and effective flexible solutions. Our competitive strengths include:

Extensive History as a Market Leader Across Clinical Development

We have over 30 years of experience providing clinical development services to the pharmaceutical, biotechnology, and medical device industries. We have conducted 4,100 trials across all phases of clinical development in 90 countries in the last five years. We have an extensive history as a leading organization with a differentiated service offering. We believe that our commitment to continuous services and technology innovations combined with Fortrea's customizable approach and experience across more than 20 therapeutic areas will enable us to continue to differentiate ourselves from peers in the CRO industry.

Large and Diversified Customer Base

We have a balanced and diverse customer mix serving large and mid-tier pharmaceutical, biotechnology, and medical device organizations. As of the fiscal year ended 2022, no single customer represented more than 10% of our revenue. We seek to be the partner of choice for innovative biotechnology companies. In 2022, 54% of our revenue came from leading pharmaceutical customers. We believe our customer base positions us at the forefront of innovation in healthcare and allows us to help our customers efficiently bring the best therapeutic solutions to patients.

Global and Stable Customer Relationships

Our scale and expertise are key competitive advantages that make us a multi-dimensional partner for our customers. Our top 20 customers have consistently represented approximately 60% of total revenue for 2022, 2021, and 2020. Additionally, most of our customers use us for more than one service. On average, our customers leverage three or more of our services. We believe that our global capabilities and expertise are considered a differentiator by our top customers. With a portfolio of projects that extend over multiple years, our longer-term contract durations give us confidence and visibility into our future revenues.

Access to Actionable Clinical Data and Insights

Access to data is foundational to any CRO and we believe our arrangement with Labcorp and other continuing strategic engagements will be differentiated by the quality of insights our data can provide. We intend to continue to

prioritize actionable data as we further scale our data repositories. We believe that we have the opportunity to optimize the clinical development process through accelerating the recruitment, increasing the diversity and improving the retention of patients.

Through our unique relationship with Labcorp, we (i) have access to one of the largest sets of global clinical trial data, which enables us to progress clinical trials forward more efficiently and (ii) are able to leverage Labcorp's world-class diagnostics network that performs over 600 million tests per year. Those test results help researchers, medical professionals, and patients make important health decisions and provide insights that help identify individuals who might benefit from enrolling in specific drug trials. Our initial two-year access to extensive health and clinical data provides strategic flexibility and operational direction to efficiently meet our customers' needs.

Expertise Across Rapidly Expanding Therapeutic Areas

We believe that our focus and expertise across rapidly growing scientific areas provide us with advantages over our competitors. Fortrea's expertise spans oncology, CNS and neurodegenerative disease, cardiovascular, renal, NASH, rare disease, cell and gene therapy, and many more. These scientific areas represent the majority of the industry's drug development pipelines.

Oncology makes up a large portion of our business and continues to grow. Through 2021, we have completed over 1,200 oncology clinical trials and serviced over 210,000 patients in nine primary indications. Oncology new business awards have grown 65% in 2022, year-over-year. In 2022, 46% of our therapeutic based revenue related to Oncology studies. In addition to Fortrea's success in oncology, science, innovation, and technology, we plan to leverage our capabilities to successfully capture additional market share across high-growth therapeutic areas such as CNS and neurodegenerative disease, cell and gene therapy, cardiovascular, renal, NASH, rare disease, and more.

Growth Strategy

Our growth strategy aligns with both our management team's key focus areas and our customers' priorities. As a public company, Fortrea plans to:

Increase Effectiveness Through Site Support Strategies and Services

Investigator sites have traditionally been a challenging part of the predictability and speed associated with clinical research. Recently with COVID-19, global political challenges, and the proliferation of technology choices, site productivity and effectiveness, as well as investigator participation, are major challenges to the industry. More positively, many sites and technology start-ups are innovating around data, electronic medical records, and technology. Further, there are also site management organizations emerging that have adopted the concept of using participants' homes and "third places" in studies to improve the patient experience.

Fortrea will leverage a combination of technologies, data, and services to better understand the augmented services that sites need to select trials, identify and enroll patients, and conduct and close out studies. These include the administrative and clinical support, tools, data and analysis to enable sites to be more productive, helping overcome challenges with disparate technologies, complex protocols and resource constraints at sites. Fortrea also plans to establish relationships with key innovators. Existing expertise and tools will be consolidated, and further investment in key areas will take place.

Improve Data Driven Site Selection and Patient Centric Recruitment Strategies

We have developed a unique approach of establishing high-value site relationships to support scientific engagement and reduce the time and cost for our customers to develop products. The third-party clinical sites we work with include healthcare systems, dedicated research networks, large group practices, consortiums, and governmental coordinating bodies that represent multiple research partners around the globe. We leverage data-driven approaches to target sites that align with our business needs. These target sites focus on accelerating patient recruitment, efficiently executing trials, and enhancing our site experience while demonstrating partner superiority in speed, recruitment, and quality.

We are committed to increasing the diversity of patient populations within clinical trials and we have developed a holistic strategy that is focused on partnering with customers, sites, investigators, and communities to address this commitment. Through these collaborations and by utilizing innovative solutions to support the diversity plans expected by global regulatory authorities, we will further strengthen our reputation as a strategic partner of choice.

Pursue "Ideal Scale" to Support the Research Requirements of Our Customers

The landscape for clinical trials is evolving, both with changes to global business practices, and the commercialization strategies of our clients. While the number of novel therapies is increasing, the markets willingness to approve, pay for and distribute therapies is changing. At the same time, global geographic realities have impacted the locations where clinical trials can be conducted. In certain countries, such as the U.S., the need for inclusion of underrepresented minorities and other related goals have become paramount. Today, we have relationships in over 90 countries including all of the major pharmaceutical and biotechnology markets. Notably, Fortrea's approximately 19,000 employees are strategically balanced throughout the world. This is evidenced by our employee breakdown by region, which is as follows: 36% in the Americas, 25% in EMEA, and 39% in Asia-Pacific. At our size, we believe we are more efficient in decision making to positively impact processes and technologies. We will continue to strategically invest in new markets that synergize with our customers' needs, and the demand of the global clinical trial landscape.

Align with Innovators Through Selective Investment in Technology for Speed and Simplification

The last decade has seen a substantial improvement in technology supporting clinical research, as well as an increase in both access to and analysis of relevant data. The past decade has seen the wider availability of electronic medical record data, use of natural language processing for handwritten notes, and the integration of genetic, pathology and other data into key decision processes. Fortrea has invested in technology and utilized in-house and Labcorp data to be more effective in the conduct of trials, related services and certain commercial areas. Our executive team maintains relationships with top technology and data vendors in the industry and will use its "ideal scale" to help bring innovations to sites and sponsors. At the same time, we will continue to invest in selective technologies to improve process cycle time and simplify the increasingly complex protocols for both sites and our employees.

Over the last five years, we have significantly invested in our platform to advance all facets of our clinical development services, key technologies, and data utilization to better serve our customers. These investments include artificial intelligence and machine learning, full service and programmatic development models, data visualization, a full suite of biometric services and clinical data management globally across all phases and delivery models, and DCT capabilities, among others. Looking ahead, we will continue to invest in our capabilities, therapeutic expertise, and ability to generate insights through data and analytics. Our goal is to reduce cost and increase efficiency of clinical trial execution to enhance the quality of our offerings for our customers. We will support our customers in the development of innovative, life-changing biopharmaceutical products, and medical devices while remaining a global leader in clinical trial design and execution.

Become the Partner of Choice for Sponsor Companies and Service Providers

The challenges of clinical research are too complex to be solved by a single company. CROs now have therapeutic and logistical expertise at scale, as do some but not all pharmaceutical, biotechnology, and medical device companies. Increased and early sharing of development and pipeline goals, protocols and issues by all parties combined with strong relationship and program management increase efficiency and promote the adoption of innovative delivery models. Further, our service provider relationships support customers through custom capabilities to bring new products to market with a focus on speed and cost efficiency. Pharmaceutical, biotechnology, and medical device companies seek CRO providers that focus on their core competencies to complement their entire molecule development strategy. For example, we have formed a two-year strategic relationship with Labcorp to develop opportunities where a joint offering of services could be presented to pharmaceutical, biotechnology and medical device customers. These combined solutions utilize services that include de-identified patient and site performance data, patient recruitment and engagement offerings, and central laboratory and bioanalysis services.

Create an Inclusive Culture of Careers with Meaning as a Competitive Advantage

CROs as well as pharmaceutical, biotechnology and medical device sponsors and investigator sites have been impacted by turnover in rapidly growing markets. Recently, this has been compounded by the increased turnover in global employment markets, remote hiring and work, and shortages in related professions such as nursing and computer science. We have a five-part strategy to improve the attractiveness of working at our organization for a longer duration or a career. The focus areas are: Meaningful Work; 360 Degree Relationships; Quality Interactions; Career Mobility; and Respect for the Individual. In a program such as this, execution is paramount. We have an execution program we believe will deliver results, inclusive of global, early talent development academies and diversity focused and career development employee resource groups. This will be supported by investments in process and technology that benefit both our workforce and customers.

Expand Expertise in Existing and Novel Therapeutic Areas

We believe that our therapeutic expertise across all clinical phases of drug development is critical to the proper design and management of clinical trials. Our expertise helps us deliver enhanced value to our customers through a reduction in the cost and time to bring drugs and devices to market. We have significant expertise in several of the rapidly-growing scientific areas including oncology, CNS and neurodegenerative disease, cardiovascular, renal, NASH, rare disease, cell and gene therapy, and several emerging therapeutic areas. The oncology market remains an area of unmet medical need that receives significant investment in R&D. As part of our mission to drive value for customers, we will continue to try to capitalize on the expansion of opportunities in such key areas as oncology, CNS and neurodegenerative, NASH, and autoimmune. While Fortrea has significant expertise and experience in these scientific areas, we are confident that there is ample opportunity for future growth.

Enhance Agile Approach and Project Centric Service Offering

Our agile approach to serving our customers is a distinct advantage for us when we go to market. We believe that our flexible approach has been a key element of our ability to win new customers and retain existing customers across all of our business segments. Fortrea's model is informed by continuous external stakeholder market research. Our analysis highlighted that customers are seeking a partnership rooted in trust and transparency demonstrating the agility and flexibility to meet their individual needs while delivering speed to market and creative solutions. We expect biotechnology companies to increasingly choose CROs that provide highly flexible offerings to meet the changing drug development landscape. In addition, large pharmaceutical companies continue to look for adaptable solutions to conform to customized partner-driven approaches. As the demand for novel solutions increases, we expect that our existing flexible approach to serving our customers will enable us to further grow as an organization.

Build on Strengths in Clinical Pharmacology

We are a market leader in clinical pharmacology studies, including highly specialized human AME studies. We are committed to growing our clinical pharmacology business through the expansion of our existing clinics and through our new state-of-the-art facility in Leeds, U.K. We have integrated technology and artificial intelligence successfully within our clinic scheduling process to optimize the utilization of bed-space and have implemented bedside data capture technology. We are also focused on optimizing delivery in more complex hybrid study designs that include both healthy volunteers and patients through the utilization of our own clinics in combination with an expanded global site network.

Competition

Our operations in the drug development services industry involve high levels of competition, consisting of hundreds of small, limited-scope service providers and a smaller number of large full-service drug development companies. While the industry has seen an increasing level of consolidation over the past several years, primarily driven by the larger full-service providers, it remains highly fragmented.

Our main competition consists of these small and large CROs, as well as in-house departments of pharmaceutical, biotechnology, and medical device companies and, to a lesser extent, select universities and teaching hospitals and site management organizations. Our services have periodically experienced heightened

competition, including competition among CROs for both customers and potential acquisitions. We believe that our significant therapeutic expertise, global reach, integrated model, customer service strategies, access to data, and operational strengths differentiate us from our competitors across all of our segments.

Our major competitors include IQVIA, ICON, Parexel, PPD, a subsidiary of Thermo Fisher Scientific Inc., Medpace Holdings, and Syneos Health. We believe our success with customers has been rooted in transparent partnerships that offer agile solutions and support speed to market. We believe we are positioned to be more flexible and customer focused than our larger competition while offering the global scale that our smaller competition lacks.

Backlog and Net New Business

Our backlog represents anticipated revenue for work not yet completed or performed under executed contracts and other forms of written confirmation, where there is sufficient or reasonable certainty about the customer's ability and intent to fund and commence the services within twelve months. We adjust backlog for foreign currency fluctuations and exclude from backlog revenue that has been recognized as revenue in our statements of operations. Our backlog was $8.6 billion, $8.1 billion, and $8.9 billion at December 31, 2022 and 2021 and March 31, 2023, respectively.

We add net new business to backlog based on the aforementioned criteria. Additionally, each period we evaluate previously awarded projects to adjust for modifications, cancellations, foreign currency fluctuations, and other items. Net new business varies from period to period depending on numerous factors, including customer award volume, sales performance, and overall health of the biopharmaceutical industry, among others. While customers with whom we have had long-standing relationships have continued to award new orders to us, we have experienced some fluctuations in our net new business award levels over the last few quarters driven, we believe, by recent macroeconomic factors affecting the industry and customer hesitation ahead of the spinoff. Some clients have indicated that they are waiting until after the spinoff is complete to award new business. Our net new business awards were $3.7 billion, $3.4 billion and $3.7 billion for the years ended December 31, 2022, 2021 and 2020, respectively and $3.8 billion and $3.4 billion for the trailing twelve months ended March 31, 2023 and 2022, respectively.

We do not believe that, as a sole measure, our backlog and net new business are consistent indicators of future revenue because they have been, and likely will continue to be, affected by a number of factors, including the variable size and duration of projects, many of which are performed over several years, and changes to the scope of work during the course of projects. Additionally, projects may be canceled or delayed by the customer or regulatory authorities. We generally do not have a contractual right to the full amount of the contract award reflected in our backlog. If a customer cancels a contract, we generally will be reimbursed for the costs we have incurred. For more information about risks related to our backlog see "Risk Factors—Risks Relating to Our Business—Our backlog might not be indicative of our future revenues, and we might not realize all of the anticipated future revenue reflected in our backlog."

Sales, Customer Service, and Marketing

Our global sales and customer service organization provides dedicated customer coverage across pharmaceutical, biotechnology, and medical devices industries. This includes a range of solutions such as, but not limited to, clinical trials, biomarkers, technology services, and other services. Our total staff base of approximately 21,000 includes a highly focused, experienced, and trained team of professional business development and customer facing representatives and support staff working on securing, servicing, and expanding business from both new and existing customers.

Our approach to sales and marketing involves the collaboration of scientific, operational, and technical staff with our business development, customer facing project personnel, and senior leadership teams. We embed our scientific team and project personnel from the beginning of the sales process when we first engage potential customers. They remain embedded across the lifecycle of the sale and throughout the life of the project, program or partnership. This strategy allows us to consult collaboratively with our customers throughout the lifecycle of our engagement.

Our marketing efforts support the activities of our business development and customer facing staff. Our global marketing initiatives include integrated, digitally enabled, omni-channel campaigns and communication programs designed to help customers research our services, understand our differentiation, and learn more about our capabilities. We provide our perspective on current industry challenges and developments to create an ongoing dialogue with our current and prospective customers and to promote our scientific expertise, differentiated service offerings, quality, and technology.

Corporate Information

Fortrea was incorporated in Delaware on January 31, 2023. The current address of Fortrea's principal executive offices is 8 Moore Drive, Durham, North Carolina 27709. Fortrea can be contacted by calling (877) 495-0816. Fortrea maintains an internet site at www.fortrea.com. Fortrea's website and the information contained therein or connected thereto are not incorporated into this information statement or the registration statement of which this information statement forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.

Reason for Furnishing this Information Statement

This information statement is being furnished solely to provide information to Labcorp stockholders who will receive Fortrea common stock in the spinoff. It is not to be construed as an inducement or encouragement to buy or sell any of our securities. We believe that the information contained in this information statement is accurate as of the date set forth on the cover. Changes may occur after that date and neither we nor Labcorp undertake any obligation to update the information, except to the extent so required by applicable securities laws.

Summary of Risk Factors

An investment in us is subject to a number of risks, including risks related to the spinoff, our business and the industry in which we operate, laws and regulations, technology and cybersecurity, the securities market and our common stock. Set forth below is a summary of some, but not all, of these risks. Please see "Risk Factors" for a more detailed description of these and other risks.

Risks Relating to the Spinoff

- We may not realize the potential benefits from the spinoff.
- We have no history operating as an independent public company. We will incur additional expenses to create or supplement the corporate infrastructure necessary to operate as an independent public company and we will experience increased ongoing costs in connection with being an independent public company.
- Our historical combined and pro forma financial information are not necessarily indicative of our future financial condition, results of operations, or cash flows nor do they reflect what our financial condition, results of operations, or cash flows would have been as an independent public company during the periods presented.
- If the spinoff and certain related transactions fail to qualify under Sections 355 and 368(a)(1)(D) of the Code, Labcorp and its stockholders could incur significant tax liabilities, and we could be required to indemnify Labcorp for taxes that could be material pursuant to indemnification obligations under the tax matters agreement.
- We might not be able to engage in certain transactions and equity issuances following the spinoff.

Risks Relating to Our Business

- If we do not generate a large number of net new business awards, or if net new business awards are delayed, terminated, reduced in scope, or fail to go to contract, our business, financial condition, results of operations, or cash flows may be materially adversely affected.

- If we are unable to contract with suitable investigators and recruit and enroll patients for clinical trials, our business might suffer.
- The COVID-19 pandemic and associated economic repercussions have adversely impacted our business and results of operations, and are expected to continue to do so.
- Our customer or therapeutic area concentration may have a material adverse effect on our business, financial condition, results of operations or cash flows.
- Increased competition, including price competition, could have a material adverse effect on our revenues and profitability.
- We depend on third parties to provide services critical to our business, and depend on them to comply with applicable laws and regulations.
- We depend on access to data and an inability to access the necessary data from Labcorp or others on commercially reasonable terms or at all could adversely affect our business.

Risks Relating to Regulatory and Compliance Matters

- Failure to comply with the regulations of pharmaceutical and medical device regulatory agencies, such as the U.S. Food and Drug Administration (the "FDA"), the Medicines and Healthcare Products Regulatory Agency (the "MHRA") in the U.K., the European Medicines Agency (the "EMA"), the National Medical Products Administration (the "NMPA") in China, and the Pharmaceuticals and Medical Devices Agency (the "PMDA") in Japan, could result in sanctions and/or remedies against us and have a material adverse effect on us.
- Failure to comply with national, state, local or international environmental, health and safety laws and regulations, could result in fines and penalties and loss of licensure, and have a material adverse effect upon our business.
- Changes in government regulation or in practices relating to the pharmaceutical, biotechnology, or medical device industries could decrease the need for certain services that we provide.
- Failure to comply with federal, state, and foreign laws and regulations, including healthcare fraud and abuse laws and regulations, anti-corruption laws and regulations, trade sanction laws and regulations, and privacy and security laws and regulations, could result in substantial penalties and our business, financial condition, results of operations, cash flows, and prospects could be adversely affected.

Risks Relating to Technology and Cybersecurity

- Failure to maintain the security of customer-related information or compliance with security requirements could damage our reputation with customers, cause us to incur substantial additional costs and become subject to litigation and enforcement actions.

Risks Relating to Legal Matters

- Failure to comply with the contractual requirements of our agreements with customers or third party service providers could result in claims and/or remedies against us and have a material adverse effect on us and our reputation could be harmed.
- Contract research services in the drug development industry create liability risks.

Risks Relating to Financial Matters

- We bear financial risk for contracts that, including for reasons beyond our control, may be underpriced, subject to cost overruns, delayed, or terminated or reduced in scope.

- A significant increase in our days sales outstanding could have an adverse effect on our business, including our cash flow, by increasing our bad debt or decreasing our cash flow.
- Our revenues depend on the pharmaceutical, biotechnology and medical device industries.
- Our future debt and debt covenant requirements may limit cash flow available to invest in the ongoing needs of our business.

Risks Relating to General Matters

- General or macro-economic factors in the U.S. and globally may have a material adverse effect upon us, and a significant deterioration in the economy could negatively impact our services, cash collections, profitability, and the availability and cost of credit.

Risks Relating to Ownership of Our Common Stock

- Because there has not been any public market for our common stock, the market price and trading volume of our common stock may be volatile and you may not be able to resell your shares at or above the initial market price of our common stock following the spinoff.

Summary of the Spinoff

The following is a brief summary of the terms of the spinoff. Please see "The Spinoff" for a more detailed description of the matters described below.

Distributing company	Labcorp, which wholly owns Fortrea. After the distribution, Labcorp will not retain any shares of Fortrea's common stock.
Distributed company	Fortrea, which is currently wholly owned by Labcorp. After the distribution, Fortrea will be an independent, publicly traded company.
Shares to be distributed	Approximately 88.6 million shares of Fortrea common stock distributed on a pro rata basis. Our common stock to be distributed will constitute all of our outstanding common stock immediately after the spinoff.
Distribution ratio	Each holder of Labcorp common stock will receive one share of Fortrea common stock for every share of Labcorp common stock owned by such holder on the record date.
Fractional shares	The transfer agent identified below will aggregate fractional shares into whole shares and sell them on behalf of stockholders in the open market, when, how, and through which broker-dealers as determined in its sole discretion without any influence by Labcorp or us, at prevailing market prices and distribute the proceeds pro rata to each Labcorp stockholder who would otherwise have been entitled to receive a fractional share in the spinoff. You will not be entitled to any interest on the amount of payment made to you in lieu of a fractional share. The transfer agent is not an affiliate of Labcorp or us. See "The Spinoff—Treatment of Fractional Shares."

Distribution procedures	On or about the distribution date, the distribution agent identified below will distribute our common stock by crediting those shares to book-entry accounts established by the transfer agent for persons who were stockholders of Labcorp as of 5:00 p.m., Burlington, North Carolina, on the record date. You will not be required to make any payment or surrender or exchange your Labcorp common stock or take any other action to receive our common stock. However, as discussed below, if you sell Labcorp common stock in the "regular way" market between the record date and the distribution date, you will be selling your right to receive the associated Fortrea common stock in the distribution. Registered stockholders will receive additional information from the transfer agent shortly after the distribution date. Beneficial stockholders will receive information from their brokerage firms.
Distribution agent, transfer agent and registrar for our common stock	American Stock Transfer & Trust Company
Record date	5:00 p.m., Burlington, North Carolina time, on June 20, 2023
Distribution date	June 30, 2023
Trading after the record date and on or prior to the distribution date	It is anticipated that, beginning shortly before the record date and continuing up to and through the distribution date, Labcorp common stock will trade in two markets on NYSE, a "regular way" market and an "ex-distribution" market. Investors will be able to purchase Labcorp common stock without the right to receive shares of Fortrea common stock in the ex-distribution market for Labcorp common stock. Any holder of Labcorp common stock who sells Labcorp common stock in the "regular way" market after the record date and on or prior to the distribution date will be selling the right to receive shares of Fortrea common stock in the spinoff. You are encouraged to consult with your financial advisor regarding the specific implications of selling Labcorp common stock before or on the distribution date.
Assets and liabilities transferred to the distributed company	Before the distribution date, we and Labcorp will enter into a separation and distribution agreement that will contain key provisions relating to the separation of our business from Labcorp, the transfer of Labcorp's Clinical Development and Commercialization Services business to us, and the distribution of our common stock. The separation and distribution agreement will identify the assets to be transferred, liabilities to be assumed, and contracts to be assigned to us by Labcorp in the spinoff and describe when and how these transfers, assumptions and assignments will occur. See "Relationship with Labcorp After the Spinoff—Agreements Between Labcorp and Us—Separation and Distribution Agreement."
Relationship with Labcorp after the spinoff	Before the distribution date, we and Labcorp will enter into several agreements to govern our relationship following the distribution, including a tax matters agreement, an employee matters agreement, a transition services agreement, lease agreements and other agreements governing ongoing commercial relationships. See "Relationship with Labcorp After the Spinoff—Agreements Between Labcorp and Us."

Indemnities	The separation and distribution agreement to be entered into in connection with the spinoff will provide for cross-indemnification between Labcorp and us. Please see "Relationship with Labcorp After the Spinoff—Agreements Between Labcorp and Us—Separation and Distribution Agreement." In addition, we will indemnify Labcorp under the tax matters agreement that we will enter into in connection with the spinoff for certain tax matters, including for actions taken by us that cause the spinoff to become taxable to Labcorp. Please see "The Spinoff—Material U.S. Federal Income Tax Consequences of the Spinoff" and "Relationship with Labcorp After the Spinoff—Agreements Between Labcorp and Us—Tax Matters Agreement."
Material U.S. federal income tax consequences	Labcorp has received an IRS Ruling on certain issues relevant to the qualification of the spinoff and certain related transactions as tax-free under Sections 368(a)(1)(D) and 355 of the Code, based on certain facts and representations set forth in such request. The IRS Ruling does not address all of the requirements for tax-free treatment of the spinoff, and the spinoff is conditioned upon, among other things, Labcorp's receipt of an opinion of tax counsel regarding the qualification of the spinoff and certain related transactions as generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the Code. Assuming that the spinoff so qualifies, Labcorp stockholders generally should not be required, for U.S. federal income tax purposes, to recognize any gain or loss or to include any amount in their income upon their receipt of our common stock in the spinoff (other than with respect to cash received in lieu of fractional shares).You should review the section entitled "The Spinoff—Material U.S. Federal Income Tax Consequences of the Spinoff" for a discussion of the material U.S. federal income tax consequences of the spinoff.
Conditions to the spinoff	We expect that the spinoff will be completed on June 30, 2023, provided that the Labcorp board of directors, in its sole and absolute discretion, has either (i) determined that the conditions set forth under the caption "The Spinoff—Spinoff Conditions and Termination" have been satisfied or (ii) waived any such condition. If the spinoff is completed and the Labcorp board of directors waived any such condition, such waiver could have a material adverse effect on (i) Fortrea's and Labcorp's respective business, financial condition or results of operations, (ii) the trading price of Fortrea's common stock, (iii) the ability of stockholders to sell their Fortrea shares after the distribution, including, without limitation, as a result of (a) illiquid trading if Fortrea common stock is not accepted for listing or (b) litigation relating to any injunctions sought to prevent the consummation of the spinoff or (iv) the tax consequences of the spinoff. In the event Labcorp, at the direction of its board of directors, waives a material condition or amends or modifies the spinoff or the ancillary agreements entered into thereto, Labcorp will evaluate the applicable facts and circumstances at that time and make such additional disclosure and take such other actions as Labcorp determines to be necessary and appropriate in accordance with applicable law.

Reasons for the spinoff	Labcorp's Clinical Development and Commercialization Services business operates largely autonomously, although it and Labcorp have benefited by sharing executive management and some overhead costs. Among other benefits, the spinoff is expected to provide each of Labcorp and Fortrea with strengthened strategic flexibility and operational focus to pursue specific market opportunities and better meet customer needs, focused capital structures and capital allocation strategies to drive innovation and growth, a more targeted investment opportunity for different investor bases, the ability to align its particular incentive compensation with its financial performance, and an improved ability to use its equity as consideration for beneficial acquisitions. Labcorp expects that the spinoff will result in enhanced long-term performance of the businesses held by both Labcorp and Fortrea. For more information, see "The Spinoff—Reasons for the Spinoff."
Stock exchange listing	Currently there is no public market for our common stock. We have applied for listing of our common stock on NASDAQ under the symbol "FTRE." We anticipate that trading will commence on a "when-issued" basis approximately two trading days before the record date. When-issued trading refers to a transaction made conditionally because the security has been authorized but not yet issued. Generally, common stock may trade on NASDAQ on a when-issued basis after they have been authorized but not yet formally issued, which is often initiated by NASDAQ prior to the record date relating to the issuance of such common stock. When-issued transactions are settled after our shares of common stock have been issued to Labcorp stockholders. On the first trading day following the distribution date, when-issued trading will end and regular way trading will begin. "Regular way" trading refers to trading after a security has been issued. We cannot predict the trading price for our shares of common stock following the spinoff. In addition, following the spinoff, Labcorp common stock will remain outstanding and will continue to trade on NYSE under the symbol "LH."
Dividend policy	We do not anticipate paying any dividends on our common stock in the foreseeable future, and we intend to retain earnings for use in the operation and expansion of our business. The declaration and payment of dividends, if any, will be subject to our board of directors' discretion, and will depend on various factors. See "Dividend Policy."
Risk factors	Ownership of Fortrea common stock is subject to both general and specific risks relating to Fortrea's business, the industry in which it operates, its ongoing contractual relationships with Labcorp, and its status as a separate, publicly traded company. Ownership of Fortrea common stock is also subject to risks relating to the spinoff. These risks are described in the "Risk Factors" section of this information statement. You are encouraged to read that section carefully.

Summary Historical and Unaudited Pro Forma Combined Financial Information

The following table summarizes our historical and pro forma combined financial information as of and for the periods and dates indicated.

The summary historical and unaudited pro forma combined financial data shown below should be read in conjunction with the sections herein entitled “Capitalization,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Unaudited Pro Forma Combined Financial Information,” and “Certain Relationships and Related Party Transactions” as well as our audited combined financial statements and the corresponding notes included elsewhere in this information statement.

The combined statements of operations include all revenues and costs directly attributable to our business. The combined statements of operations also include costs for certain centralized functions and programs provided and administered by Labcorp that are allocated to us. These centralized functions and programs include, but are not limited to legal, tax, treasury, risk management, sales expenses, information technology (“IT”), human resources, finance, supply chain, executive leadership, and stock-based compensation. These expenses were allocated to us based on direct usage when identifiable or, when not directly identifiable, on the basis of proportional net revenues or headcount or other reasonable driver, as applicable. We consider the basis on which the expenses have been allocated to reasonably reflect the utilization of services provided to, or the benefit received by, us during the periods presented. However, the allocations may not reflect the expenses we would have incurred as an independent company for the periods presented. Actual costs that may have been incurred if we had been a standalone company would depend on a number of factors, including the organizational structure, whether functions were outsourced or performed by employees, and strategic decisions made in areas such as IT and infrastructure.

For factors that could cause actual results to differ materially from those presented in the summary historical and pro forma combined financial information, see “Cautionary Statement Concerning Forward-Looking Statements” and “Risk Factors” included elsewhere in this information statement.

We derived the summary historical combined financial information for each of the fiscal years in the three-year period ended December 31, 2022 from our audited combined financial statements, and for each of the three months ended March 31, 2023 and 2022 and as of March 31, 2023 from our unaudited combined financial statements, which are included elsewhere in this information statement.

The summary unaudited pro forma combined financial information for the three months ended and as of March 31, 2023, and the year ended December 31, 2022, has been derived from our unaudited pro forma combined financial information, which are included elsewhere in this information statement.

	Pro Forma		Historical				
	Three Months Ended March 31, 2023	Year Ended December 31, 2022	Three Months Ended March 31,		Years Ended December 31,		
			2023[a]	2022[a]	2022 [a]	2021 [a]	2020 [a][b]
Revenues	$ 764.2	$ 3,096.1	$ 764.2	$ 779.0	$ 3,096.1	$ 3,057.5	$ 2,580.3
Costs and expenses:							
Direct costs, exclusive of depreciation and amortization (including purchases from related parties of $87.1, $70.1 and $54.7 during the years ended December 31, 2022, 2021 and 2020 and $21.7 and $20.2 three months ended March 31, 2023 and 2022, respectively.)	639.7	2,474.4	636.2	638.1	2,447.4	2,453.1	2,091.2
Selling, general and administrative expenses, exclusive of depreciation and amortization	79.6	299.9	78.0	75.0	279.8	303.1	267.6
Depreciation and amortization	24.0	96.3	22.8	23.6	92.7	166.3	119.0
Goodwill and other asset impairments	—	9.8	—	—	9.8	—	405.7
Restructuring and other charges	1.2	30.5	1.2	9.6	30.5	20.7	11.0
Total costs and expenses	744.5	2,910.9	738.2	746.3	2,860.2	2,943.2	2,894.5
Operating income (loss)	19.7	185.2	26.0	32.7	235.9	114.3	(314.2)
Other income (expense):							
Interest expense	(32.7)	(132.4)					
Foreign exchange gain (loss)	(5.5)	(0.9)	(5.5)	4.3	(0.9)	20.2	(18.8)
Other, net	1.3	7.0	0.6	0.5	2.0	1.9	0.8
Income (loss) before income taxes	(17.2)	58.9	21.1	37.5	237.0	136.4	(332.2)
Provision for income taxes	(5.6)	0.5	3.7	5.0	44.1	38.4	27.0
Net income (loss)	$ (11.6)	$ 58.4	$ 17.4	$ 32.5	$ 192.9	$ 98.0	$ (359.2)
Earnings per share of common stock							
Basic	$ (0.1)	$ 0.6					
Diluted	$ (0.1)	$ 0.6					

	Historical				
	Three Months Ended March 31,		Years Ended December 31,		
	2023 [a]	2022 [a]	2022 [a]	2021 [a]	2020 [a][b]
Cash flow data:					
Net cash provided by (used in):					
Operating activities	$ 3.4	$ (60.6)	$ 87.5	$ 169.8	$ 200.9
Investing activities	(16.2)	(11.1)	(54.0)	(26.2)	(161.2)
Financing activities	19.9	82.4	(8.7)	(128.5)	(33.1)
Capital expenditures	(16.2)	(11.4)	(54.4)	(26.5)	(24.0)
Other financial data:					
Trailing twelve months net new business [c]	$ 3,811.4	$ 3,410.9	$ 3,727.2	$ 3,389.7	$ 3,661.4
Backlog (at end of period) [c]	8,899.2	8,219.7	8,620.8	8,092.5	7,858.3
Trailing twelve months book-to-bill[c]	1.3 x	1.2 x	1.2 x	1.1 x	1.4 x
Adjusted EBITDA [d]	$ 57.1	$ 74.8	$ 405.1	$ 349.8	$ 253.8
Adjusted net income [d]	40.3	54.2	302.2	254.2	178.8

	Pro Forma	Historical		
	March 31,	As of March 31	As of December 31,	
	2023	2023 [a]	2022 [a]	2021 [a]
Balance sheet data:				
Cash and cash equivalents	$ 120.0	$ 120.2	$ 112.0	$ 94.6
Property, plant and equipment, net	174.3	180.4	164.9	162.6
Working capital	587.0		547.9	290.8
Total assets	4,306.5	4,307.3	4,287.9	4,368.7
Total liabilities	2,501.0	901.8	945.3	1,108.1
Total equity	1,805.5	3,405.5	3,342.6	3,260.6
Pro forma net debt [d]	1,520.0			
Pro forma net debt leverage ratio [d]	3.9x			

(a) Our combined balance sheet and statement of operations do not include an allocation of third-party debt or interest expense from Labcorp because we were not the legal obligor of the debt and because Labcorp's debt financing is not directly attributable to our business. However, in connection with the spinoff, we expect to incur debt and such indebtedness would cause us to record additional interest expense in future periods. See "Description of Certain Indebtedness and Other Financing."

(b) We acquired SnapIoT, Inc. on October 1, 2020 and GlobalCare Clinical Trials, LLC on July 15, 2020. The financial results of these entities have been included as of and since the dates of each acquisition.

(c) Net new business represent new contract awards, net of modifications, cancellations, foreign currency fluctuations and other adjustments. Backlog for all periods represents anticipated revenue for work not yet completed or performed (i) under signed contracts, letters of intent and, in some cases, orders that are supported by other forms of written communication and (ii) where there is sufficient or reasonable certainty about the customer's ability and intent to fund and commence the services within twelve months. Book-to-bill is calculated using Revenues and Net new Business for the trailing twelve months.

(d) Adjusted EBITDA, Adjusted net income, Pro forma net debt and Pro forma net debt leverage ratio are non-GAAP financial measures. We believe these adjusted measures are useful to investors as a supplement to, but not as a substitute for, GAAP measures, in evaluating our operational performance and cash-flow. For additional information about these non-GAAP measures, including a reconciliation of each of these non-GAAP measures to its most directly comparable financial measure calculated in accordance with U.S. GAAP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Information."

RISK FACTORS

The following are certain risk factors that could affect our business, financial condition, results of operations, and cash flows. The risks that are highlighted below are not the only risks that we face. You should carefully consider each of the following risks and all of the other information contained in this information statement. Some of these risks relate principally to our spinoff from Labcorp, while others relate principally to our business and the industry in which we operate or to the securities markets generally and ownership of our common stock. If any of the following risks actually occur, our business, financial condition, results of operations, or cash flows could be negatively affected.

Risks Relating to the Spinoff

We may not realize the potential benefits from the spinoff.

We may not realize the potential benefits that we expect from our spinoff from Labcorp. We have described those anticipated benefits elsewhere in this information statement. See "The Spinoff—Reasons for the Spinoff." In addition, as described elsewhere in this information statement, we will incur additional costs related to our separation from Labcorp. We also expect to incur additional ongoing costs related to operating as an independent public company and replacing the services previously provided by Labcorp. The costs associated with performing or outsourcing these functions may exceed our expectations. A significant increase in the costs of performing or outsourcing these functions could materially and adversely affect our business, financial condition, results of operations, and cash flows.

We have no history operating as an independent public company. We will incur additional expenses to create or supplement the corporate infrastructure necessary to operate as an independent public company and we will experience increased ongoing costs in connection with being an independent public company.

Our business has historically used Labcorp's corporate infrastructure and services to support our business functions. A portion of the expenses related to establishing and maintaining this infrastructure has been charged to us on a cost-allocation basis. Except as described under the caption "Relationship with Labcorp After the Spinoff," after the distribution date we will no longer have access to Labcorp's infrastructure or services and we will need to establish or supplement our own. We may experience increased pricing in our supplier relationships for similar services due to lower volume requirements when we separate from Labcorp. The operational, financial, information system, and logistical separation from Labcorp is complex and involves numerous systems and jurisdictions. Following the spinoff, Labcorp will continue to provide some services to us on a transitional basis pursuant to a transition services agreement. For more information regarding the transition services agreement, see "Relationship with Labcorp After the Spinoff—Agreements Between Labcorp and Us—Transition Services Agreement." However, we cannot assure you that all such functions will be successfully executed by Labcorp during the transition period. Also, we will have to expend significant efforts and costs (including potentially materially in excess of those estimated in the transition services agreement) to (i) replace or otherwise upgrade our systems, including our IT and enterprise resource planning systems, (ii) implement additional financial, IT, and management controls, (iii) implement reporting systems and procedures, (iv) hire additional management, IT, accounting, finance, legal, human resources, and other administrative staff and third-party service providers, (v) establish employee benefit programs, (vi) create a board of directors and corporate governance programs, (vii) carry out audit, tax and legal functions, and (vii) establish banking and credit facility arrangements. Any interruption in these services could have a material adverse effect on our business, financial condition, results of operations, and cash flows. In addition, at the end of this transition period, to the extent we are unable to perform particular functions ourselves, we will need to hire third parties to perform these functions on our behalf.

Our historical combined and pro forma financial information are not necessarily indicative of our future financial condition, results of operations, or cash flows nor do they reflect what our financial condition, results of operations, or cash flows would have been as an independent public company during the periods presented.

The historical combined financial information we have included in this information statement does not necessarily reflect what our financial condition, results of operations, or cash flows would have been as an

independent public company during the periods presented and is not necessarily indicative of our future financial condition, future results of operations, or future cash flows. This is primarily a result of the following factors:

- our historical combined financial results reflect allocations of expenses for services historically provided by Labcorp, and may not fully reflect the increased costs associated with being an independent public company, including significant changes that will occur in our cost structure, management, financing arrangements, and business operations as a result of our spinoff from Labcorp;
- our working capital and capital expenditure requirements historically have been satisfied as part of Labcorp's corporate-wide capital access, capital allocation, and cash management programs; our debt structure and cost of debt and other capital may be significantly different from that reflected in our historical combined financial statements; and
- the historical combined financial information may not fully reflect the effects of certain liabilities that will be incurred or assumed by us and may not fully reflect the effects of the assets that will be transferred to, and liabilities that will be assumed by Labcorp.

The pro forma adjustments are based on available information and assumptions that we believe are reasonable; however, our assumptions may prove not to be accurate. In addition, our unaudited pro forma combined financial information may not give effect to various ongoing additional costs that we may incur in connection with being an independent public company. Accordingly, our unaudited pro forma combined financial information does not reflect what our financial condition, results of operations, or cash flows would have been as an independent public company and are not necessarily indicative of our future financial condition, future results of operations, or future cash flows. Please refer to “Management's Discussion and Analysis of Financial Condition and Results of Operations” and “Unaudited Pro Forma Combined Financial Information” and our combined financial statements and corresponding notes included elsewhere in this information statement.

As an independent, publicly traded company, we may not enjoy the same benefits that we did as a part of Labcorp.

There is a risk that, by separating from Labcorp, we may become more susceptible to market fluctuations and other adverse events than we would have been if we were still a part of the current Labcorp organizational structure. Also, as a part of Labcorp, we have been able to enjoy certain benefits, including access to Labcorp’s data, corporate infrastructure, client relationships, purchasing power and cost of capital, among other benefits. As an independent, publicly traded company, we will not have the same benefits. Additionally, as part of Labcorp, we have been able to leverage Labcorp’s reputation and historical performance to help build our business, attract and retain talent, and recognize operational synergies, which, as an independent, publicly traded company, we will not be able to leverage.

If the spinoff and certain related transactions fail to qualify under Sections 355 and 368(a)(1)(D) of the Code, Labcorp and its stockholders could incur significant tax liabilities, and we could be required to indemnify Labcorp for taxes that could be material pursuant to indemnification obligations under the tax matters agreement.

Labcorp has received an IRS Ruling on certain issues relevant to the qualification of the spinoff and certain related transactions as tax-free under Sections 368(a)(1)(D) and 355 of the Code, based on certain facts and representations. The IRS Ruling does not address all of the requirements for tax-free treatment of the spinoff, and the spinoff is conditioned upon, among other things, Labcorp’s receipt of an opinion of tax counsel regarding the qualification of the spinoff and certain related transactions as generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the Code. The IRS Ruling was, and the opinion will be, based on, among other things, certain factual assumptions, representations and undertakings from Labcorp and us, including those regarding the past and future conduct of the companies’ respective businesses and other matters. If any of these factual assumptions, representations, or undertakings are incorrect or not satisfied, Labcorp may not be able to rely on the IRS Ruling or tax opinion, and Labcorp and its stockholders could be subject to significant U.S. federal income tax liabilities. In addition, the opinion received will not be binding on the IRS or the courts and is expected to rely on the IRS Ruling with respect to the matters in such ruling.

Notwithstanding any private letter ruling or opinion of tax counsel, the IRS could determine on audit that the spinoff does not so qualify if it determines that any of these factual assumptions, representations or undertakings are not correct or have been violated or that the spinoff should be taxable for other reasons, including as a result of a significant change in stock or asset ownership after the spinoff. If the spinoff is ultimately determined not to so qualify, the spinoff could be treated as a taxable disposition of shares of stock by Labcorp and as a taxable dividend or capital gain to Labcorp's stockholders for U.S. federal income tax purposes. In such case, Labcorp and its stockholders that are subject to U.S. federal income tax could incur significant U.S. federal income tax liabilities. See "The Spinoff—Material U.S. Federal Income Tax Consequences of the Spinoff." Under the tax matters agreement that we intend to enter into with Labcorp, we could have an indemnification obligation to Labcorp with respect to taxes incurred by Labcorp that arise as a result of actions or omissions by us that prevent the spinoff, together with certain related transactions, from qualifying as tax-free under Sections 355 and 368(a)(1)(D) of the Code.

We might not be able to engage in certain transactions and equity issuances following the spinoff.

Our ability to engage in certain transactions could be limited or restricted after the spinoff in order to preserve, for U.S. federal income tax purposes, the qualification of the spinoff and certain related transactions under Sections 355 and 368(a)(1)(D) of the Code. Even if these transactions otherwise qualify for tax-free treatment to Labcorp's stockholders under Section 355 of the Code, they may result in corporate-level taxable gain to Labcorp if there is a 50% or greater change in ownership, by vote or value, of shares of our stock, Labcorp's stock or the stock of a successor of either occurring as part of a plan or series of related transactions that includes the spinoff. Any acquisitions or issuances of our stock or Labcorp's stock within two years of the spinoff are generally presumed to be part of such a plan, although it may be possible to rebut that presumption. See "The Spinoff—Material U.S. Federal Income Tax Consequences of the Spinoff."

Under the tax matters agreement that we intend to enter into with Labcorp, we will be required to comply with the representations and undertakings made in the IRS Ruling that Labcorp has received and in materials submitted to the IRS in connection therewith and to the tax advisors in connection with the opinions Labcorp expects to receive regarding the intended tax treatment of the spinoff and certain related transactions. The tax matters agreement will also restrict our ability to take or fail to take any action if such action or failure to act could adversely affect the intended tax treatment. In particular, except in specific circumstances, in the two years following the spinoff, we will be restricted from, among other things, (i) entering into any transaction pursuant to which all or a portion of our equity would be acquired, whether by merger or otherwise, and (ii) ceasing to actively conduct certain businesses or activities. These restrictions may limit our ability to pursue certain transactions that we may believe to be in the best interests of our stockholders or that might increase the value of our businesses. See "Relationship with Labcorp After the Spinoff—Agreements Between Labcorp and Us—Tax Matters Agreement."

We will be subject to continuing contingent liabilities following the spinoff, including potential indemnification liabilities to Labcorp, and these liabilities could materially and adversely affect our business, financial condition, results of operations, and cash flows.

After the spinoff, there will be several significant areas where the liabilities of Labcorp may become our obligations. We will enter into a separation and distribution agreement with Labcorp that will provide for, among other things, the principal corporate transactions required to effect the spinoff, certain conditions to the spinoff, and provisions governing the relationship between us and Labcorp with respect to and resulting from the spinoff. For a description of the separation and distribution agreement, see "Relationship with Labcorp After the Spinoff—Agreements Between Labcorp and Us—Separation and Distribution Agreement." Among other things, the separation and distribution agreement provides for indemnification obligations designed to make us financially responsible for substantially all liabilities that may exist relating to our business, whether incurred prior to or after the spinoff, and whether known or unknown at the time of the spinoff, as well as those obligations of Labcorp assumed by us pursuant to the separation and distribution agreement. If we are required to indemnify Labcorp under the circumstances set forth in the separation and distribution agreement, or meaningful unknown liabilities surface, we may be subject to substantial liabilities.

In addition, provisions of law may impose certain of Labcorp's liabilities on us after the spinoff. For example, under the Code and the related rules and regulations, each corporation that was a member of the Labcorp consolidated U.S. federal income tax group during a taxable period or portion of a taxable period ending on or before the effective date of the spinoff is severally liable for the U.S. federal income tax liability of the Labcorp consolidated U.S. federal income tax group for that taxable period. Consequently, if Labcorp is unable to pay the consolidated U.S. federal income tax liability for a pre-spinoff period, we could be required to pay the amount of such tax, which could be substantial and in excess of the amount allocated to us under the tax matters agreement. Similar rules may apply for state, local, and non-U.S. tax purposes. Other provisions of law establish similar liability for other matters, including U.S. federal laws governing tax-qualified pension plans, as well as other contingent liabilities.

In connection with the spinoff, Labcorp will indemnify us for certain liabilities. However, there can be no assurance that the indemnity will be sufficient to insure us against the full amount of such liabilities, or that Labcorp's ability to satisfy its indemnification obligations will not be impaired in the future.

Pursuant to the separation and distribution agreement, Labcorp will agree to indemnify us for certain liabilities. However, third parties could seek to hold us responsible for any of the liabilities that Labcorp has agreed to retain, and there can be no assurance that the indemnity from Labcorp will be sufficient to protect us against the full amount of such liabilities, or that Labcorp will be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from Labcorp any amounts for which we are held liable, we may be temporarily required to bear these losses ourselves. If Labcorp is unable to satisfy its indemnification obligations, the underlying liabilities could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

After the spinoff, Labcorp's insurers may deny coverage to us for liabilities associated with occurrences prior to the spinoff. Even if we ultimately succeed in recovering from such insurance providers, we may be required to temporarily bear such loss of coverage.

The terms of the distribution and the agreements we will enter into with Labcorp in connection with the spinoff were determined solely by Labcorp.

The agreements that we will enter into with Labcorp in connection with the spinoff were prepared in the context of the spinoff while our business was still operated by and part of Labcorp, and the terms were determined by Labcorp as our sole owner. Because these agreements were negotiated in the context of a parent-subsidiary relationship prior to the spinoff where actual or perceived conflicts of interest may have been present, the terms of these agreements may be more or less favorable to us than those that would have resulted from arm's-length negotiations between unaffiliated third parties. See "Relationship with Labcorp After the Spinoff—Agreements Between Labcorp and Us."

Our accounting, enterprise resource planning, and other management systems and resources may not be adequately prepared to meet the financial reporting and other requirements to which we will be subject following the spinoff. If we are unable to achieve and maintain effective internal controls, our business, financial condition, results of operations, and cash flows could be materially adversely affected.

Our financial results are currently included within the consolidated results of Labcorp, and we believe that our reporting and control systems are appropriate for a subsidiary of a public company. However, until the spinoff, we will not have been directly subject to the reporting and other requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As a result of the spinoff, we will be directly subject to reporting and other obligations under the Exchange Act, including the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). These reporting and other obligations will place significant demands on our management and administrative and operational resources, including our accounting and IT resources. To comply with these requirements, we anticipate that we will need to (i) replace or otherwise upgrade our systems, including our IT and enterprise resource planning systems, (ii) implement additional financial, IT, and management controls, (iii) implement reporting systems and procedures, and (iv) hire additional management, IT, accounting, finance, legal, human resources, and other administrative staff and third-party service providers. If we are unable to do so in

a timely and effective fashion, our ability to comply with our financial reporting requirements and other rules that apply to reporting companies under the Exchange Act could be impaired. Any failure to achieve and maintain effective internal controls could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Labcorp, at the direction of its board of directors, may abandon the spinoff at any time, and Labcorp, at the direction of its board of directors, may determine to amend or modify any and all terms of the spinoff related agreements at any time prior to the distribution date.

No assurance can be given that the spinoff will occur or, if it occurs, that it will occur on the terms described in this information statement. In addition to the conditions to the spinoff described herein (certain of which may be waived by Labcorp, at the direction of its board of directors in its sole discretion), Labcorp, at the direction of its board of directors, may abandon the spinoff at any time before the distribution date for any reason or for no reason. In addition, Labcorp, at the direction of its board of directors, may amend or modify any and all terms of the spinoff and the related transactions and agreements at any time prior to the distribution date. If the spinoff is completed and the Labcorp board of directors waived any such condition, such waiver could have a material adverse effect on (i) Fortrea's and Labcorp's respective business, financial condition or results of operations, (ii) the trading price of Fortrea's common stock, (iii) the ability of stockholders to sell their Fortrea shares after the distribution, including, without limitation, as a result of (a) illiquid trading if Fortrea common stock is not accepted for listing or (b) litigation relating to any injunctions sought to prevent the consummation of the spinoff or (iv) the tax consequences of the spinoff. In the event Labcorp, at the direction of its board of directors, waives a material condition or amends or modifies the spinoff or the ancillary agreements entered into thereto, Labcorp will evaluate the applicable facts and circumstances at that time and make such additional disclosure and take such other actions as Labcorp determines to be necessary and appropriate in accordance with applicable law.

The transfer to us of certain contracts, permits and other assets and rights may require the consents, approvals of, or provide other rights to, third parties and governmental authorities. If such consents or approvals are not obtained, we may not be entitled to the full benefit of such contracts, permits and other assets and rights, which could increase our expenses or otherwise harm our business and financial performance.

The separation and distribution agreement will provide that certain contracts, permits and other assets and rights are to be transferred from Labcorp or its subsidiaries to us or our subsidiaries in connection with the separation. The transfer of certain of these contracts, permits and other assets and rights may require consents or approvals of third parties or governmental authorities or provide other rights to third parties. In addition, in some circumstances, we and Labcorp are joint beneficiaries of contracts, and we and Labcorp may need the consents of third parties in order to split or separate the existing contracts or the relevant portion of the existing contracts to us or Labcorp.

Some parties may use consent requirements or other rights to seek to terminate contracts or obtain more favorable contractual terms from us, which, for example, could take the form of price increases or shortened payment terms from suppliers or price reductions or extended payment terms from customers. This could require us to expend additional resources in order to obtain the services or assets previously provided under the contract, or require us to seek arrangements with new third parties or obtain letters of credit or other forms of credit support. If we are unable to obtain required consents or approvals, we may be unable to obtain the benefits, permits, assets and contractual commitments that are intended to be allocated to us as part of our separation from Labcorp, and we may be required to seek alternative arrangements to obtain services and assets that may be more costly and/or of lower quality. The termination or modification of these contracts or permits or the failure to timely complete the transfer or separation of these contracts or permits could negatively affect our business, financial condition, results of operations and cash flows.

After the distribution, certain members of management, directors, and stockholders will hold stock in both Labcorp and us, and as a result may face actual, perceived, or potential conflicts of interest.

After the distribution, certain members of management and directors of each of Labcorp and us will own both Labcorp common stock and our common stock. See "Security Ownership of Certain Beneficial Owners and Management." This ownership overlap could create, or appear to create, potential conflicts of interest when our

management and directors and Labcorp's management and directors face decisions that could have different implications for us and Labcorp. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between Labcorp and us regarding the terms of the agreements governing the distribution and our relationship with Labcorp thereafter. Potential conflicts of interest may also arise out of any commercial arrangements that we or Labcorp may enter into in the future.

Our rebranding will involve substantial costs and may not be favorably received by customers, sites, suppliers, employees and candidates, or investors.

Prior to the spinoff, we have conducted our business under Labcorp and its associated brands, including Labcorp Drug Development and Covance. In connection with the spinoff, we will conduct our business under Fortrea Holdings Inc., a new name, and certain associated brands, also with new names. Our rebranding is in process and will be an ongoing initiative. We may not improve upon the brand recognition associated with Labcorp and its historical or associated brands with customers, sites, suppliers, employees and candidates. In addition, the rebranding will involve significant costs and require the dedication of significant time and effort by management and other personnel.

We cannot predict the impact of this rebranding on our business. However, if we fail to establish, maintain and/or enhance brand recognition associated with the “Fortrea” name, it may affect our relations investigator sites or customers, which may adversely affect our ability to generate revenues and could impede our business. Additionally, the costs and the dedication of time and effort associated with the rebranding may negatively impact our profitability.

Risks Relating to Our Business

If we do not generate a large number of net new business awards, or if net new business awards are delayed, terminated, reduced in scope, or fail to go to contract, our business, financial condition, results of operations, or cash flows may be materially adversely affected.

Our business is dependent on our ability to generate net new business from new and existing customers and maintain existing customer contracts. Our inability to generate net new business on a timely basis and subsequently enter into contracts for such awards could have a material adverse effect on our business, financial condition, results of operations or cash flows.

Our customer contracts may be delayed or terminated by our customers without significant notice periods. The time between when a project is awarded and when it goes to contract is typically several months, and prior to a net order going to contract, our customer can cancel the award without notice. Once an award goes to contract, the majority of our customers can terminate the contract without cause with a notice period that generally ranges from 30 to 90 days. Our contracts may be delayed or terminated by our customers or reduced in scope for a variety of reasons beyond our control, including, but not limited to:

- decisions to forego or terminate a particular trial;
- budgetary limits or changing priorities;
- actions by regulatory authorities;
- production problems resulting in shortages of the candidate drug being tested;
- failure of products being tested to satisfy safety requirements or efficacy criteria;
- unexpected or undesired clinical results for products;
- insufficient patient enrollment in a trial;
- insufficient principal investigator recruitment;

- the customers' decision to terminate or scale back the development or commercialization of a product or to end a particular project;
- shift of business to a competitor or internal resources;
- product withdrawal following market launch; or
- customers' hesitation or delays in orders pending completion of the spinoff.

Furthermore, many of our functional service provider and consulting services are tied to a customer's annual budgets or ad hoc service requests, which can lead to seasonal variability in revenue and less predictability in future revenues. In addition, many of these service contracts provide our customers with the opportunity to internalize the resources provided under the contract and terminate all or a portion of the services we provide under the contract. Our customers may also decide to shift their business to a competitor. Each of these factors results in less visibility to future revenues and may result in high volatility in future revenues.

Contract terminations, delays and modifications are a regular part of our business. For example, our full-service projects have been, and may continue to be, negatively impacted by project delays, which impact near term revenue disproportionately. In addition, project delays, downsizings and cancellations, particularly with our functional service provider delivery models, have impacted our results in the past and might impact them in the future. The loss, reduction in scope or delay of a large project or of multiple projects could have a material adverse effect on our business, results of operations, and financial condition. In addition, we might not realize the full benefits of our backlog.

In the event of termination, our contracts often provide for fees for winding down the project, which include both fees incurred and actual and non-cancellable expenditures and may include a fee to cover a percentage of the remaining professional fees on the project. These fees might not be sufficient for us to maintain our margins, and termination may result in lower resource utilization rates and therefore lower operating margins. In addition, cancellation of a contract or project for the reasons noted above may result in the unwillingness or inability of our customer to satisfy its existing obligations to us such as payments of accounts receivable, which may in turn result in a material impact to our results of operations and cash flow. Historically, cancellations and delays have negatively impacted our operating results, and they might impact them in the future. In addition, we might not realize the full benefits of our backlog if our customers cancel, delay, or reduce their commitments to us, which may occur if, among other things, a customer decides to shift its business to a competitor or revoke our status as a preferred provider. Thus, the loss or delay of a large business award or the loss or delay of multiple awards could adversely affect our revenues and profitability. Additionally, a change in the timing of a net new business award could affect the period over which we recognize revenue and reduce our revenue in any one quarter.

If we are unable to contract with suitable investigators and recruit and enroll patients for clinical trials, our business might suffer.

The recruitment of physicians, also referred to as investigators, and patients for clinical trials is essential to our business. Investigators are typically located at hospitals, clinics, or other sites and supervise the administration of the investigational drug or device to patients during the course of a clinical trial. Because the successful conduct of a clinical trial at a particular site is often dependent upon the integrity, experience, and capabilities of the investigators conducting the trial, recruiting qualified investigators is critical.

Patients generally include people from the communities in which the clinical trials are conducted. Several of our competitors have purchased site networks or site management organizations as a strategy for priority access to a specific site, which could put us at a competitive disadvantage. Our clinical development business could be adversely affected if we are unable to contract with suitable and willing investigators or recruit and enroll patients for clinical trials on a consistent basis. The expanding global nature of clinical trials increases the risk associated with attracting suitable investigators and patients, especially if these trials are conducted in regions where our resources or experience may be more limited. For example, if we are unable to engage investigators to conduct clinical trials as planned or enroll sufficient patients in clinical trials, we might need to expend additional funds to obtain access to more investigators and patients than planned or else be compelled to delay or modify the clinical

trial plans, which may result in additional costs to us or cancellation of the clinical trial by our customer. If realized, these risks may also inhibit our ability to attract new business, particularly in certain regions.

The COVID-19 pandemic and associated economic repercussions have adversely impacted our business and results of operations, and are expected to continue to do so.

The ongoing COVID-19 pandemic and associated economic repercussions have significantly impacted, and are expected to continue to impact, our business and our operations. With the spread of COVID-19 variants, the ongoing impacts of the COVID-19 pandemic could continue to adversely impact our business and results of operations in a number of ways, including, but not limited to:

- delays or difficulties in commencing new and operating ongoing clinical trials, including intermittent challenges accessing investigative sites, delays in enrolling patients, delays in obtaining approvals from regulatory authorities, and difficulty obtaining necessary pharmaceutical and other products and supplies;
- restrictions on the ability of our field teams to visit healthcare providers and difficulty securing appropriate personal protective equipment and COVID-19 testing and other tools required for client-facing engagements and visits to sites/healthcare providers;
- diversion of healthcare resources away from the conduct of clinical trials, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials, as well as the reduction of our customers' operating budgets;
- interruption of key clinical trial activities, such as clinical trial site data monitoring, due to social distancing requirements, COVID-19 quarantine and isolation protocols or interruption of clinical trial subject visits and study procedures, which may impact the collection and integrity of study data and ability to measure clinical trial endpoints;
- business disruptions at our customers;
- limitations on our employee resources, including because of COVID-19 quarantine and isolation protocols, sickness of employees or their families or the desire of employees to avoid contact with large groups of people;
- continued disruptions to our supply chain;
- diversion of management resources to focus on mitigating the impacts of the COVID-19 pandemic;
- increased cybersecurity risks due to the number of employees that are working remotely in regions impacted by stay-at-home orders, increased levels of remote access creating additional opportunities for cybercriminals to exploit vulnerabilities and employees that may be more susceptible to phishing and social engineering attempts;
- increased cyber-attacks, such as phishing attacks by threat actors using the attention placed on the pandemic as a method for targeting our personnel; and
- strained technological resources due to the number of remote users.

These and other impacts of the COVID-19 pandemic could also have the effect of heightening many of the other factors described in these "Risk Factors" and other parts of this information statement. The ultimate impact depends on the severity and duration of the COVID-19 pandemic, including the emergence and spread of COVID-19 variants, the continued availability and effectiveness of vaccines and treatments, and actions taken by governmental authorities and other third parties in response to the pandemic, each of which is uncertain, rapidly changing and difficult to predict. Any of these disruptions could adversely impact our business and results of operations.

Our international operations could subject us to additional risks and expenses that could adversely impact our business or results of operations.

Our international operations expose us to risks from potential failure to comply with foreign laws and regulations that differ from those under which we operate in the U.S. In addition, we may be adversely affected by other risks of expanded operations in foreign countries, including, but not limited to, compliance with export controls and trade regulations; changes in tax policies or other foreign laws; compliance with foreign labor and employee relations laws and regulations; restrictions on currency repatriation; judicial systems that less strictly enforce contractual rights; countries that do not have clear or well-established laws and regulations concerning issues relating to drug development services; countries that provide less protection for intellectual property rights; and procedures and actions affecting approval, production, pricing, reimbursement and marketing of products and services. Further, international operations could subject us to additional expenses that we may not fully anticipate, including those related to enhanced time and resources necessary to comply with foreign laws and regulations, difficulty in collecting accounts receivable and longer collection periods, and difficulties and costs of staffing and managing foreign operations. In some countries, our success will depend in part on our ability to form relationships with local partners. Our inability to identify appropriate partners or reach mutually satisfactory arrangements could adversely affect the business and operations.

Our embedded and functional outsourcing services could subject us to employment liability, which may cause adverse effects on our business.

With our embedded and functional outsourcing services, we place employees at the physical workplaces of our customers. The risks of this activity include claims of errors and omissions, misuse or misappropriation of client proprietary information, theft of client property, and torts or other claims under employment liability, co-employment liability, or joint employment liability, as well as claims of misclassification or noncompliance with various employment and staffing laws and regulations. We have policies and guidelines in place to reduce our exposure to such risks, but if we fail to follow these policies and guidelines we may suffer reputational damage, loss of customer relationships and business, monetary damages, fines, and other governmental actions.

Our customer or therapeutic area concentration may have a material adverse effect on our business, financial condition, results of operations or cash flows.

If any large customer decreases or terminates its relationship with us, our business, financial condition, results of operations or cash flows could be materially adversely affected. For the year ended December 31, 2022, our top ten customers based on revenue accounted for approximately 45% of our consolidated revenue and our top ten customers based on backlog accounted for approximately 50% of our total backlog. No single customer accounted for greater than 10% of our total consolidated revenue for the years ended December 31, 2022. It is possible that an even greater portion of our revenues will be attributable to a smaller number of customers in the future, including as a result of our entering into strategic provider relationships with customers. Also, consolidation in our potential customer base results in increased competition for important market segments and fewer available customer accounts.

Additionally, conducting multiple clinical trials and providing other development or post-approval services for different customers in a single therapeutic class involving drugs with the same or similar chemical action may adversely affect our business if some or all of the trials or services are canceled because of new scientific information or regulatory judgments that affect the drugs as a class. Further, concentration in a particular therapeutic class could cause trials we are conducting for our customers to compete with one another for limited resources (e.g., patients, academic interest, funding), which could impact the successful completion or timely of these studies, and therefore our business.

Our customers may experience insufficient funding to complete a clinical trial.

Clinical trials can cost hundreds of millions of dollars. There is a risk that we may initiate a clinical trial for a customer, and then the customer becomes unwilling or unable to fund our services or the completion of the clinical trial as a whole. In such a situation, it may be necessary for us to complete or wind down the clinical trial at our own expense due to regulatory or ethical obligations. In these circumstances, we may incur substantial costs and

expend resources without compensation from our customer due to their lack of funds, bankruptcy or other negative financial circumstances.

Our backlog might not be indicative of our future revenues, and we might not realize all of the anticipated future revenue reflected in our backlog.

Our backlog consists of anticipated revenue awarded from contract and pre-contract commitments that are supported by written communications. Once work begins on a project, revenue is recognized over the duration of the project, provided the award has gone to contract. Projects may be canceled or delayed by the customer or delayed by regulatory authorities for reasons beyond our control. To the extent projects are delayed, the timing of our revenue could be adversely affected. In addition, if a customer terminates a contract, we typically would be entitled to receive payment for all services performed up to the termination date and subsequent customer authorized services related to terminating the canceled project. Typically, however, we have no contractual right to the full amount of the future revenue reflected in our backlog in the event of a contract termination or subsequent changes in scope that reduce the value of the contract. The duration of the projects included in our backlog, and the related revenue recognition, typically range from a few months to several years. Our backlog might not be indicative of our future revenues, and we might not realize all the anticipated future revenue reflected in that backlog. A number of factors may affect the backlog, including:

- the size, complexity, and duration of projects or strategic relationships;
- the cancellation or delay of projects;
- the failure of one or more business awards to go to contract; and
- changes in the scope of work during the course of projects.

The rate at which our backlog converts to revenue may vary over time. The revenue recognition on larger, more global projects could be slower than on smaller, more regional projects for a variety of reasons, including, but not limited to, an extended period of negotiation between the time the project is awarded to us and the actual execution of the contract, as well as an increased time frame for obtaining the necessary regulatory approvals.

Our backlog as of March 31, 2023 was $8.9 billion. Although an increase in backlog will generally result in an increase in revenues over time, an increase in backlog at a particular point in time does not necessarily correspond directly to an increase in revenues during any particular period, or at all. The extent to which contracts in backlog will result in revenue depends on many factors, including, but not limited to, delivery against project schedules, scope changes, contract terminations and the nature, duration, and complexity of the contracts, and can vary significantly over time.

Increased competition, including price competition, could have a material adverse effect on our revenues and profitability.

We operate in a highly competitive industry. Competitors in CRO industry range from hundreds of smaller CROs to a limited number of large CROs with global capabilities. Our main competition consists of these small and large CROs, as well as in-house departments of pharmaceutical, biotechnology and medical device companies and, to a lesser extent, select universities and teaching hospitals. Our services have from time to time experienced periods of increased price competition that had an adverse effect on our revenues and profitability. There is competition among CROs for both customers and potential acquisition candidates. Additionally, few barriers to entering the CRO industry further increases possible new competition. These competitive pressures may affect the attractiveness or profitability of our services, and could adversely affect our financial results.

An inability to attract and retain experienced and qualified personnel, including key management personnel and increased personnel costs, could adversely affect our business.

The loss of key management personnel or the inability to attract and retain experienced and qualified employees and increased costs related to such personnel and employees could adversely affect the business. There is significant competition for qualified personnel in the CRO industry. In the future, if competition for the services of these

professionals increases and, correspondingly, the cost of these professionals increases, we may not be able to continue to attract and retain individuals in our markets. Changes in key management, or the ability to attract and retain qualified personnel, as a result of increased competition for talent, wage growth, or other market factors (including costs) could lead to strategic and operational challenges and uncertainties, distractions of management from other key initiatives, and inefficiencies and increased costs, any of which could adversely affect our business, financial condition, results of operations, and cash flows.

We depend on third parties to provide services critical to our business, and depend on them to comply with applicable laws and regulations.

We depend on third parties to provide services critical to our business, including, but not limited to, investigators and clinical trial sites, IT services, laboratory services, third-party transportation and travel providers, freight forwarders and customs brokers, drug depots and distribution centers, suppliers or contract manufacturers of drugs for patients participating in clinical trials, and providers of licensing agreements, maintenance contracts, or other services. In addition, we also rely on third-party CROs and other contract clinical personnel for clinical services either in regions where we have limited resources, or in cases where demand cannot be met by our internal staff. In some circumstances, our customers require that we take on responsibility for the performance of these third parties as part of our overall service delivery. The failure of any of these third parties to adequately provide us timely critical support services in accordance with applicable laws and regulations could have a material adverse effect on our business, results of operations and reputation.

If we are unable to effectively manage our growth strategy, our business could be adversely affected.

To manage our growth, we must continue to attract and retain top personnel and invest in our operating systems. We believe that maintaining and enhancing both personnel and our systems at reasonable cost are instrumental to our continued growth and success. We cannot assure you that we will be able to enhance our current technology or obtain new technology that will enable our systems to keep pace with industry developments and the sophisticated needs of our customers. The nature and pace of our growth introduces risks associated with quality control and customer dissatisfaction due to delays in performance or other problems. In addition, non-U.S. operations involve the additional risks of assimilating differences in non-U.S. business practices, hiring and retaining personnel and overcoming language barriers. Failure to manage our growth effectively could adversely affect our business.

Our relationships with existing or potential customers who are in competition with each other may adversely impact the extent to which those customers use our services.

The biopharmaceutical industry is highly competitive, and we regularly provide services to customers that are developing competing drugs. Given the adverse competitive interests, customers may discourage us from providing services to a competing customer or potential customer or limit the scope to which competitors can use our services. The loss of, or reduction in, services that we can provide to existing or potential customers may have a material adverse effect on our business, operations, or financial condition.

Our business is dependent upon access to data and an inability to access the necessary data from Labcorp or others on commercially reasonable terms or at all could adversely affect our business.

Access to data is foundational to any CRO and through our unique relationship with Labcorp, as set forth in the Patient and Site Data Agreement, we have access to large datasets relevant to clinical trials. However, the Patient and Site Data Agreement, which has an initial two-year term, may be terminated in certain situations and ultimately will expire. An inability to purchase or access the necessary data (from Labcorp pursuant to the Patient and Site Data Agreement or from other third parties) now, or in the future, on commercially reasonable terms or at all, could have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to Regulatory and Compliance Matters

Failure to comply with the regulations of pharmaceutical and medical device regulatory agencies, such as the FDA, the MHRA in the U.K., the EMA, the NMPA in China, and the PMDA in Japan, could result in sanctions and/or remedies against us and have a material adverse effect on us.

The operation of our clinical trials must conform to good clinical practice ("GCP"), as applicable, as well as all other applicable standards and regulations. If we do not comply, we could potentially be subject to civil, criminal or administrative sanctions and/or remedies, including suspension of our ability to conduct preclinical and clinical studies, and to import or export to or from certain countries, which could have a material adverse effect upon us.

Additionally, certain of our services and activities must conform to current good manufacturing practice ("cGMP"). Failure to maintain compliance with GCP or cGMP regulations and other applicable requirements of various regulatory agencies could result in warning or untitled letters, fines, unanticipated compliance expenditures, suspension of manufacturing, and civil, criminal or administrative sanctions and/or remedies against us, including suspension of our operations, which could have a material adverse effect upon us.

Failure to comply with national, state, local or international environmental, health and safety laws and regulations, could result in fines and penalties and loss of licensure, and have a material adverse effect upon our business.

We are subject to laws and regulations relating to the protection of the environment and human health and safety, including laws and regulations relating to the handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials, as well as regulations relating to the safety and health of employees. Failure to comply with these laws and regulations could subject us to denial of the right to conduct business, fines, criminal penalties and/or other enforcement actions that could have a material adverse effect on our business. In addition, compliance with future legislation could impose additional requirements on us that may be costly.

Changes in government regulation or in practices relating to the pharmaceutical, biotechnology, or medical device industries could decrease the need for certain services that we provide.

We assist pharmaceutical, biotechnology and medical device companies in navigating the regulatory approval process. Changes in regulations such as a relaxation in regulatory requirements or the introduction of simplified approval procedures, or an increase in regulatory requirements that we have difficulty satisfying or that make our services less competitive, could eliminate or substantially reduce the demand for our services. Also, if government efforts to contain drug and medical product and device costs impact profits from such items, or if health insurers were to change their practices with respect to reimbursement for those items, some of our customers may spend less, or reduce their growth in spending on R&D. In the U.S., for example, the recently enacted Inflation Reduction Act includes provisions authorizing government negotiated pricing for certain drugs and other price restrictions that may have the effect of reducing pharmaceutical and biotechnology manufacturer revenue and investments in the development of new drugs.

In addition, implementation of healthcare reform legislation that adds costs could limit the profits that can be made from the development of new drugs and medical products and devices. This could adversely affect R&D expenditures by such companies, which could in turn decrease the business opportunities available to us both in the U.S. and other countries. New laws or regulations may create a risk of liability, increase our costs or limit our service offerings.

Failure to comply with privacy and security laws and regulations could result in fines, penalties and damage to our reputation with customers and have a material adverse effect upon our business.

If we do not comply with existing or new laws and regulations related to protecting the privacy and security of personal or health information, we could be subject to monetary fines, civil penalties or criminal sanctions. In the U.S., we may obtain health information from third parties (e.g., healthcare providers who sponsor trials) that are subject to privacy and security requirements under the Health Insurance Portability and Accountability Act of 1996,

the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations, (collectively, "HIPAA"). Although we are not directly subject to HIPAA, we could be subject to criminal penalties if we knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA covered entity in a manner that is not authorized or permitted by HIPAA. HIPAA generally requires that healthcare providers and other covered entities obtain written authorizations from patients prior to disclosing protected health information of the patient (unless an exception to the authorization requirement applies). If authorization is required and the patient fails to execute an authorization or the authorization fails to contain all required provisions, then we may not be allowed access to and use of the patient's information and our research support efforts could be impaired or delayed. Furthermore, use and disclosure of protected health information that is provided to us pursuant to a valid patient authorization is subject to the limits set forth in the authorization. Moreover, patients about whom we or our partners obtain information, as well as third parties who share this information with us, may have contractual rights that limit our ability to use and disclose the information. In addition, HIPAA does not replace federal, state, international or other laws to which we may be subject that may grant individuals even greater privacy protections. Federal and state laws that protect the privacy and security of patient information may be subject to enforcement and interpretations by various governmental authorities and courts, resulting in complex compliance issues. For example, we could incur damages under state laws, including pursuant to an action brought by a private party for the wrongful use or disclosure of health information or other personal information.

We also are subject to the California Consumer Privacy Act ("CCPA"), which became effective as of January 2020, and creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. Further, the California Privacy Rights Act ("CPRA") recently passed in California. The CPRA will impose additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It will also create a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. The majority of the provisions have gone into effect on January 1, 2023, and additional compliance investment and potential business process changes may still be required. Similar laws have passed in Virginia, Colorado, Connecticut, and Utah, and have been proposed in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the U.S. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. In the event that we are subject to or affected by the CCPA, the CPRA, or other domestic privacy and data protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition.

We may also be required to comply with the data privacy and security laws of other countries in which we operate or with which we transfer and receive data. For example, in the European Economic Area, we are subject to the EU General Data Protection Regulation, and in the U.K., we are subject to the U.K. data protection regime consisting primarily of the U.K. General Data Protection Regulation, or U.K. GDPR, and the U.K. Data Protection Act 2018, (collectively, the "GDPR"), which include a range of compliance obligations for subject companies and imposes penalties for noncompliance of up to the greater of €20 million or 4% of worldwide revenue. We have established processes and frameworks to manage compliance with the GDPR. Potential fines and penalties in the event of a violation of the GDPR could have a material adverse effect on our business and operations. In addition, similar data protection regulations addressing access, use, disclosure and transfer of personal data have been enacted or updated in regions where we do business, including in Asia, Latin America, and Europe. We expect to make changes to our business practices and to incur additional costs associated with compliance with these evolving and complex regulations.

In addition to data protection laws and regulations, government agencies are considering (or are adopting) other laws, regulations and guidelines that impact the processing of personal information. For example, the evolving landscape surrounding the use of AI and online advertising may lead to additional compliance costs and could increase our overall risk.

Failure to comply with federal, state, and foreign laws and regulations, including healthcare fraud and abuse laws, anti-corruption laws and regulations, trade sanction laws and regulations, and privacy and security laws and regulations, could result in substantial penalties and our business, financial condition, results of operations, cash flows, and prospects could be adversely affected.

Even though we do not and will not order healthcare services or bill directly to Medicare, Medicaid, or other third-party payers, certain federal, state, and foreign healthcare laws and regulations pertaining to healthcare fraud and abuse, including anti-kickback and anti-inducement laws related to the furnishing of healthcare items and services, are and will be applicable to our business. Such laws also include "sunshine act" legislation in various jurisdictions that require us to track and report on payments and other transfers of value to certain healthcare professionals, providers and institutions. Because of the breadth of these laws and the narrowness of available statutory and regulatory exceptions, it is possible that some of our business activities could be subject to challenge under one or more of such laws. If we or our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including civil and criminal penalties, damages, fines, imprisonment of employees or others acting on our behalf, and the curtailment or restructuring of our operations, any of which could materially adversely affect our ability to operate our business, our financial results, and our reputation.

International operations may increase our exposure to liabilities under the anti-corruption laws.

Anti-corruption laws in the countries where we conduct business, including the U.S. Foreign Corrupt Practices Act ("FCPA"), U.K. Bribery Act 2010 (the "Bribery Act"), and similar laws in other jurisdictions, prohibit companies and their intermediaries from engaging in bribery including improperly offering, promising, paying or authorizing the giving of anything of value to individuals or entities for the purpose of corruptly obtaining or retaining business. We operate in some parts of the world where corruption may be common and where anti-corruption laws may conflict to some degree with local customs and practices. We will establish, prior to the spinoff, and maintain an anti-corruption program including policies, procedures, training and safeguards in the engagement and management of third parties acting on our behalf. Despite these safeguards, we cannot guarantee protection from corrupt acts committed by employees or third parties associated with us. Violations or allegations of violations of anti-corruption laws could have a significant adverse effect on our business or results of operations.

Risks Relating to Technology and Cybersecurity

Failure to maintain the security of customer-related information or compliance with security requirements could damage our reputation with customers, cause us to incur substantial additional costs and become subject to litigation and enforcement actions.

We receive and store certain personal, and financial information about our customers. In addition, we depend upon the secure transmission of confidential information over public networks, including information permitting cashless payments. We also work with third-party service providers and vendors that provide technology systems and services that are used in connection with the receipt, storage, and transmission of customer personal, and financial information. A compromise in our security systems, or those of our third-party service providers and vendors, that results in customer personal information being obtained by unauthorized persons, or our or a third party's failure to comply with security requirements for financial transactions could adversely affect our reputation with our customers and others, as well as our results of operations, financial condition and liquidity. Such a compromise could also result in litigation against us and the imposition of fines and penalties.

Failure in our IT systems, including hardware and software failures, delays in the operation of computer and communications systems, and the failure to implement new systems or system enhancements may harm us.

Our operations and success depend on the efficient and uninterrupted operation of our IT systems. Despite network security measures and other precautions we have taken, our IT systems are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptions. In addition, we may experience system failures or interruptions as a result of integrating the IT systems of any recent acquisitions. Sustained system failures or interruption of our systems in one or more of our operations could disrupt our ability to perform operations. A failure of the network or data-gathering procedures could impede the processing of data, delivery of databases and

services and day-to-day management of the business and could result in the corruption or loss of data. While certain operations have appropriate disaster recovery plans in place, there currently are not redundant facilities everywhere in the world to provide IT capacity in the event of a system failure. Despite any precautions we may take, damage from fire, floods, hurricanes, geopolitical events, governmental action, power loss, telecommunications failures, computer viruses, break-ins, cybersecurity breaches and similar events at our various computer facilities could result in interruptions in the flow of data to the servers and from the servers to customers. In addition, any failure by the computer environment to provide required data communications capacity could result in interruptions in service. In the event of a delay in the delivery of data, we could be required to transfer data collection operations to an alternative provider of server-hosting services. Such a transfer could result in delays in the ability to deliver products and services to customers. Additionally, significant delays in the planned delivery of system enhancements, or improvements and inadequate performance of the systems once they are completed could damage our reputation. Failure of our IT systems could adversely affect our business, profitability and financial condition.

Security breaches and unauthorized access to our or our customers' data could harm our reputation and adversely affect our business.

We have experienced and expect to continue to experience attempts by computer programmers and threat actors to attack and penetrate our layered security controls. We have also experienced and expect to continue to experience similar attempts to attack and penetrate the systems of third-party suppliers and vendors to whom we have provided data. While these attempts have not resulted in any material breaches of the data of our customers, such attempts, if successful, could result in the misappropriation or compromise of personal information or proprietary or confidential information stored within our systems or within the systems of third parties, create system disruptions or cause shutdowns. External actors are developing and deploying viruses, worms and other malicious software programs that attack our systems, the systems of third-parties, or otherwise exploit any security vulnerabilities. Outside parties may also attempt to fraudulently induce our staff to take actions, including the release of confidential or sensitive information or to make fraudulent payments through illegal electronic spamming, phishing, spear phishing, or other tactics. We have information security procedures and other safeguards in place, which we update in response to threat information from public and private sector sources and public announcements of attempted or successful breaches at other companies. However, because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate all of these techniques or to implement adequate preventive measures. In addition, as cyber threats continue to evolve, we may be required to expend additional resources to continue to enhance our information security measures or to investigate and remediate any information security vulnerabilities. Our remediation efforts may not be successful and could result in interruptions, delays or cessation of service. This could also impact the cost and availability of cyber insurance to us. Breaches of our or third parties' security measures and the unauthorized dissemination of personal, proprietary or confidential information about us or our customers or other third parties could expose customers' private information. Such breaches could expose customers to the risk of financial harm or identity theft or expose us or other third parties to a risk of loss or misuse of this information, result in litigation and potential liability for us, damage our brand and reputation or otherwise harm our business. Any of these disruptions or breaches of security could have a material adverse effect on our business, regulatory compliance, financial condition and results of operations.

We use internally developed and licensed technology systems to manage various aspects of clinical trials and failures of these systems, including errors in design, programming or validation, could adversely affect our business.

We develop, maintain and license software as a service and application solutions alongside licensed technology systems to implement and manage various aspects of clinical trials. These systems are used in clinical trial randomization, investigational product supply management, DCT execution and other clinical trial functions. These systems often involve integrations with third party systems. Incorrect design, programming or validation of these systems could lead to substantial data integrity or patient safety issues potentially resulting in the invalidation of the clinical trial, claims against us and could otherwise adversely affect our financial results.

Failure to keep pace with rapid technological changes could make our services less competitive or obsolete.

The biopharmaceutical industry generally, and drug development services industry more specifically, is subject to increasingly rapid technological changes. Our customers, competitors and other businesses might acquire or develop technologies or services that are more effective or commercially attractive than our current or future technologies or services or that render our technologies or services less competitive or potentially obsolete. If competitors acquire or introduce superior technologies or services and we cannot procure or develop these technologies or services or enhance ours in a timely manner to remain competitive, our competitive position, and in turn our business, results of operations, financial condition and/or cash flows may be materially adversely affected.

Risks Relating to Legal Matters

Failure to comply with the contractual requirements of our agreements with customers or third party service providers could result in claims and/or remedies against us and have a material adverse effect on us and our reputation could be harmed.

Our contracts with our pharmaceutical and medical device customers span a wide range of clinical trial services and solutions. These services are complex and often involve the integration of third parties. Our customer contracts contain numerous requirements and obligate us to perform our services in accordance with applicable laws and regulations, standard operating procedures, and key performance indicators in certain situations. Our agreements with third party service providers establish responsibilities for performance as their customer, including payment, confidentiality, and intellectual property provisions. If we fail to perform according to these requirements of customers or third party service providers, it could harm our reputation, cause the termination of existing contracts, and impair our ability to win or secure future contracts. Customers or third party service providers may also bring claims for damages or seek other remedies as a result of our noncompliance. Due to the overall cost of clinical trials, our noncompliance with contractual obligations could result in substantial monetary claims. Any of these actions could have a material adverse effect on our business, regulatory compliance, financial condition and results of operations, and future prospects.

Contract research services in the drug development industry create liability risks.

In contracting to work on drug development trials and studies, we face a range of potential liabilities, including:

- Errors or omissions that create harm to clinical trial participants during a trial or to consumers of a drug after the trial is completed and regulatory approval of the drug has been granted;
- General risks associated with clinical pharmacology facilities and mobile clinical services, including negative consequences from specimen collection and processing, the administration of drugs to clinical trial participants, or the professional malpractice of clinical pharmacology physicians, clinical pharmacology staff or mobile clinical services staff; and
- Errors and omissions during a trial or study that may undermine the usefulness of a trial or study, or data from the trial or study or that may delay the entry of a drug to the market.

We contract with investigators to conduct, and in our clinical research units we directly conduct, the clinical trials to test new drugs on clinical trial participants. These tests can create a risk of liability for personal injury or death to clinical trial participants resulting from negative reactions to the drugs administered or from professional malpractice by third party investigators or our staff conducting the clinical trials.

We assume representative roles, including, but not limited to, European Union Legal Representative for Clinical Trials, U.K. Legal Representative for Clinical Trials, local clinical trial sponsor, and Qualified Person for Pharmacovigilance, in connection with the clinical trials we manage and these roles may create direct risks relating to patient claims, customer claims, or regulatory authority action.

While we endeavor to include in our contracts provisions entitling us to be indemnified and entitling us to a limitation of liability, these provisions are not always successfully obtained and, even if obtained, do not uniformly

protect us against liability arising from certain of our own actions. We could be materially and adversely affected if we were required to pay damages or bear the costs of defending any claim that is not covered by a contractual indemnification provision, or in the event that a party which must indemnify us does not fulfill its indemnification obligations, or in the event that we are not successful in limiting our liability or in the event that the damages and costs exceed our insurance coverage. We may also be required to agree to contract provisions with clinical trial sites or its customers related to the conduct of clinical trials, and we could be materially and adversely affected if we were required to indemnify a site or customer against claims pursuant to such contract terms. There can be no assurance that we will be able to maintain sufficient insurance coverage on acceptable terms.

Adverse results in material litigation matters could have a material adverse effect upon our business.

We may become subject in the ordinary course of business to material legal actions related to, among other things, commercial and contract disputes, data and privacy issues, professional liability, employee-related matters, and intellectual property disputes. Legal actions could result in substantial monetary damages as well as damage to our reputation with customers, which could have a material adverse effect upon our business.

The failure to successfully obtain, maintain and enforce intellectual property rights and defend against challenges to our intellectual property rights could adversely affect us.

Many of our services, products and processes rely on intellectual property, including patents, copyrights, trademarks and trade secrets. In some cases, that intellectual property is owned by another party and licensed to us, sometimes exclusively. The value of our intellectual property relies in part on our ability to maintain our proprietary rights to such intellectual property. If we are unable to obtain or maintain the proprietary rights to our intellectual property, if we are unable to prevent attempted infringement against our intellectual property, or if we are unable to defend against claims that we are infringing on another party’s intellectual property, we could be adversely affected. These adverse effects could include us having to abandon, alter and/or delay the deployment of products, services or processes that rely on such intellectual property; having to procure and pay for licenses from the holders of intellectual property rights that we seek to use; and having to pay damages, fines, court costs, and attorney's fees in connection with intellectual property litigation.

Changes in our tax rates, the adoption of new U.S. or international tax legislation, or exposure to additional tax liabilities may adversely impact our financial results.

We are subject to taxes in the U.S. and foreign jurisdictions. Our provision for income taxes is based on a jurisdictional mix of earnings, statutory tax rates and enacted tax rules, including transfer pricing. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. As a result, our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. These changes may adversely impact our effective tax rate and harm our financial position and results of operations.

We are subject to examination by the IRS and other domestic and foreign tax authorities and government bodies. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our income tax and other tax reserves. If our reserves are not sufficient to cover these contingencies, such inadequacy could materially adversely affect our business, prospects, financial condition, operating results, and cash flows.

Additionally, the Organization for Economic Cooperation and Development has issued certain guidelines regarding base erosion and profit shifting. As these guidelines continue to be formally adopted by separate taxing jurisdictions, they may have an impact on our tax rate and the way in which we operate.

Risks Relating to Financial Matters

We bear financial risk for contracts that, including for reasons beyond our control, may be underpriced, subject to cost overruns, delayed, or terminated or reduced in scope.

We have many contracts that provide for services on a fixed-price or fee-for-service with a cap basis and they may be terminated or reduced in scope either immediately or upon notice. Cancellations may occur for a variety of reasons, including:

- failure of products to satisfy safety requirements;
- unexpected or undesired results of the products;
- insufficient clinical trial subject enrollment;
- insufficient investigator recruitment;
- a customer's decision to terminate the development of a product or to end a particular study; and
- our failure to perform our duties properly under the contract.

We bear the financial risk if these contracts are underpriced or if contract costs exceed estimates. Such underpricing or significant cost overruns could have an adverse effect on our business, results of operations, financial condition and cash flows. Although our contracts often entitle us to receive the costs of winding down the terminated projects, as well as all fees earned up to the time of termination, the loss, reduction in scope or delay of a large contract or the loss, delay or conclusion of multiple contracts could materially adversely affect us.

A significant increase in our days sales outstanding could have an adverse effect on our business, including our cash flow, by increasing our bad debt or decreasing our cash flow.

A significant increase in our days sales outstanding level from delays in billing or collection could have an adverse effect on our business, including potentially increasing our bad debt rate and decreasing our cash flows.

Our revenues depend on the pharmaceutical, biotechnology and medical device industries.

Our revenues depend greatly on the expenditures made by the pharmaceutical, biotechnology and medical device industries in R&D. In some instances, these companies are reliant on their ability to raise capital in order to fund their R&D projects. These companies are also reliant on reimbursement for their products from government programs and commercial payers. Accordingly, economic factors and industry trends affecting our customers in these industries may also affect us. If these companies were to reduce the number of R&D projects they conduct or outsource, whether through the inability to raise capital, reductions in reimbursement from governmental programs or commercial payers, industry trends, economic conditions or otherwise, we could be materially adversely affected.

Foreign currency fluctuations could have an adverse effect on our business and our planned use of financial instruments to limit our exposure to currency fluctuations could expose us to risks and financial losses that may adversely affect our financial condition, liquidity and results of operations.

We have business and operations outside the U.S., and derive a significant portion of our revenues from international operations. Since our combined financial statements are denominated in U.S. dollars, fluctuations in exchange rates from period to period will have an impact on reported results. In addition, we may incur costs in one currency related to our services or products for which we are paid in a different currency. To reduce our exposure to currency exchange fluctuations, we may from time to time enter into for these or other purposes, financial swaps, or hedging arrangements, with various financial counterparties. In addition to any risks related to the counterparties, there can be no assurances that our hedging activity will be effective in insulating us from the risks associated with the underlying transactions, that we would not have been better off without entering into these hedges, or that we will not have to pay additional amounts upon settlement. As a result, factors associated with international operations,

including changes in foreign currency exchange rates and our hedging activities, could significantly affect our results of operations, financial condition and cash flows.

Our quarterly operating results may vary.

Our operating results may vary significantly from quarter to quarter and are influenced by a variety of factors, such as:

- changes in the general global economy;
- exchange rate fluctuations;
- the commencement, completion, delay or cancellation of large projects or contracts or groups of projects;
- the progress of ongoing projects;
- timing of contract amendments for changes in scope that could affect the value of a contract and potentially impact the amount of net new business and revenue from quarter to quarter;
- the timing of and charges associated with completed acquisitions or other events; and
- changes in the utilization mix of our services.

We believe that operating results for any particular quarter are not necessarily a meaningful indication of future results. While fluctuations in our quarterly operating results could negatively or positively affect the market price of our common stock, these fluctuations may not be related to our future overall operating performance.

Our future debt and debt covenant requirements may limit cash flow available to invest in the ongoing needs of our business.

In connection with the spinoff, we expect to incur indebtedness in an aggregate principal amount of approximately $1,640 million, which we expect to consist of borrowings under senior secured term loan facilities and senior secured notes. We also expect to enter into a $450 million senior secured revolving credit facility, which we do not expect to borrow under prior to the spinoff and an accounts receivable purchase program (“ARPP”) which we also do not expect to take advantage of, other than in a testing capacity, prior to the spinoff. The ARPP establishes a receivables purchase facility that provides for up to approximately $80 million in funding based on the availability of certain eligible receivables and the satisfaction of certain conditions.

Our level of debt could have important consequences. For example, it could:

- make it more difficult for us to make payments on our debt;
- require us to dedicate a substantial portion of our cash flow from operations to the payment of debt service, reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions, and other general corporate purposes;
- increase our vulnerability to adverse economic or industry conditions;
- limit our ability to access debt markets and obtain additional financing in the future to enable us to react to changes in our business; or
- place us at a competitive disadvantage compared to businesses in our industry that have less debt.

We expect to use the proceeds from these debt and other financing transactions to make an expected $1,605 million cash distribution to Labcorp as partial consideration for the assets that will be contributed to us in connection with the spinoff. As a result of the debt we expect to incur in connection with the spinoff, the amount of leverage in our business may increase over the next twelve months, and could increase further to the extent that we incur additional debt in the future. This will increase the riskiness of our business and of an investment in our common stock.

Any failure to meet required payments on our debt, or failure to comply with any covenants in the instruments governing our debt, could result in an event of default under the terms of those instruments and a downgrade to our credit ratings. A downgrade in our credit ratings would increase our borrowing costs. In the event of a default, the holders of our debt could elect to declare all the amounts outstanding under such instruments to be due and payable. Any default under the agreements governing our debt and the remedies sought by the holders of such debt could render us unable to pay principal and interest on our debt.

We may not be able to access the capital and credit markets on terms that are favorable to us, or at all.

The capital and credit markets may experience extreme volatility or disruptions that may lead to uncertainty and liquidity issues for both borrowers and investors, including in anticipation of the Federal Open Market Committee's mid-June meeting. As noted above, we expect to access the capital markets in connection with the spinoff to incur indebtedness in an aggregate principal amount of up to approximately (i) $1,640 million, which we expect to consist of borrowings under senior secured term loan facilities and senior secured notes, (ii) $450 million under a senior secured revolving credit facility, which we do not expect to borrow under prior to the spinoff, and (iii) $80 million pursuant to an ARPP. In the event of adverse capital and credit market conditions, we may be unable to obtain capital market financing on favorable terms, or at all, and changes in credit ratings issued by nationally recognized credit-rating agencies could adversely affect our ability to obtain capital market financing and the cost of such financing. Any of these risks could have a material adverse effect on our business, results of operations, financial condition and cash flows and could delay the spinoff.

The terms and conditions of our expected new senior secured term loan facilities, senior secured revolving credit facility, the indenture governing our senior secured notes and the agreement governing the ARPP have not been finalized.

The terms and conditions of our expected new senior secured term loan facilities, senior secured revolving credit facility, the indenture governing our senior secured notes and the agreement governing the ARPP have not been finalized. The completion of the credit agreements governing these facilities, the indenture governing our senior secured notes and the agreement governing the ARPP are subject to market conditions and there can be no assurance as to whether or when the agreements governing these expected indebtedness may be completed, if at all. Any inability to procure this indebtedness or delay in procuring this indebtedness could have a material adverse effect on our business, results of operations, financial condition and cash flows and could delay the spinoff.

We depend on a variety of U.S. and international financial institutions to provide us with banking services. The default or failure of one or more of the financial institutions that we rely on may adversely affect our business and financial condition.

We maintain the majority of our cash and cash equivalents in accounts with major U.S. and international financial institutions, and our deposits at certain of these institutions exceed insured limits. Market conditions can impact the viability of these institutions. In the event of failure of any of the financial institutions where we maintain our cash and cash equivalents, there can be no assurance that we would be able to access uninsured funds in a timely manner or at all. Additionally, bank payment processes could become unavailable which could temporarily impact our ability to conduct business with suppliers and pay our employees on a timely basis. Any inability to access or delay in accessing these funds could adversely affect our business and financial condition.

Risks Relating to General Matters

General or macro-economic factors in the U.S. and globally may have a material adverse effect upon us, and a significant deterioration in the economy could negatively impact our services, cash collections, profitability and the availability and cost of credit.

Our operations are dependent upon ongoing demand for our services by pharmaceutical, biotechnology and medical device companies and others. A significant downturn in the economy could negatively impact the demand for our services, as well as the ability of customers to pay for services rendered. In addition, uncertainty in the credit markets could reduce the availability of credit and impact our ability to meet our financing needs in the future.

Unfavorable labor environments, work stoppages, works council negotiations, or failure to comply with labor or employment laws could adversely affect our operations and have a material adverse effect on our business.

We are subject to employment and labor laws and unionization activity in the U.S. Similar employment and labor obligations exist across other countries in which we conduct business, including appropriate engagement with unions, works councils, and other employee representative bodies. Disputes with regard to the terms of labor agreements or obligations for consultation, potential inability to negotiate acceptable contracts with these unions, unionization activity, or a failure to comply with labor or employment laws could result in, among other things, labor unrest, strikes, work stoppages, slowdowns by the affected workers, fines and penalties. If any of these events were to occur, or other employees were to become unionized, we could experience a significant disruption of our operations or higher ongoing labor costs, either of which could have a material adverse effect on our business. Additionally, future labor agreements, or renegotiation of labor agreements or provisions of labor agreements, or changes in labor or employment laws, could compromise our service reliability and significantly increase our costs, which could have a material adverse effect on our business. Also, we may incur substantial additional costs and become subject to litigation and enforcement actions if we fail to comply with legal requirements affecting our workforce and labor practices, including laws and regulations related to wage and hour practices, Office of Federal Contract Compliance Programs compliance, and unlawful workplace harassment and discrimination.

Failure to establish and maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could materially and adversely affect us.

As a public company, we will become subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and will be required to prepare our financial statements according to the rules and regulations required by the SEC. In addition, the Exchange Act requires that we file annual, quarterly, and current reports. Our failure to prepare and disclose this information in a timely manner or to otherwise comply with applicable law could subject us to penalties under federal securities laws, expose us to lawsuits, and restrict our ability to access financing. In addition, the Sarbanes-Oxley Act requires that, among other things, we establish and maintain effective internal controls and procedures for financial reporting and disclosure purposes. Beginning with our second required Annual Report on Form 10-K, we intend to comply with the applicable sections of Section 404 of the Sarbanes-Oxley Act, which will require annual management assessments of the effectiveness of our internal control over financial reporting and a report by our independent registered public accounting firm on the effectiveness of internal control over financial reporting. Internal control over financial reporting is complex and may be revised over time to adapt to changes in our business, or changes in applicable accounting rules. We cannot assure you that our internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that internal controls were effective. If we are not able to maintain or document effective internal control over financial reporting, our independent registered public accounting firm will not be able to certify as to the effectiveness of our internal control over financial reporting. While we have been adhering to these laws and regulations as a business unit of Labcorp, after the distribution we will need to demonstrate our ability to manage our compliance with these corporate governance laws and regulations as an independent, public company.

Matters affecting our internal controls may cause us to be unable to report our financial information on a timely basis, or may cause us to restate previously issued financial information, and thereby subject us to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if we or our independent registered public accounting firm reports a material weakness in our internal control over financial reporting. This could have a material and adverse effect on us by, for example, leading to a decline in our share price and impairing our ability to raise additional capital.

Operations may be disrupted and adversely impacted by the effects of adverse weather, other natural disasters, geopolitical events, public health crises, and other events outside of our control.

Natural disasters, such as adverse weather, fires, and earthquakes; power shortages and outages; geopolitical events, such as terrorism, war, political instability, political unrest, including the current situation with Ukraine and Russia, or other conflicts; criminal activities; public health crises, such as COVID-19 and disease epidemics and pandemics; and other disruptions or events outside of our control or the escalation or expansion of any of the same, could delay or disrupt our ability to conduct clinical trials or other business, endanger our personnel, or cause other project delays or loss of clinical trial materials or results. Long-term disruptions in the infrastructure and operations caused by such events (particularly involving locations in which we have operations), could harm our operating results.

A failure to identify and successfully close and integrate strategic acquisition targets could have a material adverse effect on our business objectives and its revenues and profitability.

Part of our strategy involves deploying capital in investments that enhance our business, which includes pursuing strategic acquisitions to strengthen our scientific capabilities and enhance therapeutic expertise, enhance global drug development capabilities, and increase presence in key geographic areas. However, we cannot assure you that we will be able to identify acquisition targets that are attractive to us or that will have a meaningful impact on our operating results. Furthermore, the successful closing and integration of a strategic acquisition entails numerous risks, including, among others:

- failure to obtain regulatory clearance, including due to antitrust concerns;
- loss of key customers or employees;
- difficulty in consolidating redundant facilities and infrastructure and in standardizing information and other systems;
- unidentified regulatory problems;
- failure to maintain the quality of services that such companies have historically provided;
- unanticipated costs and other liabilities;
- potential liabilities related to litigation including the acquired companies;
- potential periodic impairment of goodwill and intangible assets acquired;
- coordination of geographically separated facilities and workforces; and
- the potential disruption of the ongoing business and diversion of management's resources.

We cannot assure you that current or future acquisitions, if any, or any related integration efforts will be successful, or that our business will not be adversely affected by any future acquisitions, including with respect to revenues and profitability. Even if we are able to successfully integrate the operations of businesses that we may acquire in the future, we may not be able to realize the benefits that we expect from such acquisitions.

Damage or disruption to our facilities could adversely affect our business.

Many of our facilities could be difficult to replace in a short period of time. Any event that causes a disruption of the operation of these facilities might impact our ability to provide services to customers and, therefore, could have a material adverse effect on our financial condition, results of operations, and cash flows.

Our increasing focus on environmental, social, governance, and other sustainability matters could increase our costs, and inaction could harm our reputation and adversely impact our financial results.

There has been increasing public focus by investors, customers, environmental and social activists, the media and governmental and nongovernmental organizations on a variety of environmental, social, governance, and other sustainability matters. As an organization, we understand the importance of our role in lessening our environmental footprint and supporting positive social impact. In light of the importance of this to our culture, as well as internal and external stakeholders, if we are not effective in addressing environmental, social, governance, and other sustainability matters affecting our business, or setting and meeting relevant sustainability goals, our reputation and financial results may suffer. We may experience increased costs in order to execute upon our sustainability goals and measure achievement of those goals, which could have an adverse impact on our business and financial condition.

In addition, this emphasis on environmental, social, governance, and other sustainability matters has resulted and may result in the adoption of new laws and regulations, including new reporting requirements. Compliance with future legislation could impose additional requirements on us that may be costly. If we fail to comply with new and existing laws, regulations, or reporting requirements, our reputation and business could be adversely impacted.

Risks Relating to Ownership of Our Common Stock

There can be no assurance that our common stock will be approved for listing on NASDAQ or, if approved, that we will be able to comply with the continued listing standards of NASDAQ.

There is no current trading market for our common stock. We have applied to list our common stock on NASDAQ under the symbol “FTRE.” The spinoff is contingent upon the acceptance of our common stock for listing on a national securities exchange approved by Labcorp, such as NASDAQ, subject to official notice of issuance. Our NASDAQ application has not yet been approved.

If our common stock is not approved for listing on a national securities exchange approved by Labcorp, such as NASDAQ, or, after the spinoff, any such exchange, such as NASDAQ, delists our common stock from trading on its exchange for failure to meet the listing standards, we and our stockholders could face significant material adverse consequences including:

- an inability to complete the spinoff;
- a limited availability of market quotations for our common stock;
- reduced liquidity for our common stock;
- a determination that our common stock is a “penny stock” which will require brokers trading in our common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our common stock;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

Because there has not been any public market for our common stock, the market price and trading volume of our common stock may be volatile and you may not be able to resell your shares at or above the initial market price of our common stock following the spinoff.

Prior to the spinoff, there will have been no trading market for our common stock. We cannot assure you that an active trading market will develop or be sustained for our common stock after the spinoff, nor can we predict the price at which our common stock will trade after the spinoff. The market price of our common stock could fluctuate significantly due to a number of factors, many of which are beyond our control, including:

- fluctuations in our quarterly or annual earnings results or those of other companies in our industry;

- failures of our results of operations to meet the estimates of securities analysts or the expectations of our stockholders, or changes by securities analysts in their estimates of our future earnings;
- announcements by us or our customers, suppliers, or competitors;
- changes in laws or regulations which adversely affect our industry or us;
- general economic, industry, and stock market conditions;
- future sales of our common stock by our stockholders;
- future issuances of our common stock by us;
- our ability or willingness to pay dividends in the future; and
- the other factors described in these "Risk Factors" and other parts of this information statement.

A large number of shares of our common stock are or will be eligible for future sale, which may cause the market price for our common stock to decline.

Upon completion of the spinoff, virtually all of our shares will be freely tradable without restriction or registration under the Securities Act of 1933, as amended (the "Securities Act"). We are unable to predict whether large amounts of our common stock will be sold in the open market following the spinoff. We are also unable to predict whether a sufficient number of buyers would be in the market at that time. Certain Labcorp stockholders may be required to sell the shares of Fortrea common stock that they receive in the spinoff. For example, index funds currently holding Labcorp common stock may be required to sell the Fortrea common stock they receive in the spinoff. In addition, it is possible that other Labcorp stockholders will sell the shares of Fortrea common stock they receive in the spinoff for various reasons. For example, such stockholders may not believe that our business profile, capital structure, or level of market capitalization as an independent company fits their investment objectives. We can provide no assurance that there will be sufficient new buying interest to offset the potential sale of Fortrea common stock. Accordingly, our common stock could experience a high level of volatility immediately following the spinoff and, as a result, the price of our common stock could be adversely affected.

Anti-takeover provisions in our charter documents and Delaware law could discourage, delay, or prevent a change in control over us and may affect the trading price of our common stock.

Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws (as defined in "Description of Capital Stock") will include a number of provisions that may discourage, delay, or prevent a change in our management or control over us that stockholders may consider favorable. For example, our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws will:

- authorize the issuance of "blank check" preferred stock that could be issued by our board of directors to thwart a takeover attempt;
- until the annual meeting of stockholders to be held in 2028, provide for the division of our board of directors into three classes serving staggered three-year terms, with one class being elected each year, which may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us because it generally makes it more difficult for stockholders to replace a majority of our board of directors;
- not permit cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- provide that vacancies on our board of directors, including newly-created directorships, may be filled only by a majority vote of directors then in office;
- prohibit stockholders from nominating director candidates for inclusion in proxy material;

- prohibit stockholders from calling special meetings of stockholders;
- prohibit stockholder action by written consent, thereby requiring all actions to be taken at a meeting of the stockholders;
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- until the annual meeting of stockholders to be held in 2028, require the approval of holders of at least seventy-five percent (75%) of the outstanding shares of our common stock, voting together as a single class, to amend certain provisions of our Amended and Restated Bylaws and certain provisions of our Amended and Restated Certificate of Incorporation.

These provisions may prevent our stockholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if the provisions are viewed as discouraging takeover attempts in the future.

Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws may also make it difficult for stockholders to replace or remove our management. These provisions may facilitate management entrenchment that may delay, deter, render more difficult, or prevent a change in our control, which may not be in the best interests of our stockholders.

Your percentage of ownership of us may be diluted in the future.

In the future, your percentage ownership of us may be diluted because of equity issuances for acquisitions, capital market transactions or otherwise, including any equity awards that we will grant to our directors, officers and employees. Our employees will have stock-based awards that correspond to shares of Fortrea common stock after the distribution as a result of conversion of their Labcorp stock-based awards. Such awards will have a dilutive effect on our earnings per share ("EPS"), which could adversely affect the market price of Fortrea common stock. From time to time, we will issue additional stock-based awards to our employees under our employee benefits plans.

We may not determine to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We do not currently expect to declare or pay dividends on our common stock for the foreseeable future. In the absence of a dividend, the success of an investment in shares of our common stock would depend upon any future appreciation in their value. There is no guarantee that shares of our common stock will appreciate in value.

If securities or industry analysts do not publish research or publish unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If there is no coverage of us by securities or industry analysts, the trading price for our common stock would be negatively impacted. In the event we obtain securities or industry analyst coverage, if one or more of these analysts downgrades our stock or publishes unfavorable research about our business, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our common stock could decrease, which could cause our common stock price or trading volume to decline.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This information statement and other materials we and Labcorp have filed or will file with the SEC include or will include forward-looking statements. Some of the forward-looking statements can be identified by the use of terms such as “believes,” “expects,” “may,” “will,” “should,” “could,” “seeks,” “intends,” “plans,” “estimates,” “anticipates,” or other comparable terms. These forward-looking statements include all matters that are not related to present facts or current conditions or that are not historical facts. They appear in a number of places throughout this information statement and include statements regarding our intentions, beliefs, or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects and growth strategies, and the industries in which we operate and include, without limitation, statements relating to our future performance.

Forward-looking statements are subject to known and unknown risks and uncertainties, many of which are beyond our control. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and industry development may differ materially from those made in or suggested by the forward-looking statements contained in this information statement. In addition, even if our results of operations, financial condition and liquidity, and industry development are consistent with the forward-looking statements contained in this information statement, those results or developments may not be indicative of results or developments in subsequent periods. A number of important factors could cause actual results to differ materially from those contained in or implied by the forward-looking statements, including the risks and uncertainties discussed in “Risk Factors.” Factors that could cause actual results to differ from those reflected in forward-looking statements relating to our operations and business include:

- if we do not realize some or all of the benefits expected to result from the spinoff, or if such benefits are delayed;
- our ongoing businesses may be adversely affected and subject to certain risks and consequences as a result of pursuing the spinoff;
- our ability to successfully complete the spinoff on a tax-free basis, within the expected time frame or at all;
- Labcorp’s ability to change the terms of the spinoff and the relation transactions and agreements, prior to completion of the spinoff, in ways that may be unfavorable to us;
- our accounting, enterprise resource planning, and other management systems and resources may not be adequately prepared to meet the financial reporting and other requirements to which we will be subject following the spinoff;
- after the distribution, certain members of management, directors, and stockholders will hold stock in both Labcorp and us, and as a result may face actual, perceived, or potential conflicts of interest;
- certain contracts that will need to be assigned from Labcorp or its affiliates to us in connection with the separation require the consent of the counterparty to such an assignment, and failure to obtain these consents could increase our expenses or otherwise reduce our profitability;
- the impact of the rebranding of our business;
- our ability to successfully implement our business strategies and execute our long-term value creation strategy;
- risks and expenses associated with our international operations and currency fluctuations;
- our customer or therapeutic area concentrations;
- our ability to generate a large number of net new business awards, or if net new business awards are delayed, terminated, reduced in scope, or fail to go to contract;

- customers may have insufficient funding to complete a clinical trial and pay our outstanding accounts receivable and unbilled services causing increased days sales outstanding or invoice write-offs;
- our backlog might not be indicative of our future revenues, and we might not realize all of the anticipated future revenue reflected in our backlog;
- our ability to attract suitable principal investigators and recruit and enroll patients for clinical trials;
- our ability to attract and retain experienced and qualified personnel, including key management personnel;
- our dependence on third parties to provide services critical to our business and comply with applicable laws and regulations;
- our ability to effectively manage our growth strategy;
- our relationships with existing or potential customers who are in competition with each other;
- our access to data;
- our ability to comply with the evolving government and industry regulation and practices;
- our ability to comply with national, state, local or international environmental, health and safety laws and regulations;
- failure to comply with privacy and security, anti-corruption and trade sanction laws and regulations;
- our ability to comply with federal, state, and foreign healthcare laws;
- failures in our IT systems or delays or failures in the development and implementation of updates or enhancements to those systems;
- hardware and software failures, delays in the operation of computer and communications systems, failure to implement new systems or system enhancements to existing systems, and cybersecurity breaches;
- failure to maintain the security of customer-related information or compliance with security requirements, and unauthorized access to our or our customers' data;
- failures of our internally developed and licensed technology systems to manage various aspects of clinical trials, including errors in design, programming, or validation;
- our ability to keep pace with rapid technological changes could make our services less competitive or obsolete;
- our ability to comply with the contractual requirements of our agreements with customers or third party service providers;
- liability arising from errors or omissions in the performance of contract research services or other contractual arrangements;
- the outcome of any legal or regulatory proceedings to which Fortrea is, or may become, a party;
- failure to obtain, maintain, and enforce intellectual property rights for protection of Fortrea's licensed products and services and defend against challenges to those rights;
- changes in tax laws and regulations or changes in their interpretation;
- if we underprice our contracts, overrun our cost estimates, or fail to receive approval for, or experience delays in documentation of change orders;

- limitations and restrictions in the agreements to be entered into governing our indebtedness;
- our ability to maintain our anticipated credit rating and to access debt markets;
- business interruption, receivables impairment, delays in cash collection impacting days sales outstanding, supply chain disruptions, increases in operating costs, or other impacts on the business due to natural disasters, including adverse weather, fires and earthquakes; power shortages and outages; geopolitical events, such as terrorism, war, political instability, political unrest, including the ongoing conflict between Russia and Ukraine, or other conflicts; criminal activities; public health crises, such as COVID-19 and disease epidemics and pandemics; increased costs, and other adverse effects on Fortrea's operations due to work stoppages, general labor unrest or failure to comply with labor or employment laws; and other disruptions or events outside of our control;
- our increasing focus on environmental, social, governance, and other sustainability matters; and
- other factors described in this information statement and from time to time in documents that we file with the SEC.

All forward-looking statements are made only as of the date of this information statement and we do not undertake any obligation, other than as may be required by law, to update or revise any forward-looking statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends, or indications of future performance, unless expressed as such, and should only be viewed as historical data.

THE SPINOFF

Reasons for the Spinoff

On July 28, 2022, Labcorp announced its intention to separate its Clinical Development and Commercialization Services business into an independent, publicly traded company. The separation will be effected through a pro rata distribution of our common stock to Labcorp's stockholders. The transaction is subject to certain customary conditions, including, among others, the conditions described below under "—Spinoff Conditions and Termination."

Fortrea is currently a wholly owned business unit of Labcorp. Labcorp will complete the internal restructuring, which will result in Fortrea becoming the parent company of the Labcorp operations comprising, and the entities that will conduct, the Clinical Development and Commercialization Services business.

Based on our combined statements of operations and comprehensive income included elsewhere in this information statement: for the quarter ended March 31, 2023 and fiscal years ended December 31, 2022 and December 31, 2021, Fortrea's Revenue as a percent of Labcorp's Revenue was 20%, 21% and 19.0%, respectively. Based on our condensed combined balance sheet as of March 31, 2023 included elsewhere in this information statement, total assets and total liabilities attributable to Fortrea as a percent of Labcorp's total assets and total liabilities was 21% and 9%, respectively.

Labcorp's Clinical Development and Commercialization Services business operates largely autonomously, although it and Labcorp have benefited by sharing executive management and some overhead costs. The spinoff will permit each of Labcorp and Fortrea to focus exclusively on its business and enable investors to obtain and, if they so choose, retain direct exposure to each separate business. Among other benefits, the spinoff is expected to provide each of Labcorp and Fortrea with:

- strengthened strategic flexibility and operational focus to pursue specific market opportunities and better meet customer needs;
- focused capital structures and capital allocation strategies to drive innovation and growth;
- a more targeted investment opportunity for different investor bases;
- the ability to align its particular incentive compensation with its financial performance;
- an improved ability to use its equity as consideration for beneficial acquisitions; and
- enhanced long-term performance of the businesses held by Labcorp and Fortrea.

We expect that we will continue to be a leading global provider of CRO services to both large and emerging pharmaceutical, biotechnology, and medical device organizations. In addition, following the spinoff, we will be positioned to:

- leverage service offerings to expand in existing markets and enter new markets;
- expand leading expertise in existing and novel scientific areas;
- increase our agile approach to project centric service offering;
- utilize global site relationships and patient centric recruitment strategies;
- build on strengths in clinical pharmacology; and
- invest in further innovation.

There necessarily can be no assurance that the expected benefits of the separation will be realized. See "Risk Factors—Risks Relating to the Spinoff."

Results of the Spinoff

After the spinoff, we will be an independent, publicly traded company. Immediately after the distribution date, we expect that approximately 88.6 million shares of our common stock will be issued and outstanding, based on the distribution of one share of our common stock for every share of Labcorp common stock outstanding and the anticipated number of shares of Labcorp common stock outstanding as of the record date. The actual number of shares of our common stock to be distributed will be determined based on the number of shares of Labcorp common stock outstanding as of the record date.

We and Labcorp will be parties to several agreements that will govern the spinoff and our future relationship. For a more detailed description of these agreements, please see “Relationship with Labcorp After the Spinoff—Agreements Between Labcorp and Us.”

You will not be required to make any payment for the shares of Fortrea common stock you receive, nor will you be required to surrender or exchange your shares of Labcorp common stock or take any other action in order to receive the Fortrea common stock to which you are entitled. The spinoff will not affect the number of outstanding shares of Labcorp common stock or any rights of Labcorp stockholders, although it is expected to affect the market value of the outstanding shares of Labcorp common stock.

Manner of Effecting the Spinoff

The general terms and conditions relating to the spinoff will be set forth in a separation and distribution agreement between Labcorp and us. For a description of the terms of that agreement, see “Relationship with Labcorp After the Spinoff—Agreements Between Labcorp and Us—Separation and Distribution Agreement.” Under the separation and distribution agreement, the spinoff will occur on the distribution date. As a result of the spinoff, each holder of Labcorp common stock will be entitled to receive one share of our common stock for every share of Labcorp common stock owned by such holder as of 5:00 p.m., Burlington, North Carolina time, on the record date. As discussed under “—Trading of Labcorp Common Stock After the Record Date and On or Prior to the Distribution,” if a holder of record of Labcorp common stock sells those shares in the “regular way” market after the record date and before or on the distribution date, that stockholder will be selling the right to receive our common stock in the distribution. The distribution will be made in book-entry form. For registered Labcorp stockholders, our transfer agent will credit their shares of Fortrea common stock to book-entry accounts established to hold their Fortrea common stock. Book-entry refers to a method of recording stock ownership in our records in which no physical certificates are issued. For stockholders who own Labcorp common stock through a bank or brokerage firm, their Fortrea common stock will be credited to their accounts by the bank or broker. See “—When and How You Will Receive Fortrea Shares” below. Each Fortrea share of common stock that is distributed will be validly issued, fully paid, and nonassessable.

Holders of Fortrea common stock will not be entitled to preemptive rights. See “Description of Capital Stock.” Following the spinoff, stockholders whose shares are held in book-entry form may request the transfer of their Fortrea common stock to a brokerage or other account at any time, without charge.

When and How You Will Receive Fortrea Shares

On the distribution date, Labcorp will release its Fortrea common stock for distribution by American Stock Transfer & Trust Company, the distribution agent. The distribution agent will cause the shares of Fortrea common stock to which you are entitled to be registered in your name or in the “street name” of your bank or brokerage firm.

“Street Name” Holders. Many Labcorp stockholders have Labcorp common stock held in an account with a bank or brokerage firm. If this applies to you, that bank or brokerage firm is the registered holder that holds the shares on your behalf. For stockholders who hold their Labcorp common stock in an account with a bank or brokerage firm, shares of our common stock being distributed will be registered in the “street name” of your bank or broker, who in turn will electronically credit your account with the shares that you are entitled to receive in the distribution. We anticipate that banks and brokers will generally credit their customers' accounts with shares of our common stock on or shortly after the distribution date. We encourage you to contact your bank or broker if you have any questions regarding the mechanics of having your shares credited to your account.

Registered Holders. If you are the registered holder of Labcorp common stock and hold your Labcorp common stock either in physical form or in book-entry form, the Fortrea common stock distributed to you will be registered in your name and you will become the holder of record of that number of shares of our common stock. Our distribution agent will send you a statement reflecting your ownership of our common stock.

Direct Registration System. As part of the spinoff, we will be adopting a direct registration system for book-entry share registration and transfer of our common stock. Our common stock to be distributed in the spinoff will be distributed as uncertificated shares registered in book-entry form through the direct registration system. No certificates representing your shares will be mailed to you in connection with the spinoff. Under the direct registration system, instead of receiving stock certificates, you will receive a statement reflecting your ownership interest in our shares. If at any time you want to receive a physical certificate evidencing your shares, you may do so by contacting our transfer agent and registrar. Contact information for our transfer agent and registrar is provided under "Description of Capital Stock—Transfer Agent, Distribution Agent, and Registrar." The distribution agent will begin mailing book-entry account statements reflecting your ownership of shares promptly after the distribution date. You can obtain more information regarding the direct registration system by contacting our transfer agent and registrar.

Treatment of Fractional Shares

The transfer agent will aggregate all fractional shares and sell them on behalf of those holders who otherwise would be entitled to receive a fractional share. The transfer agent will determine, in its sole discretion, when, how, and through which broker-dealers such sales will be made without any influence by Labcorp or us. We anticipate that these sales will occur as soon as practicable after the distribution date. Those holders will then receive a cash payment in an amount equal to their pro rata share of the total net proceeds of those sales.

It is expected that all fractional shares held in street name will be aggregated and sold by brokers or other nominees according to their standard procedures. You should contact your broker or other nominee for additional details.

Neither Labcorp, nor we, nor the transfer agent will guarantee any minimum sale price for any fractional shares. Neither we nor Labcorp will pay any interest on the proceeds from the sale of fractional shares. The receipt of cash in lieu of fractional shares will generally be taxable to the recipient stockholders for U.S. federal income tax purposes. See "—Material U.S. Federal Income Tax Consequences of the Spinoff."

Transferability of Shares You Receive

Our common stock distributed to Labcorp stockholders will be freely transferable, except for shares received by persons who may be deemed to be our "affiliates" under the Securities Act. Persons who may be deemed to be our affiliates after the spinoff generally include individuals or entities that control, are controlled by, or are under common control with us, and include our directors and certain of our officers. Our affiliates will be permitted to sell their Fortrea common stock only pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act, such as the exemption afforded by Rule 144.

Under Rule 144, an affiliate may not sell within any three-month period shares of Fortrea common stock in excess of the greater of:

- 1% of the then outstanding number of shares of Fortrea common stock; and
- the average reported weekly trading volume of shares of Fortrea common stock on NASDAQ during the four calendar weeks preceding the filing of a notice with the SEC on Form 144 with respect to such sale or, if no such notice is required, certain other applicable dates.

Sales under Rule 144 are also subject to certain provisions regarding the manner of sale, notice requirements, the availability of current public information about us, and holding periods.

Stock-Based Plans

Treatment of Equity-Based Compensation

With respect to Labcorp equity incentive awards held by Fortrea employees that are outstanding on the distribution date and for which the underlying security is shares of Labcorp's common stock, it is currently anticipated that each outstanding Labcorp stock option, restricted stock unit and performance share award will be equitably adjusted or converted into an award with respect to Fortrea common stock. In each case, the award will be equitably adjusted or converted in a manner intended to preserve the aggregate intrinsic value of the original Labcorp equity award, and will be subject to substantially the same terms and conditions after the spinoff as the terms and conditions applicable to the original Labcorp award prior to the distribution date, except:

- with respect to each adjusted or converted stock option award, the per-share exercise price for each Labcorp stock option will be adjusted in a manner intended to preserve, in the aggregate, the same intrinsic value that the original Labcorp stock option award had immediately prior to the distribution date (subject to rounding);
- with respect to each adjusted or converted award covering Fortrea common shares, the number of underlying shares subject to such award will be determined based on application of the ratio of Labcorp's pre-spinoff stock price to our post-spinoff share price to the number of Labcorp common shares subject to the original Labcorp award prior to the distribution date; and
- each outstanding performance share award that is held immediately prior to the spinoff by any employee of Fortrea will be treated as follows: (a) performance share awards for the 2021 to 2023 performance period will be converted into time-based restricted stock units denominated in shares of our common stock based on achievement of performance goals as determined by the Labcorp Compensation Committee immediately prior to the spinoff; (b) performance share awards for the 2022 to 2024 performance period will be converted into awards denominated in shares of our common stock, with 50% of the target number being converted into time-base restricted stock units based on achievement of performance goals as determined by the Labcorp Compensation Committee immediately prior to the spinoff and the remaining 50% of the target number being converted into performance shares of Fortrea subject to the achievement of performance criteria established by the Labcorp Compensation Committee, and subject to further review and modification by Fortrea in its discretion; and (c) performance share awards for the 2023 to 2025 performance period shall be converted into performance shares of the Labcorp Compensation Committee, and subject to further review and modification by Fortrea subject to the achievement of performance criteria established by Fortrea in its discretion.

Material U.S. Federal Income Tax Consequences of the Spinoff

The following is a discussion of the material U.S. federal income tax consequences of the distribution of Fortrea common stock to U.S. Holders (as defined below) of Labcorp common stock. This discussion is based on the Code, applicable U.S. Treasury Department ("Treasury") regulations, administrative authorities and court decisions, all as in effect as of the date of this information statement, any of which may change, possibly with retroactive effect. For purposes of this discussion, a "U.S. Holder" is a beneficial owner of Labcorp common stock that is for U.S. federal income tax purposes:

- a citizen or resident of the U.S.;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the U.S., any state therein or the District of Columbia;
- a trust (1) that is subject to the primary supervision of a court within the U.S. and all the substantial decisions of which are controlled by one or more U.S. persons or (2) that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person; or
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source.

This discussion addresses only the consequences of the spinoff to U.S. Holders that hold Labcorp common stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). It does not address all aspects of U.S. federal income taxation that may be important to a U.S. Holder in light of that stockholder's particular circumstances or to a U.S. Holder subject to special rules, including, without limitation:

- banks, trusts, financial institutions, underwriters, or insurance companies;
- traders in securities who elect to apply a mark-to-market method of accounting;
- real estate investment trusts, regulated investment companies, or grantor trusts;
- corporations that accumulate earnings to avoid U.S. federal income tax;
- cooperatives;
- tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts;
- U.S. expatriates or former long-term residents of the U.S.;
- partnerships or other pass-through entities or investors in such entities;
- brokers, dealers or traders in securities, commodities, or currencies;
- U.S. persons whose “functional currency” is not the U.S. dollar;
- U.S. Holders that own shares through non-U.S. brokers or other non-U.S. intermediaries;
- persons subject to special tax accounting rules under Section 451(b) of the Code;
- “qualified foreign pension funds” as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds;
- persons holding Labcorp common stock as intermediaries, agents or nominees;
- persons who received Labcorp shares through the issuance of restricted stock under an equity incentive plan or through the exercise of options or similar derivative securities or through a tax-qualified retirement plan or otherwise as compensation;
- persons who own (directly or through attribution) 5% or more (by vote or value) of the outstanding Labcorp shares, or, after the spinoff, the outstanding Fortrea ordinary shares; or
- holders of Labcorp shares, or, after the spinoff, Fortrea ordinary shares, as a position in a “straddle” as part of a “synthetic security” or “hedge” as part of a “conversion transaction” or other integrated investment or risk reduction transaction.

If a partnership, or any entity treated as a partnership for U.S. federal income tax purposes, holds Labcorp common stock, the tax treatment of a partner in such partnership generally will depend on the status of the partners and the activities of the partnership. A partner in a partnership holding Labcorp common stock should consult his, her, or its tax advisor.

This discussion of material U.S. federal income tax consequences is not a complete analysis or description of all potential U.S. federal income tax consequences of the spinoff. This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances. It also does not address any tax consequences arising under the Medicare tax on net investment income or the Foreign Account Tax Compliance Act (including the Treasury regulations promulgated thereunder and intergovernmental agreements entered into pursuant thereto or in connection therewith). In addition, it does not address any U.S. federal, estate, gift, or other non-income tax or any non-U.S. state or local tax consequences of the spinoff. **Accordingly, each holder of Labcorp common stock**

should consult his, her, or its tax advisor to determine the particular U.S. federal, state, or local or non-U.S. income or other tax consequences of the spinoff to such holder.

Tax Ruling and Tax Opinion

Labcorp has received an IRS Ruling on certain issues relevant to the qualification of the spinoff and certain related transactions as tax-free under Sections 368(a)(1)(D) and 355 of the Code, based on certain facts and representations. The IRS Ruling does not address all of the requirements for tax-free treatment of the spinoff, and the spinoff is conditioned upon, among other things, Labcorp's receipt of an opinion of tax counsel regarding the qualification of the spinoff and certain related transactions as generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the Code (the "Tax Opinion"). The IRS Ruling was, and the opinion will be, based on, among other things, certain factual assumptions, representations and undertakings from LabCorp and from us, including regarding the past and future conduct of the companies' respective businesses and other matters. If any of these factual assumptions, representations, or undertakings are incorrect or not satisfied, LabCorp may not be able to rely on the IRS Ruling or on the Tax Opinion. In addition, the Tax Opinion will not be binding on the IRS or the courts and is expected to rely on the IRS Ruling with respect to the matters in such ruling.

If any conditions in the IRS Ruling or the Tax Opinion were not observed, or if the spinoff were otherwise determined not to qualify for the tax-free treatment described herein, then Labcorp and its stockholders could suffer adverse tax consequences and, under certain circumstances, we could have an indemnification obligation to Labcorp with respect to some or all of the resulting tax under the tax matters agreement we intend to enter into with Labcorp, as described in "Relationship with Labcorp After the Spinoff—Agreements Between Labcorp and Us—Tax Matters Agreement."

The Spinoff

Assuming that the distribution of all of the shares of Fortrea common stock owned by Labcorp to the stockholders of Labcorp, together with certain related transactions, qualifies as a tax-free distribution within the meaning of Section 355 of the Code, in general, for U.S. federal income tax purposes:

- no gain or loss will be recognized by, and no amount will be included in the income of, U.S. Holders of Labcorp common stock upon the receipt of our common stock;
- the aggregate tax basis of the shares of our common stock distributed in the spinoff to a U.S. Holder of Labcorp common stock will be determined by allocating the aggregate tax basis such U.S. Holder has in the shares of Labcorp common stock immediately before such spinoff between such Labcorp common stock and our common stock in proportion to the relative fair market value of each immediately following the spinoff;
- the holding period of any shares of our common stock received by a U.S. Holder of Labcorp common stock in the spinoff will include the holding period of the shares of Labcorp common stock with respect to which the distribution is made; and
- a U.S. Holder of Labcorp common stock that receives cash in lieu of a fractional share of our common stock, if any, will generally recognize capital gain or loss, measured by the difference between the cash received for such fractional share and the U.S. Holder's tax basis in that fractional share, determined as described above, and such gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period for such fractional share is more than one year as of the closing date of the spinoff.

In general, if the spinoff does not qualify as a tax-free distribution within the meaning of Section 355 of the Code, the spinoff will be treated as a taxable distribution to holders of Labcorp common stock in an amount equal to the fair market value of our common stock received. Specifically, the full amount of the distribution generally would be treated first as a taxable dividend to the extent of the U.S. Holder's pro rata share of Labcorp's current and accumulated earnings and profits, then as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Labcorp stock, and finally as capital gain from the sale or exchange of Labcorp stock with respect to any

remaining amount. In addition, if the spinoff does not qualify as a tax-free distribution within the meaning of Section 355 of the Code, Labcorp may recognize taxable gain, which could result in significant tax liability to Labcorp.

Even if the spinoff were otherwise to qualify as a tax-free distribution within the meaning of Sections 355 of the Code, the spinoff will be taxable to Labcorp under Section 355(e) of the Code if 50% or more of either the total voting power or the total fair market value of the stock of Labcorp or our common stock is acquired as part of a plan or series of related transactions that includes the spinoff. If Section 355(e) applies as a result of such an acquisition, Labcorp would recognize taxable gain as described above, but the spinoff would generally remain tax-free to you. Under some circumstances, we could have an indemnification obligation to Labcorp with respect to some or all of the resulting tax under the tax matters agreement we intend to enter into with Labcorp, as described in "Relationship with Labcorp After the Spinoff—Agreements Between Labcorp and Us—Tax Matters Agreement." The resulting tax could also have a material adverse effect on Labcorp or us, as the case may be.

The foregoing discussion is a summary of material U.S. federal income tax consequences of the spinoff under current law and is for general information only. All holders should consult their tax advisors as to the particular tax consequences of the spinoff to them, including the application and effect of U.S. federal, state, local and foreign tax laws.

Information Reporting and Backup Withholding

Treasury regulations generally require holders who own at least five percent of the total outstanding stock of Labcorp (by vote or value) and who receive our common stock pursuant to the spinoff to attach to their U.S. federal income tax return for the year in which the spinoff occurs a detailed statement setting forth certain information relating to the spinoff. Labcorp and/or we will provide the appropriate information to each holder upon request, and each such holder is required to retain permanent records of this information. In addition, payments of cash to a U.S. Holder of Labcorp common stock in lieu of fractional shares of our common stock in the spinoff may be subject to information reporting, unless the U.S. Holder provides the withholding agent with proof of an applicable exemption. Such payments that are subject to information reporting may also be subject to backup withholding, unless such U.S. Holder provides the withholding agent with a correct taxpayer identification number and otherwise complies with the requirements of the backup withholding rules. Backup withholding does not constitute an additional tax, and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Market for Our Common Stock

There is currently no public market for our common stock. We have applied to list our common stock on NASDAQ under the symbol "FTRE." We anticipate that trading of our common stock will commence on a "when-issued basis" approximately two trading days before the record date. When-issued trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. Generally, shares of common stock may trade on NASDAQ on a when-issued basis after they have been authorized but not yet formally issued, which is often initiated by NASDAQ prior to the record date relating to the issuance of such common stock. When-issued transactions are settled after shares of our common stock have been issued to Labcorp stockholders. On the first trading day following the distribution date, when-issued trading with respect to our common stock will end and regular way trading will begin. Regular way trading refers to trading after a security has been issued. We cannot predict what the trading price for our common stock will be before or after the distribution date. See "Risk Factors—Risks Relating to Ownership of Our Common Stock." In addition, we cannot predict any change that may occur in the trading price of Labcorp's common stock, which will continue to trade on NYSE under the symbol "LH," as a result of the spinoff.

Trading of Labcorp Common Stock After the Record Date and On or Prior to the Distribution

Beginning on or shortly before the record date and through the distribution date, we anticipate that there will be two concurrent markets in which to trade shares of Labcorp common stock: a regular way market and an ex-distribution market. Shares of Labcorp common stock that trade in the regular way market will trade with an entitlement to our common stock distributed in connection with the spinoff. Shares that trade in the ex-distribution market will trade without an entitlement to our common stock distributed in connection with the spinoff. Therefore,

if you owned Labcorp common stock at 5:00 p.m., Burlington, North Carolina time, on the record date and sell those shares in the regular way market on or prior to the distribution date, you also will be selling your right to receive our common stock that would have been distributed to you in connection with the spinoff. If you sell those shares of Labcorp common stock in the ex-distribution market on or prior to the distribution date, you will still receive shares of our common stock that were to be distributed to you in connection with the spinoff as a result of your ownership of the Labcorp common stock on the record date. You are encouraged to consult with your financial advisor regarding the financial implications of selling your shares of Labcorp common stock before or on the distribution date.

Spinoff Conditions and Termination

We expect that the spinoff will be completed on June 30, 2023, provided that, among other things:

- the transactions as contemplated by the separation and distribution agreement will have been completed;
- the Labcorp board of directors will, in its sole and absolute discretion, have authorized and approved the separation and the distribution and will not have withdrawn that authorization and approval;
- the Labcorp board of directors will have declared the distribution of all of our outstanding shares of common stock to Labcorp stockholders;
- Labcorp and we will have executed and delivered the separation and distribution agreement, employee matters agreement, transition services agreement, tax matters agreement, and all other ancillary agreements related to the spinoff;
- the SEC shall have declared effective our registration statement on Form 10, of which this information statement is a part, under the Exchange Act, with no stop order in effect with respect to the Form 10, and this information statement shall have been sent to Labcorp stockholders;
- no order, injunction, or decree that would prevent the consummation of the distribution will be threatened, pending or issued (and still in effect) by any governmental entity of competent jurisdiction, no other legal restraint or prohibition preventing the consummation of the distribution will be in effect, and no other event outside the control of Labcorp will have occurred or failed to occur that prevents the consummation of the distribution;
- our common stock shall have been accepted for listing on a national securities exchange approved by Labcorp, subject to official notice of issuance;
- Labcorp will have received an opinion of counsel, satisfactory to Labcorp, regarding the qualification of the spinoff and certain related transactions as generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the Code; and
- prior to the spinoff, our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, each in substantially the form filed as an exhibit to our registration statement on Form 10, of which this information statement is a part, will be in effect.

Labcorp may waive one or more of these conditions, at the direction of its board of directors in its sole and absolute discretion, and the determination by the Labcorp board of directors regarding the satisfaction of these conditions will be conclusive. If the spinoff is completed and the Labcorp board of directors waived any such condition, such waiver could have a material adverse effect on (i) Fortrea's and Labcorp's respective business, financial condition or results of operations, (ii) the trading price of Fortrea's common stock, (iii) the ability of stockholders to sell their Fortrea shares after the distribution, including, without limitation, as a result of (a) illiquid trading if Fortrea common stock is not accepted for listing or (b) litigation relating to any injunctions sought to prevent the consummation of the spinoff or (iv) the tax consequences of the spinoff.

The fulfillment of these conditions will not create any obligation on Labcorp's part to effect the distribution, and Labcorp has reserved the right to amend, modify, or abandon any and all terms of the distribution and the related

transactions at any time prior to the distribution date, at the direction of its board of directors. Labcorp does not intend to notify its stockholders of any modifications to the terms or the conditions to the separation that, in the judgment of its board of directors, are not material. To the extent that the Labcorp board of directors determines that any such modifications materially change the terms and conditions of the spinoff or the ancillary agreements entered into thereto, Labcorp will evaluate the applicable facts and circumstances at that time and make such additional disclosure and take such other actions as Labcorp determines to be necessary and appropriate in accordance with applicable law.

Financing Arrangements Related to the Spinoff

In connection with the spinoff, we expect to incur indebtedness in an aggregate principal amount of approximately $1,640 million, which we expect to consist of borrowings under senior secured term loan facilities and senior secured notes. Based on the trailing twelve months of adjusted EBITDA at March 31, 2023, the pro forma net debt leverage ratio would be 3.9x. Though we expect that the net debt leverage ratio may increase over the next twelve months before decreasing, we expect to target a net debt leverage ratio of approximately 2.5x - 3.0x over the subsequent period. This expectation is subject to significant economic, competitive, industry and other uncertainties, and may not be achieved in full, at all or within projected timeframes. Furthermore, our target may change in the future, and such change may be material. We also expect to enter into a $450 million senior secured revolving credit facility, which we do not expect to borrow under prior to the spinoff, and an accounts receivable purchase program ("ARPP"), which we also do not expect to take advantage of, other than in a testing capacity, prior to the spinoff. The ARPP establishes a receivables purchase facility that provides for up to approximately $80 million in funding based on the availability of certain eligible receivables and the satisfaction of certain conditions.

We expect to use the proceeds from these debt and other financing transactions to make an expected $1,605 million cash distribution to Labcorp as partial consideration for the assets that will be contributed to us in connection with the spinoff. After giving effect to such payment and approximately $35 million of associated fees and expenses incurred in connection with the entry into the above, we expect to begin operations as an independent company with a cash balance of approximately $120 million. The cash benefit to Labcorp of the dividend offset by the operating cash at spin is expected to be $1,485 million.

Adjusted EBITDA and the leverage ratio are non-GAAP financial measures. For additional information about these non-GAAP measures, including a reconciliation of each of these non-GAAP measures to their most directly comparable financial measure calculated in accordance with U.S. GAAP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Information."

Our capital structure remains under review and will be finalized prior to the spinoff. Once finalized, disclosure regarding our capital structure will be provided in a current report on Form 8-K prior to the consummation of the spinoff. See "Capitalization," "Unaudited Pro Forma Combined Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity, Capital Resources and Financial Position" and "Description of Certain Indebtedness and Other Financing." For more information about risks related to our capital structure see "Risk Factors—We may not be able to access the capital and credit markets on terms that are favorable to us, or at all" and "Risk Factors—The terms and conditions of our expected new senior secured term loan facilities, senior secured revolving credit facility, the indenture governing our senior secured notes and the agreement governing the ARPP have not been finalized."

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2023 on a historical and pro forma basis to give effect to the Separation and other matters, as discussed in "The Spinoff."

The pro forma adjustments are based upon available information and assumptions that management believes are reasonable; however, such adjustments are subject to change based on the finalization of the terms of the separation and the agreements which define our relationship with Labcorp after the completion of the separation. In addition, such adjustments are estimates and may not prove to be accurate.

You should read the information in the following table together with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Combined Financial Information," and our unaudited condensed combined financial information and the notes thereto included elsewhere in this information statement.

We are providing the capitalization table for information purposes only. The capitalization table below may not reflect the capitalization or financial condition that would have resulted had we been operating as an independent, publicly-traded company on March 31, 2023 and is not necessarily indicative of our future capitalization or financial condition.

	As of March 31, 2023 (Unaudited)	
(In Millions)	**Historical**	**Pro Forma**
Cash and cash equivalents [1]	$ 120.2	$ 120.0
Indebtedness:		
Total debt [2]	—	1,610.5
Total indebtedness	$ —	$ 1,610.5
Equity:		
Common stock - $0.001 par value (265 million shares authorized and 88.6 million shares issued and outstanding, pro forma) [3]	$ —	$ 0.1
Additional paid-in capital	—	2,062.5
Net parent investment [4]	3,662.6	
Accumulated other comprehensive income (loss)	(257.1)	(257.1)
Total equity	$ 3,405.5	$ 1,805.5
Total capitalization	$ 3,405.5	$ 3,416

(1) Reflects an expected cash amount of $120 million at separation following receipt of debt proceeds and the cash distribution to Labcorp.

(2) In connection with the spinoff, we expect to incur indebtedness in an aggregate principal amount of approximately $1,640 million, which we expect to consist of borrowings under senior secured term loan facilities and senior secured notes. See "Description of Certain Indebtedness and Other Financing." We expect to use the proceeds from these debt and other financing transactions to make an expected $1,605 million cash distribution to Labcorp as partial consideration for the assets that will be contributed to us in connection with the spinoff. After giving effect to such payment and approximately $35 million of associated fees and expenses incurred in connection with the entry into the above, we expect to begin operations as an independent company with a cash balance of approximately $120 million.

(3) We have estimated the number of outstanding shares of our common stock based on the number of shares of Labcorp common stock outstanding as of May 3, 2023 and a distribution ratio of one share of our common stock for every share of Labcorp common stock. The actual number of shares issued will not be known until the record date for the distribution.

(4) At separation, Labcorp's net parent investment in us will be eliminated to reflect the distribution of our common stock to Labcorp's stockholders.

DIVIDEND POLICY

We do not currently expect to declare or pay dividends on our common stock for the foreseeable future. Instead, we intend to retain earnings for use in the operation and expansion of our business. Any future payment of dividends will be at the discretion of our board of directors and will depend upon various factors then existing, including earnings, financial condition, results of operations, capital requirements, level of indebtedness, contractual restrictions with respect to payment of dividends, restrictions imposed by applicable law, general business conditions, and other factors that our board of directors may deem relevant.

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
(in Millions)

The following unaudited pro forma combined financial information consists of an unaudited pro forma combined balance sheet as of March 31, 2023 and the unaudited pro forma combined statements of operations for the three months ended March 31, 2023 and the year ended December 31, 2022.

The unaudited pro forma combined financial information reflects adjustments to our historical unaudited combined balance sheet as of March 31, 2023, our historical unaudited combined statement of operations for the three months ended March 31, 2023, and our historical audited combined statement of operations for the year ended December 31, 2022.

The unaudited pro forma combined balance sheet gives effect to the spinoff and related transactions, described below, as if they occurred as of March 31, 2023, our latest balance sheet date. The unaudited pro forma combined statements of operations give effect to the spinoff and related transactions as if they had occurred on January 1, 2022, the beginning of our most recently completed fiscal year.

The unaudited pro forma combined financial information has been prepared to reflect transaction accounting and autonomous entity adjustments to present the financial condition and results of operations as if we were a separate standalone entity. In addition, we have provided a presentation of management adjustments that management believes are necessary to enhance an understanding of the pro forma effects of the transaction. The unaudited pro forma combined financial information has been adjusted to give effect to the following (collectively, the “Pro Forma Transactions”):

- the contribution of assets and liabilities that comprise our business by Labcorp pursuant to the spinoff and separation and distribution agreement;
- the expected transfer to us, prior to or concurrent with the spinoff of various Labcorp assets and liabilities not included in our historical combined statements of financial position;
- the anticipated post-spinoff capital structure, including (i) the issuance of approximately 88.6 million shares of our common stock to holders of Labcorp common stock in connection with the spinoff and (ii) the expected incurrence of approximately $1,640 million of senior secured indebtedness at an estimated weighted-average interest rate of 7.8%, additional details on debt issuance can be found in note (a);
- the impact of the tax matters agreement to be entered into with Labcorp in connection with the spinoff;
- the impact of the transition services agreement and other commercial agreements to be entered into with Labcorp in connection with the spinoff (see “Certain Relationships and Related Person Transactions”);
- transaction and incremental income and costs expected to be incurred as an autonomous entity and specifically related to the spinoff;
- other adjustments described in the notes to the unaudited pro forma combined financial information; and
- management adjustments which consist of reasonably estimated transaction effects expected to occur.

The unaudited pro forma combined financial information was prepared in accordance with Article 11 of Regulation S-X. In May 2020, the SEC adopted Release No. 33-10786 “Amendments to Financial Disclosures about Acquired and Disposed Businesses” (the “Final Rule”). The Final Rule became effective on January 1, 2021 and the unaudited pro forma combined financial information herein is presented in accordance therewith. The unaudited pro forma combined financial information is presented for informational purposes only and do not purport to represent what our financial position and results of operations actually would have been had the Pro Forma Transactions occurred on the dates indicated, or to project our financial performance for any future period. The unaudited pro forma combined financial information is based on information and assumptions, which are described in the accompanying notes.

Our historical combined financial statements, which were the basis for the unaudited pro forma combined financial information, were prepared on a carve-out basis as we did not operate as a standalone entity for the periods presented. Accordingly, such financial information reflects an allocation of certain corporate costs, such as tax, treasury, executive leadership, finance, accounting, legal, human resources, sales expenses and the related benefit costs associated with such functions, such as stock-based compensation, that are either specifically identifiable or clearly applicable to Clinical Development and Commercialization Services Business ("CDCS").

The unaudited pro forma combined financial information has been prepared to include transaction accounting (including the impact of changes to our legal entity structure in anticipation of the spinoff), autonomous entity and management adjustments to reflect the financial condition and results of operations as if we were a standalone entity. Transaction accounting adjustments have been presented to show the impact and associated cost as a result of the legal separation from Labcorp, including the incurrence of indebtedness, transfer of additional pension and employee benefit assets and liabilities, and the tax matters agreement. Autonomous entity adjustments have been presented to show the impact of items such as the transition services agreement, lease arrangements with third parties and Labcorp, and incremental costs expected to be incurred as an autonomous entity. In addition, we have provided a presentation of management adjustments that management believes are necessary to enhance an understanding of the pro forma effects of the transaction. Actual future costs incurred may differ from these estimates.

The unaudited pro forma combined financial information reported below should be read in conjunction with the sections herein entitled "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Certain Relationships and Related Person Transactions" as well as the audited combined financial statements, unaudited combined financial statements and the corresponding notes included elsewhere in this information statement. For factors that could cause actual results to differ materially from those presented in the unaudited pro forma condensed combined financial information, see "Cautionary Statement Concerning Forward-Looking Statements" and "Risk Factors" included elsewhere in this information statement.

Unaudited Pro Forma Combined Balance Sheet
As of March 31, 2023
(In Millions)

	Historical	Transaction Accounting Adjustments	Autonomous Entity Adjustments	Pro Forma
ASSETS				
Current assets:				
Cash and cash equivalents	$ 120.2	$ (0.2) (a)	$ —	$ 120.0
Accounts receivable and unbilled services, net	996.6	—	—	996.6
Prepaid expenses and other	126.0	—	—	126.0
Total current assets	1,242.8	(0.2)	—	1,242.6
Property, plant and equipment, net	180.4	7.8 (d)	(13.9) (i)	174.3
Goodwill, net	2,009.8	—	—	2,009.8
Intangible assets, net	812.3	—	—	812.3
Deferred income taxes	1.2	—	—	1.2
Other assets, net	60.8	5.5 (a)	—	66.3
Total assets	$ 4,307.3	$ 13.1	$ (13.9)	$ 4,306.5
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable	$ 102.6	$ —	$ —	$ 102.6
Accrued expenses and other current liabilities	271.1	2.2 (c)	—	273.3
Unearned revenue	258.0	—	—	258.0
Short-term operating lease liabilities	23.9	—	(1.3) (i)	22.6
Total current liabilities	655.6	2.2	(1.3)	656.5
Long-term debt	—	1,610.5 (a)	—	1,610.5
Operating lease liabilities	43.3	—	(13.0) (i)	30.3
Deferred income taxes and other tax liabilities	180.6	0.8 (d)	—	181.4
Other liabilities	22.3	—	—	22.3
Total liabilities	$ 901.8	$ 1,613.5	$ (14.3)	$ 2,501.0
Equity:				
Net parent investment	$ 3,662.6	$ (3,663.0) (a), (e)	$ 0.4	$ —
Common stock par value	—	0.1 (e)	—	0.1
Additional paid-in capital	—	2,062.5 (e)	—	2,062.5
Accumulated other comprehensive loss	(257.1)	—	—	(257.1)
Total equity	3,405.5	(1,600.4)	0.4	1,805.5
Total liabilities and equity	$ 4,307.3	$ 13.1	$ (13.9)	$ 4,306.5

See accompanying notes to the unaudited pro forma combined financial information.

Unaudited Pro Forma Combined Statement of Operations
For the Three Months Ended March 31, 2023
(In Millions, Except Per Share Data)

	Historical	Transaction Accounting Adjustments	Autonomous Entity Adjustments	Pro Forma
Revenues	$ 764.2	$ —	$ —	$ 764.2
Costs and expenses:				
Direct costs, exclusive of depreciation and amortization	636.2	3.5 (b)	—	639.7
Selling, general and administrative expenses, exclusive of depreciation and amortization	78.0	1.6 (b)	—	79.6
Depreciation and amortization	22.8	1.2 (d)	—	24.0
Restructuring and other charges	1.2	—	—	1.2
Total costs and expenses	738.2	6.3	—	744.5
Operating income (loss)	26.0	(6.3)	—	19.7
Other income (expense):				
Interest expense	—	(32.7) (a)	—	(32.7)
Foreign exchange gain (loss)	(5.5)	—	—	(5.5)
Other, net	0.6	—	0.7 (g)	1.3
Income (loss) before income taxes	21.1	(39.0)	0.7	(17.2)
Provision for income taxes	3.7	(9.5) (f)	0.2 (h)	(5.6)
Net income (loss)	$ 17.4	$ (29.5)	$ 0.5	$ (11.6)
Pro Forma loss per share of common stock				
Basic			(j)	$ (0.13)
Diluted			(k)	$ (0.13)
Weighted average number of common shares outstanding				
Basic			(j)	88.4
Diluted			(k)	88.4

See accompanying notes to the unaudited pro forma combined financial information.

Unaudited Pro Forma Combined Statement of Operations
For the Year Ended December 31, 2022
(In Millions, Except Per Share Data)

	Historical	Transaction Accounting Adjustments		Autonomous Entity Adjustments		Pro Forma
Revenues	$ 3,096.1	$ —		$ —		$ 3,096.1
Costs and expenses:						
Direct costs, exclusive of depreciation and amortization	2,447.4	26.6	(b)	0.4	(g)	2,474.4
Selling, general and administrative expenses, exclusive of depreciation and amortization	279.8	19.7	(b)	0.4	(g)	299.9
Depreciation and amortization	92.7	3.6	(d)	—		96.3
Goodwill and other asset impairments	9.8	—		—		9.8
Restructuring and other charges	30.5	—		—		30.5
Total costs and expenses	2,860.2	49.9		0.8		2,910.9
Operating income (loss)	235.9	(49.9)		(0.8)		185.2
Other income (expense):						
Interest expense	—	(132.4)	(a)	—		(132.4)
Foreign exchange gain (loss)	(0.9)	—		—		(0.9)
Other, net	2.0	—		5.0	(g)	7.0
Income (loss) before income taxes	237.0	(182.3)		4.2		58.9
Provision for income taxes	44.1	(44.6)	(f)	1.0	(h)	0.5
Net income (loss)	$ 192.9	$ (137.7)		$ 3.2		$ 58.4
Pro Forma earnings per share of common stock						
Basic					(j)	$ 0.64
Diluted					(k)	$ 0.64
Weighted average number of common shares outstanding						
Basic					(j)	91.1
Diluted					(k)	91.1

See accompanying notes to the unaudited pro forma combined financial information.

Notes to the Unaudited Pro Forma Combined Financial Information
(In millions unless stated otherwise)

The unaudited pro forma combined balance sheet as of March 31, 2023 and the unaudited pro forma combined statement of operations for the three months ended March 31, 2023 and the unaudited pro forma combined statement of operations for the year ended December 31, 2022 include the following adjustments:

Transaction Accounting Adjustments

(a) This adjustment reflects the incurrence of indebtedness of approximately $1,640.0 in connection with the spinoff, which we expect to consist of borrowings under senior secured term loan facilities and senior secured notes, both to be incurred prior to or concurrently with the spinoff. The debt maturities range from five years to seven years with an estimated weighted average interest rate of approximately 7.8% at issuance. Total deferred debt issuance costs associated with such indebtedness are estimated at $29.5, which will be amortized to Interest expense over the terms of the respective instruments and are reflected as a reduction to Long-term debt. We will use substantially all of the proceeds from the borrowings described above to make a cash distribution to Labcorp as partial consideration for the assets that will be contributed to us in connection with the spinoff. The remaining proceeds are expected to be held by us in Cash, cash equivalents. We expect to begin operations as an independent company with a cash balance of approximately $120.0. The terms of this indebtedness have not been finalized, and the pro forma adjustments may change accordingly.

We also intend to enter into a senior secured revolving credit facility, providing for up to $450.0 of borrowings. The pro forma financial information does not give effect to any borrowings under the senior secured revolving credit facility because no amount is expected to be incurred in connection with the spinoff. The associated issuance costs of $5.5 are recorded in Other assets, net and amortized to Interest expense over the term of the credit facility.

We also expect to enter into an accounts receivable purchase program (“ARPP”) that establishes a receivables purchase facility providing for up to approximately $80.0 in funding based on the availability of certain eligible receivables and the satisfaction of certain conditions. The pro forma financial information does not give effect to the ARPP because no amount is expected to be incurred in connection with the spinoff.

	For the three months ended March 31, 2023	For the year ended December 31, 2022
Interest expense on debt	31.3	126.8
Amortization of debt issuance costs	1.4	5.6
Total pro forma adjustment to interest expense	32.7	132.4
Tax effect of the pro forma adjustment to interest expense	8	32.4

A 1/8th of a percentage point change in the estimated weighted average interest rate on debt would change the estimated interest expense by approximately $0.5 and $2.0 for the three months ended March 31, 2023 and for the year ended December 31, 2022, respectively.

(b) Reflects estimates for additional charges we expect to incur within one year and one quarter of the spinoff. These charges primarily relate to legal, audit and advisory fees, system implementation costs, business separation costs and other costs. These adjustments include estimated non-recurring expenses for the three months ended March 31, 2023 and December 31, 2022 of $3.5 and $26.6 recorded in Direct costs and $1.6 and $19.7 recorded in Selling, general and administrative expenses with total tax effect of $1.2 and $11.3 recorded in Provision for income taxes, respectively. Actual charges that will be incurred could be different from these estimates and would depend on several factors, including the economic environment and strategic decisions made following the spinoff.

(c) Reflects additional employee-related obligations expected to be transferred from Labcorp to Fortrea prior to the spinoff. These liabilities were excluded from the historical combined balance sheet as the related employees were not fully dedicated to Fortrea.

(d) Reflects the impact of property, plant and equipment that will be transferred from Labcorp to us in connection with the spinoff and related deferred tax liability impact and depreciation expense. This adjustment is primarily driven by the IT assets that will be transferred to Fortrea.

(e) Reflects the reclassification of Labcorp's net investment in our Company, as well as the issuance of shares of our common stock with a par value of $0.001 per share pursuant to the Separation and Distribution Agreement. We have assumed the number of outstanding shares of our common stock based on shares of Labcorp common stock outstanding as of May 3, 2023, on the basis of one share of our common stock distributed for every share of Labcorp common stock. The actual number of shares issued will not be known until the record date for the distribution.

(f) Reflects the tax effects of the transaction accounting adjustments at the applicable statutory income tax rates.

Autonomous Entity Adjustments

(g) Reflects the effects of agreements we and Labcorp will enter into in connection with the spinoff. Included in the pro forma combined statement of operations for the three months ended March 31, 2023 and for the year ended December 31, 2022 are incremental costs recorded as adjustments to Direct costs of $0.0 and $0.4, and Selling, general, and administrative expenses of $0.0 and $0.4 and incremental income recorded as an adjustment to Other, net of $0.7 and $5.0, respectively.

(h) Reflects the tax effects of the autonomous entity adjustments at the applicable statutory income tax rates.

(i) Reflects the net impact of lease arrangements with third parties and sublease arrangements with Labcorp for facilities that have been entered into or will be entered into prior to the spinoff. These adjustments remove the net impact of the operating right-of-use assets and related operating lease liabilities based on the estimated present value of the lease payments over the lease term.

Pro Forma Earnings Per Share

(j) The weighted average number of shares used to compute pro forma basic EPS for the three months ended March 31, 2023 and the year ended December 31, 2022 is 88.4 million and 91.1 million, respectively, on the basis of one share of our common stock for every share of Labcorp common stock held as of the close of business on the record date.

(k) The weighted average number of shares used to compute pro forma diluted EPS is based on the number of basic shares of our common stock as described in Note (j) above. The actual dilutive effect following the completion of the spinoff will depend on various factors, including employees who may change employment between Fortrea and Labcorp and the impact of equity-based compensation arrangements. We cannot fully estimate the dilutive effects at this time.

Management Adjustments

We have elected to present management adjustments to the pro forma financial information and included all adjustments necessary for a fair statement of such information. Following the spinoff, we expect to incur incremental costs as a standalone public company related to certain expenses previously allocated from Labcorp. Our historical combined financial statements include allocations for certain costs of support functions that are provided on a centralized or geographic basis by Labcorp and its affiliates, which include legal, tax, treasury, sales expenses, IT, human resources, accounting shared services, supply chain, insurance, executive leadership, finance, and the related benefit costs associated with such functions, such as stock-based compensation. We received the benefit of economies of scale as a business within Labcorp's overall centralized model; however, in establishing these independent support functions, the expenses will be higher than the prior shared allocation. As a standalone public company, we expect to incur certain costs in addition to those incurred pursuant to the transition services agreement as described in note (j). We will also incur new costs relating to our public reporting and compliance obligations as a standalone public company.

These incremental costs are based on our expected organization chart and expected cost structure as a standalone company, adjusted for the allocated costs recorded within our historical combined financial statements, which vary by year. In order to determine synergies and dis-synergies, we prepared a detailed

assessment of the resources and associated costs required as a baseline to stand up CDCS as a standalone company. With respect to expected headcount increases, internal resources were matched to job roles to meet the required baseline. In addition to internal resources, third-party support costs in each function were considered, which included business support functions and corporate overhead charges previously shared with Labcorp. This process was used by all functions resulting in incremental costs when compared to the cost allocations from Labcorp included in our historical combined financial statements.

Any shortfall of required resource needs will be filled through external hiring or will be supported by Labcorp through a new transition services agreement. From a timeframe standpoint, these incremental costs will begin to materialize on the date of this information statement. Management believes the resource transfers and costs which were used as the basis for the management adjustments below are reasonable and representative of the baseline to stand up CDCS as a standalone company. Both the resource and vendor cost baseline would be impacted by additional costs and investments that we may incur as we pursue our growth strategies. In addition, other adverse effects and limitations, including those discussed in the section of this information statement entitled “Risk Factors,” may impact actual costs incurred.

Primarily as a result of the above items, the management adjustments presented below, which are incremental to the autonomous entity pro forma adjustments, show additional incremental expenses compared to the allocated expenses from Labcorp included in our historical combined statements of operations, related to dis-synergies partially offset by synergies resulting from the contemplated organizational structure, which the management anticipates realizing prior to or within 18 months of the spinoff. Management believes the presentation of these adjustments is necessary to enhance an understanding of the pro forma effects of the transaction. The pro forma financial information below reflects all adjustments that are, in the opinion of management, necessary to provide a fair statement of the pro forma financial information, aligned with the assessment described above. If we decide to increase or reduce resources or invest more heavily in certain areas in the future, that will be part of our future decisions and has not been included in the management adjustments below. The tax effect has been determined by applying the applicable statutory tax rates to the aforementioned adjustments for the periods presented. These management adjustments include forward-looking statements, see “Cautionary Statement Concerning Forward-Looking Statements” included elsewhere in this information statement.

Three months ended March 31, 2023

In millions except per share amounts	Pro forma net income (loss)
Pro forma as shown above	$ (11.6)
Management adjustments	
Synergies [1]	8.2
Dis-synergies	
Operational dis-synergies[2]	(6.0)
Incremental stock compensation[3]	(5.8)
TSA inefficiencies [4]	(2.1)
Total Management adjustments	$ (5.7)
Tax effect of Management adjustments	1.4
Pro forma net loss after Management adjustments	$ (15.9)
Weighted average number of basic and diluted common shares outstanding	88.4
Pro forma basic and diluted loss per share	$ (0.18)

Year ended December 31, 2022

In millions except per share amounts	Pro forma net income
Pro forma as shown above	$ 58.4
Management adjustments	
Synergies [1]	15.0
Dis-synergies	
Operational dis-synergies[2]	(8.2)
Incremental stock compensation[3]	(24.6)
TSA inefficiencies [4]	(15.0)
Total Management adjustments	$ (32.8)
Tax effect of Management adjustments	8.0
Pro forma net income after Management adjustments	$ 33.6
Weighted average number of basic and diluted common shares outstanding	91.1
Pro forma basic and diluted earnings per share	$ 0.37

(1) The synergies represent lower expected cost in certain areas such as, HR support and procurement services and technology, than the amounts historically allocated from Labcorp to the CDCS business and included in our historical financial results and non-GAAP information. This adjustment reflects management's estimate of the future effect of the spin on our standalone operating costs.

(2) The operational dis-synergies represent cost in certain areas such as marketing, management, and public company related finance services that the company expects to exceed the amount of CDCS business cost previously allocated from Labcorp and included in our historical financial results and non-GAAP information. This adjustment reflects management's estimate of the future effect of the spin on our standalone operating costs.

(3) CDCS is expected to incur additional stock compensation expense related to the incremental personnel and adjustments to compensation levels to reflect the responsibilities of employees in a standalone entity.

(4) TSA inefficiencies reflect the impact of the incremental costs of obtaining services under the transition services agreement compared to the estimated cost of performing those functions internally. It is anticipated that the TSA arrangements will be phased out over a 24 month period as CDCS develops the necessary infrastructure and capabilities to perform these functions internally.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (in Millions)

The following discussion and analysis is intended to provide a summary of significant factors relevant to the financial performance and condition of the Clinical Development and Commercialization Services business, which we refer to in this discussion and analysis as the "Company," "our" and "we," of Laboratory Corporation of America Holdings, which we refer to in this discussion and analysis as "Labcorp" or "Parent." The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited combined financial statements and corresponding notes, unaudited condensed combined financial statement and corresponding notes and the unaudited pro forma condensed combined financial information and corresponding notes and other financial information included elsewhere in this information statement. This discussion contains forward-looking statements that are based upon current expectations and are subject to uncertainty and changes in circumstances. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed below and elsewhere in this information statement, particularly in "Risk Factors." Actual results may differ materially from these expectations. See "Cautionary Statement Concerning Forward-Looking Statements."

Company Overview

We are a leading global CRO providing comprehensive phase I through IV biopharmaceutical product and medical device services, patient access solutions and other enabling services. For over 30 years, we have provided our global pharmaceutical, biotechnology, and medical device customers with clinical pharmacology, clinical development, and other clinical capabilities. In addition, we offer our customers highly flexible delivery models that include Full Service, FSP, and Hybrid structures. We believe we are well positioned to leverage our global scale, access to clinical data-driven insights, industry network, and decades of experience to bring customers tailored solutions. Fortrea intends to capitalize on the global demand for clinical development services across a diverse set of therapeutic areas.

Our team of approximately 21,000 staff (including more than 2,600 global, cross-functional clinical research associates) conducts operations in 90 countries and delivers a broad range of clinical development solutions and other services for our customers. Our services streamline the biopharmaceutical product and medical device development process. Additionally, we successfully utilize enabling technologies to optimize processes and evolve with a dynamic marketplace.

The Company manages its business in two reportable segments - Clinical Services and Enabling Services. The Clinical Services segment, provides services across the clinical pharmacology and clinical development spectrum. The Enabling Services segment provides patient access and technology solutions to customers.

Separation from Labcorp

On July 28, 2022, Labcorp announced a plan to pursue a separation of us from Labcorp through a spinoff. After the spinoff, we will be an independent, publicly traded company. The spinoff is intended to be tax-free to Labcorp and its stockholders for U.S. federal income tax purposes, except, in the case of stockholders, to the extent of any cash received in lieu of fractional shares.

The spinoff will be subject to a number of conditions, some of which are more fully described above under "The Spinoff—Spinoff Conditions and Termination."

Incremental Independent Public Company Expenses

The combined statements of operations include costs for certain centralized functions and programs provided and administered by Labcorp that are allocated to the Company. These centralized functions and programs include, but are not limited to legal, tax, treasury, risk management, sales expenses, IT, human resources, finance, supply chain, executive leadership, and stock-based compensation.

These expenses were allocated to the Company based on direct usage when identifiable or, when not directly identifiable, on the basis of proportional net revenues or headcount or other reasonable driver, as applicable. The Company considers the basis on which the expenses have been allocated to reasonably reflect the utilization of services provided to, or the benefit received by, the Company during the periods presented. However, the allocations may not reflect the expenses the Company would have incurred as an independent company for the periods presented. Actual costs that may have been incurred if the Company had been a standalone company would depend on a number of factors, including the organizational structure, whether functions were outsourced or performed by employees, and strategic decisions made in areas such as IT and infrastructure. For a period following the spinoff, however, some of these functions will continue to be provided by Labcorp under a planned transition services agreement.

The actual costs of services represented by these allocations may vary significantly from the amounts allocated to the Company in the accompanying financial statements.

Ukraine/Russia Conflict

As a result of the ongoing conflict between Russia and Ukraine, we determined that all receivables from companies located in Russia and all long-lived assets related to our Russia and Ukraine operations were impaired. Furthermore, we incurred additional costs in an effort to support our employees impacted by the conflict.

Seasonality

Our business is seasonal. Revenue tends to be lowest in the first half, and especially the first quarter, of each year. Because of this seasonality, our results of operations for the first half of the year, and the first quarter, in particular, may not be indicative of the results of operations that may be achieved for subsequent quarters or the full year. We believe that first quarter 2023 revenue and margins were especially impacted by (i) a large FSP contract loss (as discussed further below); (ii) the provision for credit losses on certain biotech receivables; (iii) slower backlog conversion rates impacted by (a) continued staffing challenges, including increased times to fill recruitment in certain therapeutic areas (primarily respiratory) and select geographies and (b) customer hesitation ahead of our spinoff and (iv) recent macroeconomic factors affecting the industry, in addition to the seasonal nature of our business.

Backlog and Net New Business

Our backlog represents anticipated revenue for work not yet completed or performed under executed contracts and other forms of written confirmation, where there is sufficient or reasonable certainty about the customer’s ability and intent to fund and commence the services within twelve months. We adjust backlog for foreign currency fluctuations and exclude from backlog revenue that has been recognized as revenue in our statements of operations. Our backlog was $8.6 billion, $8.1 billion and $8.9 billion at December 31, 2022, and 2021 and March 31, 2023, respectively.

We add net new business to backlog based on the aforementioned criteria. Additionally, each period we evaluate previously awarded projects to adjust for modifications, cancellations, foreign currency fluctuations, and other items. Net new business varies from period to period depending on numerous factors, including customer award volume, sales performance, and overall health of the biopharmaceutical industry, among others. While customers with whom we have had long-standing relationships have continued to award new orders to us, we have experienced some fluctuations in our net new business award levels over the last few quarters driven, we believe, by recent macroeconomic factors affecting the industry and customer hesitation ahead of the spinoff. Some clients have indicated that they are waiting until after the spinoff is complete to award new business. Our net new business awards were $3.7 billion, $3.4 billion and $3.7 billion for the years ended December 31, 2022, 2021 and 2020, respectively and $3.8 billion and $3.4 billion for the trailing twelve months ended March 31, 2023 and 2022, respectively.

We do not believe that, as a sole measure, our backlog and net new business are consistent indicators of future revenue because they have been, and likely will continue to be, affected by a number of factors, including the variable size and duration of projects, many of which are performed over several years, and changes to the scope of

work during the course of projects. Additionally, projects may be canceled or delayed by the customer or regulatory authorities. We generally do not have a contractual right to the full amount of the contract award reflected in our backlog. If a customer cancels a contract, we generally will be reimbursed for the costs we have incurred. For more information about risks related to our backlog see “Risk Factors—Risks Relating to Our Business—Our backlog might not be indicative of our future revenues, and we might not realize all of the anticipated future revenue reflected in our backlog.”

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations is intended to help you understand our results of operations for the years ended December 31, 2022, 2021 and 2020, and for the three months ended March 31, 2023 and 2022 as well as our financial condition as of December 31, 2022, 2021 and 2020 and as of March 31, 2023 and 2022.

Results of Operations for the three months ended March 31, 2023 and 2022

The following tables present the financial measures that management considers to be the most significant indicators of the Company's performance.

Three months ended March 31, 2023 and 2022

Revenues

	Three Months Ended March 31,		
	2023	2022	Change
Clinical Services	$ 692.1	$ 707.2	(2.1)%
Enabling Services	72.1	71.8	0.4 %
Total	$ 764.2	$ 779.0	(1.9)%

The Company’s revenues for the three months ended March 31, 2023, were $764.2, a decrease of 1.9% over revenues of $779.0 in the corresponding period in 2022. The decrease in revenues was due to a decline in organic revenue of 0.6% and unfavorable foreign currency translation of 1.3%. The Company defines organic growth or decline as the increase or decrease in revenue excluding the year over year impact of acquisitions, divestitures, and currency. The 0.6% decrease in organic revenues was primarily driven by the impact of an FSP cancellation causing a 3.2% decline in revenue along with a slower backlog conversion rate in part due to lingering post-pandemic staffing challenges at investigator sites.

Direct Costs, Exclusive of Depreciation and Amortization

	Three Months Ended March 31,		
	2023	2022	Change
Direct costs	$ 636.2	$ 638.1	(0.3)%
Direct costs as a % of revenues	83.3 %	81.9 %	

Direct costs decreased 0.3% during the three months ended March 31, 2023 as compared with the corresponding period in 2022. Direct costs increased as a percentage of revenues to 83.3% during the three months ended March 31, 2023 as compared to 81.9% in the corresponding period in 2022. This decrease in direct costs was primarily due to a decrease in personnel costs

Selling, General and Administrative Expenses, Exclusive of Depreciation and Amortization

	Three Months Ended March 31,		
	2023	2022	Change
Selling, general and administrative expenses	$ 78.0	$ 75.0	4.0 %
SG&A as a % of revenues	10.2 %	9.6 %	

Selling, general and administrative expenses consist primarily of administrative payroll and related benefit charges, advertising and promotional expenses, administrative travel, an allocation of facility charges and IT costs,

and corporate allocations. Selling, general and administrative expenses increased 4.0% during the three months ended March 31,2023 as compared with the corresponding period in 2022. The increase in selling, general and administrative expenses was primarily due to an $8.9 provision for credit losses on certain biotech receivables.

Depreciation Expense

	Three Months Ended March 31,		
	2023	2022	Change
Depreciation expense	$ 6.9	$ 6.7	3.0 %

The increase in depreciation expense for the three months ended March 31, 2023, as compared to the three months ended March 31, 2022, was primarily due to purchases of property, plant and equipment.

Amortization Expense

	Three Months Ended March 31,		
	2023	2022	Change
Amortization of intangibles and other assets	$ 15.9	$ 16.9	(5.9)%

The decrease in amortization of intangibles and other assets during the three months ended March 31, 2023, as compared to the corresponding period in 2022, is primarily the result of the impairment of technology assets that occurred in the fourth quarter of 2022.

Restructuring and Other Charges

	Three Months Ended March 31,		
	2023	2022	Change
Restructuring and other charges	$ 1.2	$ 9.6	(87.5)%

During three months ended March 31, 2023, the Company recorded net restructuring charges of $1.2, which is reflected within Restructuring and other charges in the combined statements of operations. The charges were comprised of $0.7 in severance and other personnel costs and $0.5 in lease and other facility-related costs associated with general cost improvement and headcount reduction initiatives at various locations around the world.

During three months ended March 31, 2022, the Company recorded net restructuring charges of $9.6, which is reflected within Restructuring and other charges in the Combined Statements of Operations. The charges were comprised of $2.6 in severance and other personnel costs and $7 in lease and other facility-related costs associated with general cost improvement and headcount reduction initiatives at various locations around the world.

Foreign Exchange Gain (Loss)

	Three Months Ended March 31,		
	2023	2022	Change
Foreign exchange gain (loss)	$ (5.5)	$ 4.3	227.9 %

The change in Foreign exchange gain (loss) for the three months ended March 31, 2023, as compared to the three months ended March 31, 2022, was primarily due to the relative strengthening of the US Dollar against most major foreign currencies resulting in $6.5 in foreign exchange losses offset by $1.0 of allocated hedging gains from the Labcorp hedging program for 2023. For the three months ended March 31, 2022, foreign exchange gains were $5.3 offset by $1.0 of allocated hedging losses from the Labcorp hedging program.

Income Tax Expense

	Three Months Ended March 31,	
	2023	2022
Income tax expense	$3.70	$5.00
Income tax expense as a % of income before tax	17.5%	13.3%

For the three months ended March 31, 2023, the Company's effective tax rate was 17.5% compared to the 2022 tax rate of 13.3%. This fluctuation was primarily related to the stock compensation windfall benefit realized during 2022.

Operating Results by Segment

	Three Months Ended March 31,		
	2023	2022	Change
Clinical Services operating income	$ 58.5	$ 75.3	(22.3)%
Enabling Services operating income	2.4	4.7	(48.9)%
Segment operating income	60.9	80.0	(23.9)%
Corporate costs not allocated to segments	(17.8)	(20.8)	(14.4)%
Amortization	(15.9)	(16.9)	(5.9)%
Goodwill and other asset impairments	—	—	— %
Restructuring and other charges	(1.2)	(9.6)	(87.5)%
Total operating income (loss)	$ 26.0	$ 32.7	20.5 %

Clinical Services operating income was $58.5 for the three months ended March 31, 2023, a decrease of (22.3)% from operating income of $75.3 in the corresponding period of 2022. The decrease in operating income was primarily due to the loss of an FSP contract and an $8.9 provision for credit losses on certain biotech receivables.

Enabling Services operating income was $2.4 for the three months ended March 31, 2023, a decrease of (48.9)% from operating income of $4.7 in the corresponding period of 2022. The decrease was primarily due to investments in resources related to servicing a recent new award.

The Corporate costs not allocated to segments include stock-based compensation, acquisition related costs, spin costs, COVID-19 costs, Ukraine/Russia conflict costs, retention bonuses, costs of centralized functions that are allocated from Labcorp, and other charges not deemed to relate to segment performance. Through the spinoff date, the combined statements of operations will include costs for certain centralized functions and programs provided and administered by Labcorp that are allocated to the Company. These centralized functions and programs include, but are not limited to legal, tax, treasury, risk management, sales and marketing expenses, information technology, human resources, finance, supply chain, and executive leadership. Corporate costs not allocated to segments were $17.8 for the three months ended March 31, 2023, an increase of (14.4)% over corporate expenses of $20.8 in the corresponding period of 2022. The increase in corporate expenses in 2023 is primarily due to the increase in costs allocated from Labcorp.

Results of Operations for the years ended December 31, 2022, 2021 and 2020

The following tables present the financial measures that management considers to be the most significant indicators of the Company's performance.

Revenues

	Years Ended December 31,				
	2022	2021	2020	2022/2021 change	2021/2020 change
Clinical Services	$ 2,825.4	$ 2,763.5	$ 2,291.2	2.2 %	20.6 %
Enabling Services	270.7	294.0	289.1	(7.9)%	1.7 %
Total	$ 3,096.1	$ 3,057.5	$ 2,580.3	1.3 %	18.5 %

The Company’s revenues for the year ended December 31, 2022, were $3,096.1, an increase of 1.3% over revenues of $3,057.5 in the corresponding period in 2021. The increase in revenues was due to organic growth of 3.9% offset by unfavorable foreign currency translation of (2.6)%. The Company defines organic growth as the increase in revenue excluding the year over year impact of acquisitions, divestitures, and currency. The 3.9% increase in organic revenues was primarily driven by strong net new business awards in 2021 for the Clinical Services segment offset by backlog reductions within the Enabling Services segment.

The Company’s revenues for the year ended December 31, 2021, were $3,057.5, an increase of 18.5% over revenues of $2,580.3 in the corresponding period in 2020. The increase in revenues was due to organic growth of 16.1%, the benefit of acquisitions of 1.1%, and favorable foreign currency translation of 1.3%. The 16.1% increase in organic revenues was primarily driven by strong net new business in 2020 in both of our segments.

Direct Costs, Exclusive of Depreciation and Amortization

	Years Ended December 31,				
	2022	2021	2020	2022/2021 change	2021/2020 change
Direct costs	$ 2,447.4	$ 2,453.1	$ 2,091.2	(0.2)%	17.3 %
Direct costs as a % of revenues	79.0 %	80.2 %	81.0 %		

Direct costs decreased 0.2% in 2022 as compared with 2021 and decreased as a percentage of revenues to 79.0% in 2022 as compared to 80.2% in 2021. This decrease in direct costs was primarily due to a decrease in incentive-based compensation expense based on company performance.

Direct costs increased 17.3% in 2021 as compared with 2020 and decreased as a percentage of revenues to 80.2% in 2021 as compared to 81.0% in 2020. This increase in direct costs was primarily due to higher labor expense and higher project related reimbursable out-of-pocket costs from higher revenues.

Selling, General and Administrative Expenses, Exclusive of Depreciation and Amortization

	Years Ended December 31,				
	2022	2021	2020	2022/2021 change	2021/2020 change
Selling, general and administrative expenses	$ 279.8	$ 303.1	$ 267.6	(7.7)%	13.3 %
SG&A as a % of revenues	9.0 %	9.9 %	10.4 %		

Selling, general and administrative expenses consist primarily of administrative payroll and related benefit charges, advertising and promotional expenses, administrative travel, an allocation of facility charges and IT costs, and corporate allocations.

Selling, general and administrative expenses decreased 7.7% in 2022 compared to 2021. The decrease in selling, general and administrative expenses was primarily due to a decrease in incentive-based compensation expense based on company performance.

Selling, general and administrative expenses increased 13.3% in 2021 compared to 2020. The increase in selling, general and administrative expenses was primarily due to the increase in personnel and related costs due to revenue growth.

Goodwill and Other Asset Impairments

	Years Ended December 31,				
	2022	2021	2020	2022/2021 change	2021/2020 change
Goodwill and other asset impairments	$ 9.8	$ —	$ 405.7	— %	(100.0)%

During 2022, the Company recorded intangible asset impairment charges of $9.8. The Company concluded that the fair value was less than carrying value for one of its acquired technology related assets and recorded an asset impairment.

During 2020, the Company recorded goodwill asset impairment charges of $405.7. The Company concluded that the fair value was less than carrying value for one of its reporting units and recorded goodwill and other asset impairments.

Depreciation Expense

	Years Ended December 31,				
	2022	2021	2020	2022/2021 change	2021/2020 change
Depreciation expense	$ 27.0	$ 26.3	$ 23.0	2.7 %	14.3 %

The increase in depreciation expense for 2022, as compared to 2021, and for 2021, as compared to 2020, was primarily due to purchases of property, plant and equipment.

Amortization Expense

	Years Ended December 31,				
	2022	2021	2020	2022/2021 change	2021/2020 change
Amortization of intangibles and other assets	$ 65.7	$ 140.0	$ 96.0	(53.1)%	45.8 %

The decrease in amortization of intangibles and other assets in 2022, as compared to 2021, is primarily the result of a $67.3 decrease in amortization expense related to trade names. The trade names were fully amortized during 2021 as a result of the Company's rebranding initiative.

The increase in amortization of intangibles and other assets in 2021, as compared to 2020, primarily reflects the $43.2 impact of the accelerated amortization on trade names related to the Company's rebranding initiative. Accelerated amortization of $57.6 and $14.4 was recognized for the years ended December 31, 2021 and 2020, respectively.

Restructuring and Other Charges

	Years Ended December 31,				
	2022	2021	2020	2022/2021 change	2021/2020 change
Restructuring and other charges	$ 30.5	$ 20.7	$ 11.0	47.3 %	88.2 %

During 2022, the Company recorded net restructuring charges of $30.5, which is reflected within Restructuring and other charges in the combined statements of operations. The charges were comprised of $16.5 in severance and other personnel costs and $14.2 in lease and other facility-related costs associated with general cost improvement and headcount reduction initiatives at various locations around the world. The charges were offset by the reversal of a previously established liability of $0.2 in unused severance.

During 2021, the Company recorded net restructuring charges of $20.7, which is reflected within Restructuring and other charges in the combined statements of operations. The charges were comprised of $5.2 in severance and other personnel costs and $16.2 in lease and other facility-related costs associated with general cost improvement and headcount reduction initiatives at various locations around the world. The charges were partially offset by the reversal of previously established liability of $0.7 in unused severance and facility-related costs.

During 2020, the Company recorded net restructuring charges of $11.0, which is reflected within Restructuring and other charges in the Combined Statements of Operations. The charges were comprised of $4.9 in severance and other personnel costs and $7.0 in lease and other facility-related costs associated with general cost improvement and headcount reduction initiatives at various locations around the world. The charges were partially offset by the reversal of a previously established liability of $0.9 in unused severance and facility-related costs.

Foreign Exchange Gain (Loss)

	Years Ended December 31,				
	2022	2021	2020	2022/2021 change	2021/2020 change
Foreign exchange gain (loss)	$ (0.9)	$ 20.2	$ (18.8)	104.5 %	207.4 %

The change in Foreign exchange gain (loss) for the year ended December 31, 2022, as compared to the year ended December 31, 2021, was primarily due to the relative strengthening of the US Dollar against most major foreign currencies resulting in $5.9 in foreign exchange gains offset by $6.8 of allocated hedging losses from the Labcorp hedging program for 2022.

The change in Foreign exchange gain (loss) for the year ended December 31, 2021, as compared to the year ended December 31, 2020, was primarily due to the relative strengthening of the US Dollar against most major foreign currencies resulting in $26.1 in foreign exchange gains offset by $5.9 in allocated hedging losses from the Labcorp hedging program for 2021. For the year ended December 31, 2020, foreign exchange losses were $27.9 offset by $9.1 of allocated hedging gains from the Labcorp hedging program.

Income Tax Expense

	Years Ended December 31,		
	2022	2021	2020
Income tax expense	$ 44.1	$ 38.4	$ 27.0
Income tax expense as a % of income before tax	18.6 %	28.2 %	(8.1)%

In 2022, the Company's effective tax rate was 18.6% compared to the 2021 tax rate of 28.2%. This fluctuation was primarily related to changes in tax rates during 2021, the geographic mix of earnings and the additional R&D tax credits realized during 2022.

In 2021, the Company's effective tax rate was 28.2% compared to the 2020 tax rate of (8.1)%. This fluctuation was primarily related to impairment charges recorded during 2020 that were not deductible, finalization of tax audits, restructuring and acquisition items, and the geographic mix of earnings.

Operating Results by Segment

	Years Ended December 31,				
	2022	2021	2020	2022/2021 change	2021/2020 change
Clinical Services operating income	$ 413.4	$ 339.5	$ 232.3	21.8 %	46.1 %
Enabling Services operating income	24.4	39.0	52.1	(37.4)%	(25.1)%
Segment operating income	437.8	378.5	284.4	15.7 %	33.1 %
Corporate costs not allocated to segments	(95.9)	(103.5)	(85.9)	(7.3)%	20.5 %
Amortization	(65.7)	(140.0)	(96.0)	(53.1)%	45.8 %
Goodwill and other asset impairments	(9.8)	—	(405.7)	— %	(100.0)%
Restructuring and other charges	(30.5)	(20.7)	(11.0)	47.3 %	88.2 %
Total operating income (loss)	$ 235.9	$ 114.3	$ (314.2)	106.4 %	136.4 %

Clinical Services operating income was $413.4 for the year ended December 31, 2022, an increase of 21.8% over operating income of $339.5 in the corresponding period of 2021. The increase in operating income was primarily due to revenue growth of 2.2% and the decrease in incentive-based compensation expense and continued efforts to optimize the operating model.

Enabling Services operating income was $24.4 for the year ended December 31, 2022, a decrease of 37.4% from operating income of $39.0 in the corresponding period of 2021. The decrease was primarily due to a decrease in revenue of 7.9% and the loss of operating leverage on the lower revenue base.

The Corporate costs not allocated to segments include stock-based compensation, acquisition related costs, spin costs, COVID-19 costs, Ukraine/Russia conflict costs, retention bonuses, costs of centralized functions that are allocated from Labcorp, and other charges not deemed to relate to segment performance. Through the spinoff date, the combined statements of operations will include costs for certain centralized functions and programs provided and administered by Labcorp that are allocated to the Company. These centralized functions and programs include, but are not limited to legal, tax, treasury, risk management, sales and marketing expenses, information technology, human resources, finance, supply chain, and executive leadership. Corporate costs not allocated to segments were $95.9 for the year ended December 31, 2022, a decrease of 7.3% over corporate expenses of $103.5 in the corresponding period of 2021. The decrease in corporate expenses in 2022 is primarily due to the $9.8 decrease in retention bonuses partially offset by a $4.4 increase in costs allocated from Labcorp.

Clinical Services operating income was $339.5 for the year ended December 31, 2021, an increase of 46.1% over operating income of $232.3 in the corresponding period of 2020. The increase in operating income was primarily due to revenue growth of 20.6% and the ability of the Company to leverage its cost base.

Enabling Services operating income was $39.0 for the year ended December 31, 2021, a decrease of 25.1% from operating income of $52.1 in the corresponding period of 2020. The decrease was primarily due to a loss of operating leverage partially offset by the growth in revenue of 1.7%.

Corporate cost not allocated to segments were $103.5 for the year ended December 31, 2021, an increase of 20.5% over corporate expenses of $85.9 in the corresponding period of 2020. The increase in corporate expenses in 2021 is primarily due to higher allocated costs from Labcorp of $10.8 and the $10.1 increase in retention bonuses.

Non-GAAP Information

The Company uses certain non-GAAP financial measures to supplement the financial measures prepared in accordance with GAAP, including adjusted net income, adjusted EBITDA, pro forma net debt, and a pro forma net debt leverage ratio. The Company believes these adjusted measures are useful to investors as a supplement to, but not as a substitute for, GAAP measures, in evaluating the Company's operational performance and cash-flow. The Company further believes that the use of these non-GAAP financial measures provides an additional tool for investors in evaluating operating results and trends, growth, indebtedness, cash-flow and shareholder returns, as well as in comparing the Company's financial results with the financial results of other companies. However, the Company notes that these adjusted measures may be different from and not directly comparable to the measures presented by other companies. Also, the Company anticipates that (a) it will use these non-GAAP financial measures to assess its financial performance from one period to another, (b) its senior managements' annual compensation will be based in part on these non-GAAP measures and (c) adjusted EBITDA, pro forma net debt and the pro forma net debt leverage ratio will be utilized in the Company's debt and credit facilities.

Each of the following non-GAAP financial measures: adjusted EBITDA, adjusted net income, pro forma net debt and the pro forma net debt leverage ratio is calculated as set forth in the below reconciliations.

Adjusted EBITDA and Adjusted net income have limitations as analytical tools and should not be considered in isolation or as substitutes for analyzing our results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA and Adjusted net income do not reflect changes in, or cash requirements for, the Company's working capital needs;
- Adjusted EBITDA does not reflect the Company's interest expense, or the requirements necessary to service interest or principal payments on the Company's debt;
- Adjusted EBITDA does not reflect the Company's income tax expenses or the cash requirements to pay the Company's taxes;
- Adjusted EBITDA and Adjusted net income do not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments; and although depreciation and amortization charges are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and adjusted EBITDA does not reflect any cash requirements for such replacements; and
- other companies, including companies in the Company's industry, may calculate adjusted EBITDA, adjusted net income, pro forma net debt, and a pro forma net debt leverage ratio, differently, which reduces their usefulness as a comparative measure.

Additionally, Adjusted EBITDA excludes items that can have a significant effect on the Company's profit or loss and should, therefore, be used in conjunction with, not as a substitute for, profit or loss for the period. We compensate for these limitations by separately monitoring Net income (loss) for the period.

Reconciliations of these non-GAAP measures to the most comparable GAAP measures are included in the tables below. We have presented a forward-looking target net debt leverage ratio in this information statement. This non-GAAP financial measure is derived by excluding certain amounts, expenses or income, from the corresponding financial measures determined in accordance with GAAP that would be used to derive this ratio. The determination of the amounts that are excluded from this non-GAAP financial measure is a matter of management judgement and depends upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period in reliance on the exception provided by item 10(e)(1)(i)(B) of Regulation S-K. We are unable to present a quantitative reconciliation of our target net debt leverage ratio to its most directly comparable forward-looking GAAP financial measure because such information is not available, and management cannot reliably predict all of the necessary components of such GAAP measure without unreasonable effort or expense. In addition, we believe such reconciliation would imply a degree of precision that would be confusing or misleading to investors.

Furthermore, this non-GAAP financial measure is a preliminary estimate and is subject to risks and uncertainties. Any variation between the company's actual results and the target net debt leverage ratio may be material.

	Trailing Twelve Months Ended March 31,	Three Months Ended March 31,		Years Ended December 31,		
	2023	2023	2022	2022	2021	2020
Adjusted EBITDA:						
Net income (loss)	$ 177.8	$ 17.4	$ 32.5	$ 192.9	$ 98.0	$ (359.2)
Provision for income taxes	42.8	3.7	5.0	44.1	38.4	27.0
Foreign exchange gain (loss)	10.7	5.5	(4.3)	0.9	(20.2)	18.8
Other, net	(2.1)	(0.6)	(0.5)	(2.0)	(1.9)	(0.8)
Depreciation and amortization [a]	91.9	22.8	23.6	92.7	166.3	119.0
Goodwill and other asset impairments [b]	9.8	—	—	9.8	—	405.7
Restructuring and other charges [c]	22.1	1.2	9.6	30.5	20.7	11.0
Stock based compensation	25.9	6.7	6.2	25.4	27.5	23.1
Acquisition and disposition-related costs [d]	3.9	—	—	3.9	3.7	0.2
COVID-19 related costs [e]	—	—	0.1	0.1	5.7	3.5
Ukraine/Russia conflict costs[f]	0.8	—	0.5	1.3	—	—
Retention bonuses[g]	0.2	—	0.1	0.3	10.1	—
Other	3.6	0.4	2.0	5.2	1.5	5.5
Adjusted EBITDA[h]	$ 387.4	$ 57.1	$ 74.8	$ 405.1	$ 349.8	$ 253.8

	Three Months Ended March 31,		Years Ended December 31,		
	2023	2022	2022	2021	2020
Adjusted net income (loss):					
Net income (loss)	$ 17.4	$ 32.5	$ 192.9	$ 98.0	$ (359.2)
Foreign exchange gain/loss	5.5	(4.3)	0.9	(20.2)	18.8
Other, net	(0.6)	(0.5)	(2.0)	(1.9)	(0.8)
Amortization [a]	15.9	16.9	65.7	140.0	96.0
Goodwill and other asset impairments [b]	—	—	9.8	—	405.7
Restructuring and other charges [c]	1.2	9.6	30.5	20.7	11.0
Stock based compensation	6.7	6.2	25.4	27.5	23.1
Acquisition and disposition-related costs [d]	—	—	3.9	3.7	0.2
COVID-19 related costs [e]	—	0.1	0.1	5.7	3.5
Ukraine/Russia conflict costs [f]	—	0.5	1.3		
Retention bonuses[g]	—	0.1	0.3	10.1	—
Other	0.4	2.0	5.2	1.5	5.5
Income tax impact of adjustments[i]	(6.2)	(8.9)	(31.8)	(30.9)	(25.0)
Adjusted net income (loss)	$ 40.3	$ 54.2	$ 302.2	$ 254.2	$ 178.8

	Pro Forma as of March 31, 2023
Total debt	$ —
Pro forma total debt	1,610.5
Deferred financing costs	29.5
Cash and cash equivalents	(120.0)
Pro forma net debt	$ 1,520.0
Divided by Trailing twelve month Adjusted EBITDA	$ 387.4
Pro forma net debt leverage ratio	**3.9x**

(a) Amortization of intangible assets acquired as part of business acquisitions. In the fourth quarter of 2020, the Company announced a rebranding resulting in an acceleration of the amortization of acquired trade names impacting amortization for the years ended December 31, 2021 and 2020.
(b) During the first quarter of 2020, the Company determined that certain goodwill was impaired. These charges were triggered by the economic conditions resulting from the COVID-19 pandemic.
(c) Restructuring and other charges represent amounts incurred in connection with the elimination of redundant positions within the organization in connection with our LaunchPad initiatives and acquisitions or dispositions of businesses by the Company.
(d) Acquisition and disposition-related costs include due-diligence legal and advisory fees, retention bonuses and other integration or disposition related activities.
(e) Costs related to incremental operating expenses incurred as a result of the COVID-19 pandemic.
(f) Due to the Russia and Ukraine crisis and economic sanctions, the Company incurred incremental costs to support employees and determined that certain receivables from companies located in Russia and all long-lived assets related to its Russia and Ukraine operations were impaired.
(g) Due to the current tight labor markets driven by the impacts of the COVID-19 pandemic demand on healthcare professionals, the Company implemented a targeted retention program for a select group of positions experiencing higher than normal turnover.
(h) Adjusted EBITDA includes cost allocations and adjustments from Labcorp which we do not expect to continue after the spinoff which will increase our Adjusted EBITDA. These allocations were $67.4, $10.3, $14.0, $71.1, $44.0 and $48.5 for the trailing twelve months ended March 31, 2023, the three months ended March 31, 2023 and 2022 and the years ended December 31, 2022, 2021 and 2020, respectively. We expect the post spinoff standalone cost of operating Fortrea will reduce our Adjusted EBITDA by $45.0 annually.
(i) Income tax impact of adjustments calculated based on the tax rate applicable to each item.

Liquidity, Capital Resources and Financial Position

Historically, our business has generated positive cash flows from operations, and a significant majority of such cash flows was transferred to Labcorp. We participated in Labcorp's cash pooling arrangements to manage liquidity and fund operations, the effect of which is presented as net parent investment in our combined financial statements included elsewhere in this information statement.

Upon completion of the spinoff, we will cease participation in Labcorp's cash pooling arrangements and our cash and cash equivalents, will be held and used solely for our own operations. Our capital structure, long-term commitments, and sources of liquidity will change significantly from our historical practices. In connection with the spinoff, we expect to incur indebtedness in an aggregate principal amount of approximately $1,640 million, which we expect to consist of borrowings under senior secured term loan facilities and senior secured notes. We also expect to enter into a $450 million senior secured revolving credit facility, which we do not expect to borrow under prior to the spinoff, and an accounts receivable purchase program ("ARPP"), which we also do not expect to take advantage of, other than in a testing capacity, prior to the spinoff. The ARPP establishes a receivables purchase facility that provides for up to approximately $80 million in funding based on the availability of certain eligible receivables and the satisfaction of certain conditions. Our capital structure remains under review and will be finalized prior to the spinoff. See "Description of Certain Indebtedness and Other Financing."

We expect to use the proceeds from these debt and other financing transactions to make an expected $1,605 million cash distribution to Labcorp as partial consideration for the assets that will be contributed to us in connection

with the spinoff. After giving effect to such payment and approximately $35 million of associated fees and expenses incurred in connection with the entry into the above, we expect to begin operations as an independent company with a cash balance of approximately $120 million. The cash benefit to Labcorp of the dividend offset by the operating cash at spin is expected to be $1,485 million.

We believe our existing cash and cash flows generated from operations and indebtedness to be incurred in conjunction with the spinoff discussed in detail below will be responsive to the needs of our current and planned operations for at least the next 12 months.

Cash Flows For the Three Months Ended March 31, 2023 and 2022

In summary the Company's cash flows were as follows:

	For the Three Months Ended March 31,	
	2023	2022
Net cash provided by (used for) operating activities	$ 3.4	$ (60.6)
Net cash used for investing activities	(16.2)	(11.1)
Net cash provided by financing activities	19.9	82.4
Effect of exchange rate on changes in cash and cash equivalents	1.1	(0.8)
Net change in cash and cash equivalents	$ 8.2	$ 9.9

Cash and Cash Equivalents

Cash and cash equivalents at March 31, 2023 and 2022 totaled $120.2 and $104.5, respectively. Cash and cash equivalents consist of highly liquid instruments, such as commercial paper, time deposits, and other money market instruments, which have maturities when purchased of three months or less.

Cash Flows from Operating Activities

During the three months ended March 31, 2023, the Company's operations provided $3.4 of cash as compared to cash used of $60.6 in 2022. Net cash provided by operating activities increased by $64.0 for the three months ended March 31, 2023 as compared to the three months ended March 31, 2022. Cash flows from operating activities benefited from higher collections of accounts receivable and cash used for accrued expenses, offset by a decrease in net income.

Cash Flows from Investing Activities

Net cash used for investing activities for the three months ended March 31, 2023 was $16.2 as compared to net cash used for investing activities of $11.1 for the three months ended March 31, 2022. The $5.1 increase in net cash used for investing activities for the three months ended March 31, 2023, was primarily due to a year over year increase in capital expenditures. Capital expenditures were $16.2 and $11.4 for the three months ended March 31, 2023 and 2022, respectively. Capital expenditures in 2023 were 2.1% of revenues, primarily in connection with projects to support growth in the Company's core businesses. The Company intends to continue to pursue selective investments in key therapeutic areas and geographies to drive growth and to improve efficiency of the Company's operations. Such expenditures are expected to be funded by cash flow from operations.

Cash Flows from Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2023 was $19.9 compared to cash used for financing activities of $82.4 for the three months ended March 31, 2022. All of the cash provided by financing activities related to the net transfers to Parent.

Off-Balance Sheet Arrangements

The Company does not have transactions or relationships with “special purpose” entities, and the Company does not have any off-balance sheet financing other than normal operating leases and letters of credit.

Cash Flows for the Year Ended December 31, 2022, 2021 and 2020

In summary the Company's cash flows were as follows:

	For the Year ended December 31,		
	2022	2021	2020
Net cash provided by operating activities	$ 87.5	$ 169.8	$ 200.9
Net cash used for investing activities	(54.0)	(26.2)	(161.2)
Net cash used for financing activities	(8.7)	(128.5)	(33.1)
Effect of exchange rate on changes in cash and cash equivalents	(7.4)	(0.8)	0.5
Net change in cash and cash equivalents	$ 17.4	$ 14.3	$ 7.1

Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2022 and 2021 and 2020 totaled $112.0, $94.6 and $80.3, respectively. Cash and cash equivalents consist of highly liquid instruments, such as commercial paper, time deposits, and other money market instruments, which have maturities when purchased of three months or less.

Cash Flows from Operating Activities

During the year ended December 31, 2022, the Company's operations provided $87.5 of cash as compared to $169.8 in 2021. Net cash provided by operating activities decreased by $82.3 for the year ended December 31, 2022 as compared to the year ended December 31, 2021. Cash flows from operating activities benefited from higher net income due to the growth of the business offset by a decrease in amortization of trade name intangibles, decreases in the accrued expenses and other due primarily to the decrease in incentive compensation accruals from lower business performance.

During the year ended December 31, 2021, the Company's operations provided $169.8 of cash as compared to $200.9 in 2020. Net cash provided by operating activities decreased by $31.1 for the year ended December 31, 2021 as compared to the year ended December 31, 2020. Cash flows from operating activities benefited from higher net income due to the growth of the business and lower impairment charges, offset by accelerated amortization of the trade name intangibles and increases in the accounts receivable balances as customers negotiate longer payment terms.

Cash Flows from Investing Activities

Net cash used for investing activities for the year ended December 31, 2022 was $54.0 as compared to net cash used for investing activities of $26.2 for the year ended December 31, 2021. The $27.8 increase in net cash used for investing activities for the year ended December 31, 2022, was primarily due to a year over year increase in capital expenditures. Capital expenditures were $54.4 and $26.5 for the years ended December 31, 2022 and 2021, respectively. Capital expenditures in 2022 were 1.8% of revenues, primarily in connection with projects to support growth in the Company's core businesses. The Company intends to continue to pursue selective investments in key therapeutic areas and geographies to drive growth and to improve efficiency of the Company's operations. Such expenditures are expected to be funded by cash flow from operations.

Net cash used for investing activities for the year ended December 31, 2021 was $26.2 as compared to net cash used for investing activities of $161.2 for the year ended December 31, 2020. The $135.0 decrease in net cash used for investing activities for the year ended December 31, 2021 was primarily due to a year over year decrease of $137.5 in cash paid for acquisitions. Capital expenditures were $26.5 and $24.0 for the years ended December 31, 2021 and 2020, respectively. Capital expenditures in 2021 were 0.9% of revenues, primarily in connection with projects to support growth in the Company's core businesses.

Cash Flows from Financing Activities

Net cash used for financing activities for the year ended December 31, 2022 was $8.7 compared to cash used for financing activities of $128.5 for the year ended December 31, 2021. All of the cash provided for financing activities related to the net transfers from Parent.

Net cash used for financing activities for the year ended December 31, 2021 was $128.5 compared to cash used for financing activities of $33.1 for the year ended December 31, 2020. All of the cash used for financing activities related to the net transfers to Parent.

Off-Balance Sheet Arrangements

The Company does not have transactions or relationships with “special purpose” entities, and the Company does not have any off-balance sheet financing other than normal operating leases and letters of credit.

Material Cash Requirements

In the normal course of business, we enter into contracts and commitments that oblige us to make payments in the future. Information regarding such obligations is provided in Note 7, “Leases”, Note 11, “Income Taxes” and Note 15, “Pension and Postretirement Plans” to the audited combined financial statements.

Critical Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. While the Company believes these estimates are reasonable and consistent, they are by their very nature estimates of amounts that will depend on future events. Accordingly, actual results could differ from these estimates. The Company’s critical accounting policies arise in conjunction with revenue recognition, business combinations, income taxes, and goodwill and indefinite-lived assets.

Revenue Recognition

The Company provides comprehensive phase I through phase IV services to global pharmaceutical, biotechnology, and medical device companies worldwide. A majority of the Company’s revenues are earned under contracts that are long term in nature, ranging in duration from a few months to many years. The majority of the Company's contracts contain a single performance obligation, as the Company provides a significant service of integrating all obligations in the contract and the obligations are highly interdependent and interrelated with one another. For contracts that include multiple performance obligations, the Company allocates the contract value to the goods and services based on a customer price list, if available. If a price list is not available, the Company will estimate the transaction price using either market prices or an “expected cost plus margin” approach. The total contract value is estimated at the beginning of the contract, and is equal to the amount expected to be billed to the customer. Other payments and billing adjustments may also factor into the calculation of total contract value, such as the reimbursement of out-of-pocket costs and volume-based rebates. These contracts generally take the form of fixed-price, fee-for-service or software-as-a-service arrangements subject to pricing adjustments based on changes in scope.

Fixed-price contracts are typically recognized as revenue over time based on a proportional-performance basis, using either input or output methods that are specific to the service provided. In an output method, revenue is determined by dividing the actual units of output achieved by the total units of output required under the contract and multiplying that percentage by the total contract value. When using an input method, revenue is recognized by dividing the actual costs incurred by the total estimated cost expected to complete the contract, and multiplying that percentage by the total contract value. Contract costs principally include direct labor and reimbursable out-of-pocket costs. The estimate of total costs expected to complete the contract requires significant judgment and estimates are based on various assumptions of events that often span several years. These estimates are reviewed periodically and any adjustments are recognized on a cumulative catch-up basis in the period they become known. During 2022,

2021 and 2020, the Company recognized revenue of $72.3, $80.3 and $63.9, respectively, and during the three months ended 2023, the Company recognized revenue of $(10.9) from performance obligations that were partially satisfied in previous periods; such amounts were primarily related to changes in scope and to a much lesser extent, changes in estimates.

Fee-for-service contracts are typically priced based on transaction volume or time and materials. For volume based contracts the contract value is entirely variable and revenue is recognized as the specific product or service is completed. For services billed based on time and materials, revenue is recognized using the right to invoice practical expedient.

Software-as-a-service (“SaaS”) arrangements represent a single obligation to provide continuous access to a hosted software platform. As each day of providing access to the platform is substantially the same, and the customer simultaneously receives and consumes the benefits as access is provided, the Company recognizes revenue using an output method based on time elapsed, which is on a straight-line basis over the course of the contracted SaaS hosting period.

Contracts are often modified to account for changes in contract specifications and requirements. Generally, when contract modifications create new performance obligations, the modification is considered to be a separate contract and revenue is recognized prospectively. When contract modifications change existing performance obligations, the impact on the existing transaction price and measure of progress for the performance obligation to which it relates is generally recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

Most contracts are terminable with or without cause by the customer, either immediately or upon notice. These contracts often require payment to the Company of expenses to wind-down the study or project, fees earned to date and, in some cases, a termination fee or a payment to the Company of some portion of the fees or profits that could have been earned by the Company under the contract if it had not been terminated early. Termination fees are included in revenues when services are performed and realization is assured.

Business Combinations

The Company invested $137.5 in business combinations in 2020. The Company accounts for business combination transactions under the acquisition method of accounting and reported the results of operations of the acquired entities from its respective date of acquisition. Assets acquired were recorded at their estimated fair values as of the acquisition date. Estimated fair values were based on various valuation methodologies, including an income approach using primarily discounted cash flow techniques for the customer relationships intangible assets. The aforementioned income methods utilize management's estimates of future operating results and cash flows discounted using a weighted-average cost of capital that reflects market participant assumptions. The excess of the fair value of the consideration conveyed over the fair value of the assets acquired was recorded as goodwill. The goodwill reflects management's expectations of the benefits of being able to leverage operational efficiencies with favorable growth opportunities based on positive demographic trends in the market.

Income Taxes

The Company is included in the combined U.S. federal, state, and foreign income tax returns of Labcorp, where eligible. However, we have adopted the separate return approach for purposes of our combined financial statements. The income tax provisions and related deferred tax assets and liabilities reflected in our combined financial statements have been estimated as if we were a separate taxpayer.

The Company accounts for income taxes utilizing the asset and liability method. Under this method, the Company has recognized $36.1 of deferred tax assets and $219.4 of liabilities as of December 31, 2022 for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for tax loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company does not recognize a tax

benefit, unless the Company concludes that it is more likely than not that the benefit will be sustained on audit by the taxing authority based solely on the technical merits of the associated tax position. If the recognition threshold is met, the Company recognizes a tax benefit measured at the largest amount of the tax benefit that the Company believes is greater than 50% likely to be realized. The Company records interest and penalties in income tax expense.

Goodwill

The Company has recorded $2,009.8 and $1,997.3 of goodwill as of March 31, 2023 and December 31, 2022. The Company assesses goodwill for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable.

The annual impairment test for goodwill includes an option to perform a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value. Reporting units are businesses with discrete financial information that is available and reviewed by management. If the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company performs the quantitative goodwill impairment test. The Company may also choose to bypass the qualitative assessment for any reporting unit in its goodwill assessment and proceed directly to performing the quantitative assessment. The Company recognizes an impairment charge for the amount by which the reporting unit's carrying amount exceeds its fair value.

In the qualitative assessment, the Company considers relevant events and circumstances for each reporting unit, including (i) current year results, (ii) financial performance versus management’s annual and five-year strategic plans, (iii) changes in the reporting unit carrying value since prior year, (iv) industry and market conditions in which the reporting unit operates, (v) macroeconomic conditions, including discount rate changes, and (vi) changes in products or services offered by the reporting unit. If applicable, performance in recent years is compared to forecasts included in prior quantitative valuations. Based on the results of the qualitative assessment, if the Company concludes that it is not more likely than not that the fair value of the reporting unit is less than its carrying values of the reporting unit, then no quantitative assessment is performed.

The quantitative assessment includes the estimation of the fair value of each reporting unit as compared to the carrying value of the reporting unit. The Company estimates the fair value of a reporting unit using both income-based and market-based valuation methods. The income-based approach is based on the reporting unit's forecasted future cash flows that are discounted to the present value using the reporting unit's weighted average cost of capital. For the market-based approach, the Company utilizes a number of factors such as publicly available information regarding the market capitalization of the Company as well as operating results, business plans, market multiples, and present value techniques. Based upon the range of estimated values developed from the income and market-based methods, the Company determines the estimated fair value for the reporting unit. If the estimated fair value of the reporting unit exceeds the carrying value, the goodwill is not impaired and no further review is required.

The income-based fair value methodology requires management's assumptions and judgments regarding economic conditions in the markets in which the Company operates and conditions in the capital markets, many of which are outside of management's control. At the reporting unit level, fair value estimation requires management's assumptions and judgments regarding the effects of overall economic conditions on the specific reporting unit, along with assessment of the reporting unit's strategies and forecasts of future cash flows. Forecasts of individual reporting unit cash flows involve management's estimates and assumptions regarding:

- Annual cash flows, on a debt-free basis, arising from future revenues and profitability, changes in working capital, capital spending and income taxes for at least a five-year forecast period.
- A terminal growth rate for years beyond the forecast period. The terminal growth rate is selected based on consideration of growth rates used in the forecast period, historical performance of the reporting unit and economic conditions.
- A discount rate that reflects the risks inherent in realizing the forecasted cash flows. A discount rate considers the risk-free rate of return on long-term treasury securities, the risk premium associated with

investing in equity securities of comparable companies, the beta obtained from the comparable companies and the cost of debt for investment grade issuers. In addition, the discount rate may consider any Company-specific risk in achieving the prospective financial information.

Under the market-based fair value methodology, judgment is required in evaluating market multiples and recent transactions. Management believes that the assumptions used for its impairment tests are representative of those that would be used by market participants performing similar valuations of the reporting units.

Based upon the revised forecasted revenues and operating income following the declaration of the COVID-19 global pandemic, management concluded there was a triggering event and updated its annual 2019 goodwill impairment testing as of March 31, 2020 for certain of its reporting units. Based on the quantitative impairment assessment performed in the same manner as its annual quantitative assessment, the Company concluded that the fair value was less than carrying value for one of its reporting units and recorded a goodwill impairment of $405.7.

Management performed its annual goodwill impairment testing as of the beginning of the fourth quarter of 2021. The Company elected to perform the qualitative assessment for goodwill for all of the reporting units. Based upon the results of the qualitative and quantitative assessments, the Company concluded that the fair values of each of its reporting units, as of October 1, 2021, were greater than the carrying values.

Although the Company believes that the current assumptions and estimates used in its goodwill analysis are reasonable, supportable, and appropriate, continued efforts to maintain or improve the performance of these businesses could be impacted by unfavorable or unforeseen changes which could impact the existing assumptions used in the impairment analysis. Various factors could reasonably be expected to unfavorably impact existing assumptions: primarily delays in new customer bookings and the related delay in revenue from new customers, increases in customer termination activity or increases in operating costs. In addition, given the ongoing and rapidly changing nature of the COVID-19 pandemic, there is significant uncertainty regarding the duration and severity of the pandemic as well as any future government restrictions, which may unfavorably impact existing assumptions. Accordingly, there can be no assurance that the estimates and assumptions made for the purposes of the goodwill impairment and intangible asset analysis will prove to be accurate predictions of future performance.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK
(in millions)

Market risk is the potential loss arising from adverse changes in market rates and prices, such as foreign currency exchange rates, interest rates and other relevant market rate or price changes. In the ordinary course of business, we are exposed to various market risks, including changes in foreign currency exchange and interest rates, and we regularly evaluate the exposure to such changes. We address our exposure to market risks, principally the market risks associated with changes in foreign currency exchange rates and interest rates, through a controlled program of risk management that may include, from time to time, the use of derivative financial instruments such as foreign currency forward contracts, cross currency swaps and interest rate swap agreements. We do not hold or issue derivative financial instruments for trading purposes.

Foreign Currency Exchange Rates

Approximately 18.4%, 20.2% and 21.2% of our revenues for the years ended December 31, 2022, 2021 and 2020, respectively, were denominated in currencies other than the U.S. dollar ("USD"). For the three months ended March 31, 2023 and 2022, revenues denominated in currencies other than the U.S. dollar were approximately 19.1% and 17.8%, respectively. Our financial statements are reported in USD and, accordingly, fluctuations in exchange rates will affect the translation of revenues and expenses denominated in foreign currencies into USD for purposes of reporting our combined financial results. In the years 2023, 2022, 2021 and 2020, our most significant currency exchange rate exposures were to the Euro and British pound. Excluding the impacts from any outstanding or future hedging transactions, a hypothetical change of 10% in average exchange rates used to translate all foreign currencies to USD would have impacted income before income taxes for the year ended 2022 and for the three months ended March 31, 2023 by approximately $4.3 and $0.5, respectively. Gross accumulated currency translation adjustments recorded as a separate component of stockholders' equity were $(127.0), $(32.3) and $51.1 at December 31, 2022, 2021 and 2020, respectively. At March 31, 2023 and 2022, gross accumulated currency translation adjustments recorded as a separate component of stockholders' equity were $20.3 and $(37.2), respectively. We do not have significant operations in countries in which the economy is considered to be highly inflationary.

We earn revenue from service contracts over a period of several months to many years. Accordingly, exchange rate fluctuations during this period may affect our profitability with respect to such contracts. We are also subject to foreign currency transaction risk for fluctuations in exchange rates during the period of time between the consummation and cash settlement of transactions. We do not enter into any derivative contracts with external counterparties. However, Labcorp enters into foreign currency forward contracts with external counterparties to hedge certain foreign currency transactions with exposure predominantly to the Euro and British Pound. These contracts do not qualify for hedge accounting and the changes in fair value are recorded directly to earnings. Earnings related to these contracts were included in the combined statements of operations as part of corporate allocations.

Interest Rate Risk

We are exposed to market risks in the ordinary course of our business. The level of our interest rate risk is dependent on our debt exposure and is sensitive to changes in the general level of interest rates. Historical fluctuations in interest rates have not been significant for us; however, this will vary in the future as we intend to incur certain indebtedness prior to or concurrent with the spinoff.

In particular, we will face the market risks associated with interest rate movements on our variable rate debt. Following the spinoff, we will be significantly leveraged. We expect to incur approximately $1,640 million of long-term debt in connection with the spinoff. A majority of this debt is expected to bear interest at a variable rate, and we will consider entering into a floating-to-fixed interest rate swap with respect to some, or all, of our floating rate debt. We expect to manage our interest rate risk but expect to be exposed to an element of market risk from changes to interest rates, including on any refinancing of debt. We expect to regularly assess market risks and to establish policies and business practices to protect against the adverse effects of these exposures. See "Description of Certain Indebtedness and Other Financing." For more information about risks related to our capital structure see "Risk Factors—We may not be able to access the capital and credit markets on terms that are favorable to us, or at all" and

“Risk Factors—The terms and conditions of our expected new senior secured term loan facilities, senior secured revolving credit facility, the indenture governing our senior secured notes and the agreement governing the ARPP have not been finalized.”

BUSINESS

Our Business

We are a leading global CRO providing comprehensive phase I through IV biopharmaceutical product and medical device services, patient access and other enabling services. For over 30 years, we have provided our global pharmaceutical, biotechnology, and medical device customers with clinical pharmacology, clinical development, and other service capabilities. In addition, we offer our customers highly flexible delivery models that include Full Service, FSP, and Hybrid structures. We believe we are well positioned to leverage our global scale, access to clinical data-driven insights, industry network, and decades of experience to bring customers tailored solutions. Fortrea intends to capitalize on the global demand for clinical development services across a diverse set of therapeutic areas.

Our team of approximately 21,000 staff (including more than 2,600 global, cross-functional clinical research associates) conducts operations in 90 countries and delivers a broad range of clinical development solutions and other services for our customers. Our services streamline the biopharmaceutical product and medical device development process. Additionally, we successfully utilize enabling technologies to optimize processes and evolve with a dynamic marketplace.

Figure 2: Fortrea's clinical experience over the past five years

Over the last five years, we have completed over 5,400 studies utilizing approximately 83,500 sites spanning 929,100 participants. These studies encompass more than 20 therapeutic areas and every phase of clinical trials. As the volume of clinical development spend outsourced to CROs continues to grow, we are bringing together global scale, deep scientific expertise, and a comprehensive suite of solutions to better serve our customers.

	CLIN PHARM	PHASE I	PHASE I-II	PHASE II	PHASE III	PHASE IV	MULTIPLE[1]	DEVICE[2]	TOTAL
STUDIES	600	900	200	700	900	400	1,000	700	5,400
UTILIZED SITES	-	4,000	3,100	15,900	46,900	9,200	1,000	3,400	83,500
PARTICIPANTS	-	34,700	77,100	69,900	437,200	165,600	5,700	138,900	929,100

Source: Internal Company Data.
Note: Data reflects in-progress Clinical Development trials running between Jan. 2017 – Dec. 2021. It includes experience for standalone, full service clinical trial management and functional service provision experiences for phases I-IV. Utilized sites are not necessarily unique sites across phases. Numbers rounded to the nearest hundred.
[1] Multiple/Not Phase Specific. [2] Medical Device & Diagnostic unit.

In sum, Fortrea combines decades of domain expertise with the nimbleness required to meet market demand for adaptable engagements with large and small customers. We intend to differentiate this pairing of technical expertise with innovative solutions that provide access to unique clinical data assets. Our relationship with Labcorp and other leading third parties provides Fortrea with actionable and data-driven insights that accelerate investigator and patient recruitment. Further, this key differentiator positions Fortrea to enhance clinical trial diversity while streamlining protocol development processes. We seek to apply creativity and experience to every challenge, and our core competencies create efficiencies to deliver life-changing solutions faster.

Services

Our expertise in the biopharmaceutical product and medical device development process has driven us to design service offerings to better meet the needs of customers. We have a robust customer base across pharmaceutical, biotechnology, and medical device organizations. We manage our business in two reporting segments — Clinical Services and Enabling Services. Our Clinical Services segment brings solutions to market which include clinical pharmacology and comprehensive clinical development capabilities. Our Enabling Services segment provides patient access and technology solutions which can be deployed across any of our global solutions depending on the scope of our customers' needs. This comprehensive platform provides our customers with efficient processes across delivery models, which is expanded on in the sections below.

Clinical Services Segment:

- *Clinical Pharmacology*. Our capabilities and solutions support early-phase studies in normal healthy volunteers, special populations, and patient populations across a spectrum of diseases. We deliver critical services to our customers including FIH, SAD, MAD, AME, DDI, hepatic and renal impairment, food effect, QTc interval, and other study types. In addition, we conduct phase Ib hybrid studies that move from normal healthy volunteers into patient populations, providing early insights into pharmacodynamics and signals of therapeutic effectiveness. We have developed a multi-national infrastructure of phase I facilities in both the U.S. and the U.K. This infrastructure is part of an integrated platform designed to enable consistent execution of complex early-phase clinical trials. This includes project management, comprehensive monitoring, pharmacokinetic analysis, and biometrics. Over the past five years, we have conducted more than 600 clinical pharmacology studies.

- *Clinical Development*. We are a leading full-service provider of phase I through IV clinical studies with a flexible approach to serving our customers. Clinical Development is Fortrea's largest offering in terms of annual revenue contribution and has been for the last five years. Services include, but are not limited to, regulatory affairs, protocol design, operational planning, study and site start-up, patient recruitment, project management, comprehensive monitoring, data management and biostatistics, pharmacovigilance, medical writing, and mobile clinical services. Our service offerings are supported by technological innovations such as digital and DCT capabilities. We focus on rapidly expanding research areas such as oncology, rare diseases, and cell and gene therapies. Additionally, we have deep scientific expertise in a broad spectrum of therapeutic areas and diseases, such as cardiovascular, renal, CNS and neurodegenerative, autoimmune, metabolic, infectious disease, dermatology, ophthalmology, immunology, inflammation, respiratory, nephrology, rheumatology, women's health, and NASH, among others. Over the past five years, we have conducted 4,100 phase I through IV clinical trial projects. Clinical development is enhanced by our pharmacology learnings, which we apply to future clinical programs. We also have a significant medical device and diagnostics offering, and have conducted over 700 clinical trials in this area. We believe Fortrea is poised to capture additional market share in the large and expanding development market.

  We offer our customers a tailored approach to clinical trial solutions through the use of three delivery models: Full Service, FSP, and Hybrid.

  - Full Service. Integrates multiple disciplines from our service offerings to comprehensively support our customers in their development programs across key geographies. Our service offering integrates protocol design and operational planning, site start-up and patient recruitment, project and program management, comprehensive site monitoring, centralized monitoring and medical data review, clinical and biometrics services, medical writing, and mobile clinical services. Our project-centric approach utilizes dynamic team resourcing with agile role-based structures. This approach allows for more adaptability to trial types with customer-tailored designs.

  - Functional Service Provider. Offers customers experienced personnel to perform targeted activities throughout their development programs. This approach reduces our customers' need to recruit and train dedicated internal resources which saves on cost and time and enables flexibility. Our service offering delivers comprehensive, strategic solutions designed to adapt to the level of customer

control and infrastructure. Our FSP team can provide dedicated offerings in clinical operations, clinical data management, biostatistics, statistical programming, pharmacovigilance, mobile clinical services, and medical writing, among other customized solutions.

- Hybrid. Provides the project-centric approach of a Full Service model while integrating FSP models, to varying degrees on large portfolios with therapeutic similarities, to drive efficiencies and enhance sponsor control for clinical development. Our ability to tailor our services to customer needs demonstrates the flexibility we can offer customers across the industry value chain. Fortrea offers this flexibility at a global scale and we expect to position our team as a partner of choice for customers that require a tailored approach.

- *Consulting Services*. We provide consulting services that include product development strategy, protocol development, regulatory advisory, patient access guidance, and medical affairs advisory. This solution supports critical decision points in the lifecycle of our customers' products. Further, this spinoff gives Fortrea ample opportunity to expand customer relationships that bolt on additional services in our portfolio.

Enabling Services Segment:

- *Patient Access*. Fortrea has established a comprehensive portfolio of services to optimize patient support, adherence and product access. We provide solutions for co-pay, reimbursement and affordability assistance, real-time analytics and market access consulting. Our team operates on behalf of biopharmaceutical product and medical device manufacturers by employing highly trained agents within contact centers and field-based teams. Our field reimbursement specialists enable healthcare practitioners in the United States to navigate product access for their patients. Our nurse-educator staffed call centers provide customized patient support programs designed to address barriers to product use and adherence. We have a non-commercial specialty pharmacy solution providing cold chain storage and specialty prescription dispensing on behalf of biopharmaceutical customers. Our priority is to help patients gain access to treatments on behalf of our customers.
- *Technology Solutions*. We provide our customers access to products that support critical decision points in the lifecycle of their assets. Endpoint Clinical ("Endpoint") provides comprehensive RTSM technology solutions. Our IRT and clinical supplies management solution, streamlines complex randomization and trial supply methods, refines and improves drug supply management, and simplifies site, study and subject administration. Our flexible RTSM technology enables customers to manage a broad range of standard and complex randomization methods, supporting complex trial designs. We believe these products optimize the supply chain and minimize operational costs, while supporting timely and accurate patient dosing. We have invested in direct-to-patient technology that provides comprehensive DCT capabilities supporting electronic solutions and telemedicine to augment trial experiences by decreasing the burden of participation for patients. We also offer a suite of technology and data to deliver insights that enable development and oversight in the effort to maximize trial outcomes. These tools include modules focused on study design optimization; extensive risk, issue, and quality management; centralized data and medical review; diversity and inclusion study insights; clinical monitoring and study oversight.

Industry

CROs provide services to assist in phase I through phase IV clinical trials and commercialization to accelerate the development and reach of safe, effective medical therapies and devices. Developing new biopharmaceutical products and medical devices for the treatment of human disease is a complex, costly, and lengthy process. Prior to commercialization, a biopharmaceutical product or medical device must undergo extensive pre-clinical and clinical testing as well as regulatory review to demonstrate an acceptable benefit-risk profile by regulatory authorities. As a result, bringing a new biopharmaceutical product or medical device to market can take up to 12 years and costs $2.5 billion or more on average.[3]

The biopharmaceutical product development process consists of three stages: pre-clinical, clinical, and commercialization. The pre-clinical process is the stage of research that begins prior to clinical studies and collects data on the feasibility, efficacy, and safety of drugs through experiments outside of the human body. The clinical

[3] Geoffrey Levitt testimony before Senate Judiciary Committee July 31, 2021.

stage is the most time-consuming and expensive part of the drug development process. During this stage, the product candidate undergoes a series of tests on humans. In phase I, small groups of study volunteers are exposed to ascending doses of the experimental product in order to assess safety and to determine the distribution of the drug and maximally tolerated dose. Preliminary assessment of the relationships between dosage, safety, and effectiveness follow in phase II before expanding to larger trials, phase III, to formally test effectiveness and safety in the target population. Phase IV, or post-approval trials, involves monitoring or verifying the risks and benefits of a drug product.

The clinical development market is a large, attractive and growing market. Clinical development spend by the pharmaceutical and biotechnology industry was estimated at $100 billion in 2022[4]. Of this, we estimate the current addressable market for Fortrea to be $35 billion. Over the next several years, pharmaceutical and biotechnology companies are projected to increase R&D investment, grow their pipelines, and outsource more programs to CROs. We believe these underlying market trends represent a significant opportunity for us.

In addition to the growth in R&D expenses, an increase in outsourcing has also supported the growth of the CRO sector. Global pharmaceutical and biotechnology companies are a major driver of this growth as they continue to outsource a significant amount of the biopharmaceutical product development process as they seek therapeutic diversity for their pipelines, target diverse global populations, and require deep scientific research. We believe there are three key trends affecting our end markets and believe that such trends will continue creating an increased demand for our services:

- *Increasing Pharmaceutical and Biotechnology R&D Spend*. Growing R&D investment will help propel the CRO market as new indications are discovered, resulting in a greater demand for clinical trials. Over the past decade, we have seen the biopharma industry leverage science, technology, and AI to advance the level of understanding of the pathogenesis of human disease, and to identify new therapeutic targets and treatments. Despite a relative downturn in 2022 compared to 2020 and 2021, over the medium to longer term we expect the biotechnology funding to be strong.

- *Elevated Outsourcing Levels*. As large biopharmaceutical companies seek to reduce the cost and time to develop biopharmaceutical products, they have increasingly relied on CROs for services to preserve flexibility and reduce costs associated with clinical trials and improve time to market. According to multiple industry investment sources, the CRO market is expected to grow more slowly for the next two years, at approximately 3-5%, returning to a growth rate of 6-9% in the longer term. The growth is driven by low single-digit percentile growth from large pharmaceutical companies, double-digit percentile growth from smaller biotechnology companies, and a continued drive for more outsourcing generally.

- *Expanding Scope of Capabilities*. CROs have successfully expanded the scope of services they are able to offer pharmaceutical, biotechnology, and medical device companies, increasing the addressable market that they serve. Examples include the expansion of DCT services, global logistics, and management of highly complex biologics, and cell and gene therapy trials. The need for biopharmaceutical companies to expand the commercial potential of their products internationally has been a catalyst for the increasingly global nature of clinical trials. CROs that can capitalize on extensive datasets to inform decisions and increase efficiency in international clinical trials have benefited from these changing dynamics. As R&D pipelines continue to prioritize biologics and advanced therapies, such as cell and gene therapies, additional complex clinical trial capabilities will also be required from CROs. We are built to handle this increased complexity and global demand that underpin these industry tailwinds.

Despite the large, attractive and growing market that Fortrea operates in, our business is subject to a number of risks inherent to our industry, including our customers' ability to access sufficient funding to complete clinical trials, our ability to generate net new business awards or our new business awards being delayed, terminated, reduced in scope, or failing to go to contract, and our ability to contract with suitable investigators and recruit and enroll patients for clinical trials, among others. Any number of these factors could impact our business, and there is no guarantee that our historical performance will be predictive of future operational and financial performance. For a

[4] Simoens S and Huys I (2021) R&D Costs of New Medicines: A Landscape Analysis: Front. Med. 8:760762. doi: 10.3389/fmed.2021.760762 and 2022 Pharma R&D Spend. Evaluate Ltd.

description of the challenges we face and the risks and limitations that could harm our prospects, see “Cautionary Statement Concerning Forward-Looking Statements,” “—Summary of Risk Factors” and “Risk Factors” included elsewhere in this information statement.

Competitive Strengths

We believe we are strategically positioned to serve the pharmaceutical, biotechnology, and medical device industries. Our credibility and reputation in the market is a direct result of our multi-decade track record of operational execution, and effective flexible solutions. Our competitive strengths include:

Extensive History as a Market Leader Across Clinical Development

We have over 30 years of experience providing clinical development services to the pharmaceutical, biotechnology, and medical device industries. We have conducted 4,100 trials across all phases of clinical development in 90 countries in the last five years. We have an extensive history as a leading organization with a differentiated service offering. We believe that our commitment to continuous services and technology innovations combined with Fortrea’s customizable approach and experience across more than 20 therapeutic areas will enable us to continue to differentiate ourselves from peers in the CRO industry.

Large and Diversified Customer Base

We have a balanced and diverse customer mix serving large and mid-tier pharmaceutical, biotechnology, and medical device organizations. As of the fiscal year ended 2022, no single customer represented more than 10% of our revenue. We seek to be the partner of choice for innovative biotechnology companies. In 2022, 54% of our revenue came from leading pharmaceutical customers. We believe our customer base positions us at the forefront of innovation in healthcare and allows us to help our customers efficiently bring the best therapeutic solutions to patients.

Global and Stable Customer Relationships

Our scale and expertise are key competitive advantages that make us a multi-dimensional partner for our customers. Our top 20 customers have consistently represented approximately 60% of total revenue for 2022, 2021, and 2020. Additionally, most of our customers use us for more than one service. On average, our customers leverage three or more of our services. We believe that our global capabilities and expertise are considered a differentiator by our top customers. With a portfolio of projects that extend over multiple years, our longer-term contract durations give us confidence and visibility into our future revenues.

Access to Actionable Clinical Data and Insights

Access to data is foundational to any CRO and we believe our arrangement with Labcorp and other continuing strategic engagements will be differentiated by the quality of insights our data can provide. We intend to continue to prioritize actionable data as we further scale our data repositories. We believe that we have the opportunity to optimize the clinical development process through accelerating the recruitment, increasing the diversity and improving the retention of patients.

Through our unique relationship with Labcorp, we (i) have access to one of the largest sets of global clinical trial data, which enables us to progress clinical trials forward more efficiently and (ii) are able to leverage Labcorp’s world-class diagnostics network that performs over 600 million tests per year. Those test results help researchers, medical professionals, and patients make important health decisions and provide insights that help identify individuals who might benefit from enrolling in specific drug trials. Our initial two-year access to extensive health and clinical data provides strategic flexibility and operational direction to efficiently meet our customers’ needs.

Expertise Across Rapidly Expanding Therapeutic Areas

We believe that our focus and expertise across rapidly growing scientific areas provide us with advantages over our competitors. Fortrea’s expertise spans oncology, CNS and neurodegenerative disease, cardiovascular, renal,

NASH, rare disease, cell and gene therapy, and many more. These scientific areas represent the majority of the industry's drug development pipelines.

Oncology makes up a large portion of our business and continues to grow. Through 2021, we have completed over 1,200 oncology clinical trials and serviced over 210,000 patients in nine primary indications. Oncology new business awards have grown 65% in 2022, year-over-year. In 2022, 46% of our therapeutic based revenue related to Oncology studies. In addition to Fortrea's success in oncology, science, innovation, and technology, we plan to leverage our capabilities to successfully capture additional market share across high-growth therapeutic areas such as CNS and neurodegenerative disease, cell and gene therapy, cardiovascular, renal, NASH, rare disease, and more.

Growth Strategy

Our growth strategy aligns with both our management team's key focus areas and our customers' priorities. As a public company, Fortrea plans to:

Increase Effectiveness Through Site Support Strategies and Services

Investigator sites have traditionally been a challenging part of the predictability and speed associated with clinical research. Recently with COVID-19, global political challenges, and the proliferation of technology choices, site productivity and effectiveness, as well as investigator participation, are major challenges to the industry. More positively, many sites and technology start-ups are innovating around data, electronic medical records, and technology. Further, there are also site management organizations emerging that have adopted the concept of using participants' homes and "third places" in studies to improve the patient experience.

Fortrea will leverage a combination of technologies, data, and services to better understand the augmented services that sites need to select trials, identify and enroll patients, and conduct and close out studies. These include the administrative and clinical support, tools, data and analysis to enable sites to be more productive, helping overcome challenges with disparate technologies, complex protocols and resource constraints at sites. Fortrea also plans to establish relationships with key innovators. Existing expertise and tools will be consolidated, and further investment in key areas will take place.

Improve Data Driven Site Selection and Patient Centric Recruitment Strategies

We have developed a unique approach of establishing high-value site relationships to support scientific engagement and reduce the time and cost for our customers to develop products. The third-party clinical sites we work with include healthcare systems, dedicated research networks, large group practices, consortiums, and governmental coordinating bodies that represent multiple research partners around the globe. We leverage data-driven approaches to target sites that align with our business needs. These target sites focus on accelerating patient recruitment, efficiently executing trials, and enhancing our site experience while demonstrating partner superiority in speed, recruitment, and quality.

We are committed to increasing the diversity of patient populations within clinical trials and we have developed a holistic strategy that is focused on partnering with customers, sites, investigators, and communities to address this commitment. Through these collaborations and by utilizing innovative solutions to support the diversity plans expected by global regulatory authorities, we will further strengthen our reputation as a strategic partner of choice.

Pursue "Ideal Scale" to Support the Research Requirements of Our Customers

The landscape for clinical trials is evolving, both with changes to global business practices, and the commercialization strategies of our clients. While the number of novel therapies is increasing, the markets willingness to approve, pay for and distribute therapies is changing. At the same time, global geographic realities have impacted the locations where clinical trials can be conducted. In certain countries, such as the U.S., the need for inclusion of underrepresented minorities and other related goals have become paramount. Today, we have relationships in over 90 countries including all of the major pharmaceutical and biotechnology markets. Notably, Fortrea's approximately 19,000 employees are strategically balanced throughout the world. This is evidenced by our employee breakdown by region, which is as follows: 36% in the Americas, 25% in EMEA, and 39% in Asia-Pacific.

At our size, we believe we are more efficient in decision making to positively impact processes and technologies. We will continue to strategically invest in new markets that synergize with our customers' needs, and the demand of the global clinical trial landscape.

Align with Innovators Through Selective Investment in Technology for Speed and Simplification

The last decade has seen a substantial improvement in technology supporting clinical research, as well as an increase in both access to and analysis of relevant data. The past decade has seen the wider availability of electronic medical record data, use of natural language processing for handwritten notes, and the integration of genetic, pathology and other data into key decision processes. Fortrea has invested in technology and utilized in-house and Labcorp data to be more effective in the conduct of trials, related services and certain commercial areas. Our executive team maintains relationships with top technology and data vendors in the industry and will use its "ideal scale" to help bring innovations to sites and sponsors. At the same time, we will continue to invest in selective technologies to improve process cycle time and simplify the increasingly complex protocols for both sites and our employees.

Over the last five years, we have significantly invested in our platform to advance all facets of our clinical development services, key technologies, and data utilization to better serve our customers. These investments include artificial intelligence and machine learning, full service and programmatic development models, data visualization, a full suite of biometric services and clinical data management globally across all phases and delivery models, and DCT capabilities, among others. Looking ahead, we will continue to invest in our capabilities, therapeutic expertise, and ability to generate insights through data and analytics. Our goal is to reduce cost and increase efficiency of clinical trial execution to enhance the quality of our offerings for our customers. We will support our customers in the development of innovative, life-changing biopharmaceutical products, and medical devices while remaining a global leader in clinical trial design and execution.

Become the Partner of Choice for Sponsor Companies and Service Providers

The challenges of clinical research are too complex to be solved by a single company. CROs now have therapeutic and logistical expertise at scale, as do some but not all pharmaceutical, biotechnology, and medical device companies. Increased and early sharing of development and pipeline goals, protocols and issues by all parties combined with strong relationship and program management increase efficiency and promote the adoption of innovative delivery models. Further, our service provider relationships support customers through custom capabilities to bring new products to market with a focus on speed and cost efficiency. Pharmaceutical, biotechnology, and medical device companies seek CRO providers that focus on their core competencies to complement their entire molecule development strategy. For example, we have formed a two-year strategic relationship with Labcorp to develop opportunities where a joint offering of services could be presented to pharmaceutical, biotechnology and medical device customers. These combined solutions utilize services that include de-identified patient and site performance data, patient recruitment and engagement offerings, and central laboratory and bioanalysis services.

Create an Inclusive Culture of Careers with Meaning as a Competitive Advantage

CROs as well as pharmaceutical, biotechnology and medical device sponsors and investigator sites have been impacted by turnover in rapidly growing markets. Recently, this has been compounded by the increased turnover in global employment markets, remote hiring and work, and shortages in related professions such as nursing and computer science. We have a five-part strategy to improve the attractiveness of working at our organization for a longer duration or a career. The focus areas are: Meaningful Work; 360 Degree Relationships; Quality Interactions; Career Mobility; and Respect for the Individual. In a program such as this, execution is paramount. We have an execution program we believe will deliver results, inclusive of global, early talent development academies and diversity focused and career development employee resource groups. This will be supported by investments in process and technology that benefit both our workforce and customers.

Expand Expertise in Existing and Novel Therapeutic Areas

We believe that our therapeutic expertise across all clinical phases of drug development is critical to the proper design and management of clinical trials. Our expertise helps us deliver enhanced value to our customers through a reduction in the cost and time to bring drugs and devices to market. We have significant expertise in several of the rapidly-growing scientific areas including oncology, CNS and neurodegenerative disease, cardiovascular, renal, NASH, rare disease, cell and gene therapy, and several emerging therapeutic areas. The oncology market remains an area of unmet medical need that receives significant investment in R&D. As part of our mission to drive value for customers, we will continue to try to capitalize on the expansion of opportunities in such key areas as oncology, CNS and neurodegenerative, NASH, and autoimmune. While Fortrea has significant expertise and experience in these scientific areas, we are confident that there is ample opportunity for future growth.

Enhance Agile Approach and Project Centric Service Offering

Our agile approach to serving our customers is a distinct advantage for us when we go to market. We believe that our flexible approach has been a key element of our ability to win new customers and retain existing customers across all of our business segments. Fortrea's model is informed by continuous external stakeholder market research. Our analysis highlighted that customers are seeking a partnership rooted in trust and transparency demonstrating the agility and flexibility to meet their individual needs while delivering speed to market and creative solutions. We expect biotechnology companies to increasingly choose CROs that provide highly flexible offerings to meet the changing drug development landscape. In addition, large pharmaceutical companies continue to look for adaptable solutions to conform to customized partner-driven approaches. As the demand for novel solutions increases, we expect that our existing flexible approach to serving our customers will enable us to further grow as an organization.

Build on Strengths in Clinical Pharmacology

We are a market leader in clinical pharmacology studies, including highly specialized human AME studies. We are committed to growing our clinical pharmacology business through the expansion of our existing clinics and through our new state-of-the-art facility in Leeds, U.K. We have integrated technology and artificial intelligence successfully within our clinic scheduling process to optimize the utilization of bed-space and have implemented bedside data capture technology. We are also focused on optimizing delivery in more complex hybrid study designs that include both healthy volunteers and patients through the utilization of our own clinics in combination with an expanded global site network.

Competition

Our operations in the drug development services industry involve high levels of competition, consisting of hundreds of small, limited-scope service providers and a smaller number of large full-service drug development companies. While the industry has seen an increasing level of consolidation over the past several years, primarily driven by the larger full-service providers, it remains highly fragmented.

Our main competition consists of these small and large CROs, as well as in-house departments of pharmaceutical, biotechnology, and medical device companies and, to a lesser extent, select universities and teaching hospitals and site management organizations. Our services have periodically experienced heightened competition, including competition among CROs for both customers and potential acquisitions. We believe that our significant therapeutic expertise, global reach, integrated model, customer service strategies, access to data, and operational strengths differentiate us from our competitors across all of our segments.

Our major competitors include IQVIA, ICON, Parexel, PPD, a subsidiary of Thermo Fisher Scientific Inc., Medpace Holdings, and Syneos Health. We believe our success with customers has been rooted in transparent partnerships that offer agile solutions and support speed to market. We believe we are positioned to be more flexible and customer focused than our larger competition while offering the global scale that our smaller competition lacks.

Sales, Customer Service, and Marketing

Our global sales and customer service organization provides dedicated customer coverage across pharmaceutical, biotechnology, and medical devices industries. This includes a range of solutions such as, but not limited to, clinical trials, biomarkers, technology services, and other services. Our total staff base of approximately 21,000 includes a highly focused, experienced, and trained team of professional business development and customer facing representatives and support staff working on securing, servicing, and expanding business from both new and existing customers.

Our approach to sales and marketing involves the collaboration of scientific, operational, and technical staff with our business development, customer facing project personnel, and senior leadership teams. We embed our scientific team and project personnel from the beginning of the sales process when we first engage potential customers. They remain embedded across the lifecycle of the sale and throughout the life of the project, program or partnership. This strategy allows us to consult collaboratively with our customers throughout the lifecycle of our engagement.

Our marketing efforts support the activities of our business development and customer facing staff. Our global marketing initiatives include integrated, digitally enabled, omni-channel campaigns and communication programs designed to help customers research our services, understand our differentiation, and learn more about our capabilities. We provide our perspective on current industry challenges and developments to create an ongoing dialogue with our current and prospective customers and to promote our scientific expertise, differentiated service offerings, quality, and technology.

Human Capital

Mission and Culture

We take pride in bringing together a diverse and experienced global workforce that enables advances in medicine that improve lives. Our team of approximately 19,000 employees conducts operations in 90 countries. By leveraging our diverse talent, we are harnessing our passion for scientific rigor and decades of clinical trial experience to navigate obstacles and provide services that are tailored to meet our customers' needs. Engaging the collective expertise of our employees is vital to achieving our mission, which permeates through our performance-driven, collaborative, inclusive, and customer-centered culture.

Workforce Demographics

Our success is rooted in our sustained ability to attract, develop, and retain a highly specialized and skilled global workforce. Employees are globally dispersed, with 36% in the Americas, 25% in EMEA, and 39% in Asia-Pacific. Of our global workforce, 97% of employees are full time, and 3% are part time.

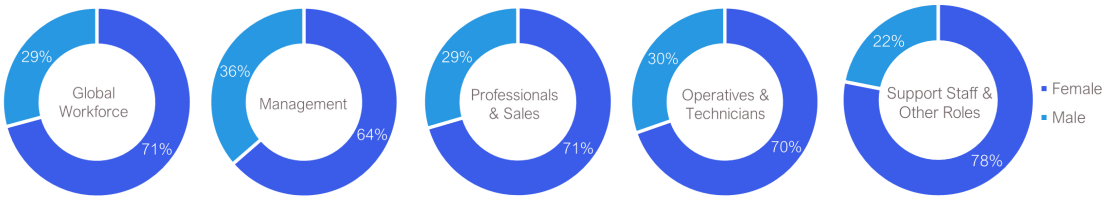
Diversity and Inclusion

Our diverse, global talent is core to our ability to innovate and meet patient and customer needs. We believe that the diversity of our employees and our inclusive programs contribute to a healthy, productive, and respectful work environment.

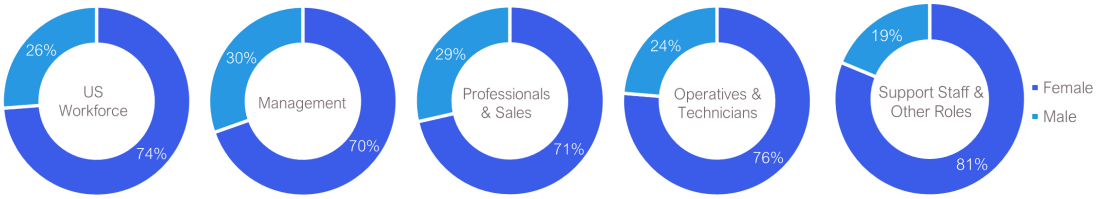
Workforce Diversity Profile:

The following charts set forth information with respect to our anticipated diversity profile based upon the diversity profile within Labcorp's Clinical Development and Commercialization Services business as of December 31, 2022.

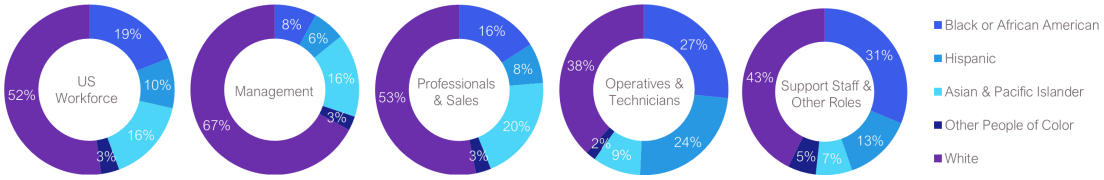
*Global Workforce by **GENDER***



*U.S. Workforce by **GENDER***



*U.S. Workforce by **RACE & ETHNICITY***



We have a Diversity and Inclusion (“D&I”) strategic framework, with three overarching pillars of focus: empowering inclusive leadership; developing and sustaining a diverse talent pipeline; and creating an environment for engagement across our Company and in its communities. The diverse global footprint of our operations enables us to leverage a robust range of diversity of thought and experience and this is reflected in our global representation across our management and leadership. Our D&I strategy is designed to grow and further evolve our inclusive workforce consistent with the changing dynamics of the global workforce.

Compensation

As our business becomes increasingly complex, global, and dynamic, we believe that our compensation and benefits programs must be competitive and flexible to attract and retain the caliber of talent needed to continue to move the business forward. In 2022, we continued to face unique challenges in growing and maintaining our global workforce. We believe that our ability to expand the workforce in 2022 demonstrates that our compensation and benefit strategies are market competitive and support our business needs to attract and retain talent.

We continually monitor market activity and employee movement within and outside of the core life sciences industry to maintain competitiveness, given the dynamic business environment and labor market challenges we face.

Health and Safety

The health and safety of our employees is a primary importance. As such, we have established numerous employee health and safety protocols, including engineering and administrative controls, policies, procedures, processes, and training to minimize the potential for, and the severity of, work-related injuries and illnesses.

While COVID-19 continues to present challenges, we have minimized the impact on staff and operations through careful planning and consistent global implementation of precautionary measures. These measures include the continuation of additional cleaning and sanitization, social distancing, the use of protective equipment such as facemasks, face shields and respirators, the increased utilization of work from home, and leveraging video and communications technology.

Properties

As of March 31, 2023, we had 73 operating facilities located in 39 countries. Other than the facility located in Leeds, U.K., used by the clinical pharmacology business within our Clinical Service segment, which we own, we lease all of our facilities. Most of our facilities consist solely of office space. Our corporate headquarters and principal executive offices are at 8 Moore Drive, Durham, NC 27709. We also lease approximately 1,100,000 square feet of general office and pharmacology clinic space with lease expirations through 2030 with our most significant leases located in India, the U.S., Germany, Spain, and the U.K. We consider our facilities suitable and adequate for the purposes for which they are used and do not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities.

Intellectual Property

In the course of conducting our business, we have developed, and continue to develop and use proprietary software, systems, processes, databases and other intellectual property. We seek to protect our proprietary and confidential information and trade secrets through confidentiality agreements with employees, customers, and other third parties, as well as through administrative and technical safeguards. We rely on patent, copyright, and trademark laws, as may be appropriate and applicable, to protect our other intellectual property rights. For example, we have applied for and/or obtained and maintain registration in the U.S. and other countries for numerous trademarks, including Fortrea. We also enter into agreements with third-parties for the license and use of their intellectual property. We believe, however, that no single patent, technology, trademark, license, or other intellectual property asset, is material to the business as a whole.

Indemnification and Insurance

Our business exposes us to potential liability including, but not limited to, potential liability for (i) breach of contract or negligence claims by our customers, (ii) non-compliance with applicable laws and regulations and (iii) third-party claims in connection with our performance of drug development services (for example, patient claims for personal injury). In certain circumstances, we may also be liable for the acts or omissions of others, such as suppliers of goods or services.

We attempt to manage our potential liability to third-parties through contractual protection (such as indemnification and limitation of liability provisions) in our contracts with customers and others, and through insurance. The contractual indemnification provisions vary in scope and generally do not protect us against all potential liabilities, such as liability arising out of our gross negligence or willful misconduct. In addition, in the event that we seek to enforce such an indemnification provision, the indemnifying party may not have sufficient resources to fully satisfy its indemnification obligations or may otherwise not comply with its contractual obligations.

We generally require our customers and other counterparties to maintain adequate insurance, and we currently maintain errors, omissions and professional liability insurance coverage with limits we believe to be appropriate. This insurance generally provides coverage, subject to self-insured retentions, for vicarious liability due to the negligence of the providers who contract with us, as well as claims by our customers that a clinical trial was compromised due to an error or omission from us. The coverage provided by such insurance may not be adequate for all claims made and such claims may be contested by applicable insurance carriers.

Government Regulation

Regulation of Drugs and Biologics

The development, testing, manufacturing, labeling, storage, approval, promotion, marketing, distribution and post-approval monitoring and reporting of pharmaceutical, biological and medical device products are subject to rigorous regulation by numerous governmental authorities in the U.S. at the federal, state and local level, including the FDA, as well as those of other countries, such as the EMA in the European Union, the MHRA in the U.K., the NMPA in China and the PMDA in Japan. These regulations apply to our customers and are generally applicable to us when we are providing services to our customers, either as a result of their direct applicability, through a transfer of regulatory obligations from our customers, or as a consequence of acting as local legal representative on behalf of

our customers in a particular country or countries. Consequently, we must comply with all relevant laws and regulations in the conduct of our services.

The following discussion describes the role of the FDA in the clinical drug development process in the U.S. Clinical trials conducted outside the U.S. are subject to the laws and regulations of the country where the trials are conducted. These laws and regulations might not be similar to the laws and regulations administered by the FDA and other laws and regulations regarding the protections of patient safety and privacy and the control of study pharmaceuticals, medical devices or other materials. FDA laws and regulations may apply to clinical studies conducted outside the U.S. if, for example, such studies are conducted under an investigational new drug application ("IND") or offered as support for an IND. However, some regions and countries do not allow for clinical trials to be conducted under foreign country legislation. Therefore, the FDA may waive certain requirements such as the institutional review board ("IRB") requirements for a foreign institutional review board/independent ethics committee ("IRB/IEC") that operates in accordance with GCP but may not meet all the IRB requirements contained in Title 21 Part 56 of the U.S. Code of Federal Regulations.

Prior to commencing human clinical trials in the U.S., a company developing a new drug must file an IND with the FDA. The IND must include information about preclinical tests, manufacturing and control data, and a study protocol for the proposed clinical trial of the drug in humans. If the FDA does not object in writing within 30 days after filing, the IND becomes effective and the clinical trial may begin. A separate submission to an existing IND must also be made for each successive clinical trial conducted during product development. Each clinical trial must be conducted in accordance with an effective IND. Similarly, the development of new medical devices in the U.S. requires an investigational device exemption application, unless exempt, prior to conducting human clinical trials. For therapeutic and diagnostic products that combine drugs, devices, and/or biological products, these are considered combination products. The FDA will make a determination based on the prior mode of action as to which FDA center will take the lead on the review. Nonetheless, due to the nature of combination products, there can still be differences in regulatory pathways for each component. These differences can impact regulatory processes for all aspects of product development and management, including preclinical tests, clinical studies, manufacturing and control data as well as adverse event reporting.

The study protocol must also be reviewed and approved by an IRB/IEC for each principal investigator's site in which a study is proposed to be conducted and each IRB/IEC may impose additional requirements on the conduct of the study in its institution. IRB/IECs have the authority to review, approve and monitor clinical trials, and clinical trials are subject to oversight by IRB/IECs. The industry standard for the conduct of clinical trials is embodied in the FDA's regulations for IRB/IECs, investigators and sponsor/monitors, which regulations collectively are termed GCP by industry, and the GCP guidelines issued by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use ("ICH"), which have been agreed upon by industry and regulatory representatives from the U.S., the European Union and Japan. GCP requirements address, among other things, IRBs, qualified investigators, informed consent, recordkeeping and reporting. In addition, certain services, such as manufacturing of investigational medicinal products for use in phase I clinical trials, must conform to cGMP. cGMP requirements provide for systems with proper design, monitoring and control of manufacturing processes to maintain the identity, strength, quality and purity of medicinal products. Regulatory authorities enforce GCP and cGMP requirements through periodic inspections, and violations of GCP or cGMP requirements could result in enforcement actions including the issuance of warning letters, civil penalties, product recalls, criminal prosecutions or debarment from involvement in the submission of New Drug Applications/Biologics License Applications ("NDAs" and "BLAs," respectively). Our global standard operating procedures are written in accordance with all applicable FDA, EMA, MHRA, NMPA, PMDA, ICH, GCP, and cGMP requirements. This enables our work to be conducted locally, regionally and globally to standards that meet all currently applicable regulatory requirements. We must also maintain records and documentation in compliance with applicable regulatory requirements for each study for auditing by the customer and regulatory authorities.

In order to comply with GCP and other regulations, sponsors of clinical trials must, among other things:

- comply with specific requirements governing the selection of qualified investigators;
- obtain specific written commitments from the investigators;

- obtain IRB/IEC review and approval of the clinical trial;
- verify that appropriate patient informed consent is obtained before the patient participates in a clinical trial;
- ensure adverse drug reactions resulting from the administration of a drug or biologic during a clinical trial are medically evaluated and reported in a timely manner;
- monitor the validity and accuracy of data;
- maintain records regarding drug or biologic dispensing and disposition;
- instruct investigators and study staff to maintain records and reports; and
- permit appropriate governmental authorities access to data for review.

If a clinical trial is not conducted in accordance with regulatory requirements, the applicable regulatory agency may require that a clinical trial be modified, suspended or terminated, and we or our customers may be subject to a variety of sanctions. For example, violations could result, depending on the nature of the violation and the type of product involved, in the issuance of a warning or untitled letter, suspension or termination of a clinical study, refusal of the FDA to approve clinical trial or marketing applications or withdrawal of such applications, injunction, seizure of investigational products, civil penalties, criminal prosecutions, or debarment from assisting in the submission of NDAs. IRBs may also suspend or terminate research not conducted in accordance with IRB requirements or that has been associated with unexpected serious harm to participants.

After receiving IRB/IEC approval, clinical trials usually start on a small scale to assess safety and then expand to larger trials to test both efficacy and safety in the target population. The trials are generally conducted in three phases (phases I, II and III), which may overlap or be combined, although the FDA may require, or sponsors may voluntarily conduct, a fourth phase of clinical trials (phase IV) as a condition of approval or to obtain additional data on the product under investigation, respectively. After the successful completion of the first three clinical phases, a company requests approval for marketing its product by submitting an NDA for a drug or a BLA for a biologic product. NDAs/BLAs are comprehensive filings that include, among other things, the results of all preclinical and clinical studies, information about how the product will be manufactured, additional stability data and proposed labeling. The FDA's review may last from several months to several years. Once the NDA/BLA is approved, the product may be marketed in the U.S., subject to any conditions imposed by the FDA as part of its approval. The FDA may require a Risk Evaluation and Mitigation Strategy ("REMS"). REMS may be required by the FDA for a product where serious safety concerns exist in order to help ensure the benefits of the product outweigh its risks. All marketed products require post-marketing safety surveillance.

Regulation of Personal Information

We hold personal and health information relating to individuals who sponsor, support and participate in clinical trials, the possession, retention, use and disclosure of which is highly regulated, both in the U.S. and in other jurisdictions to which we are subject.

In the U.S., we may obtain health information that is subject to the privacy and security requirements of HIPAA and other federal and state privacy and security laws, such as the California Consumer Privacy Act ("CCPA") and the California Privacy Rights Act. Although we are not directly subject to HIPAA, we are still prohibited from knowingly obtaining, using or disclosing individually identifiable health information maintained by a HIPAA covered entity in a manner that is not authorized or permitted by HIPAA.

We are also subject to privacy and security laws of other countries. For example, in the European Economic Area we are subject to the EU General Data Protection Regulation, and in the U.K., we are subject to the U.K. data protection regime consisting primarily of the U.K. General Data Protection Regulation, or U.K. GDPR, and the U.K. Data Protection Act 2018. In addition, similar data protection regulations addressing access, use, disclosure and transfer of personal data have been enacted or updated in regions where we do business, including in Asia, Latin America, and Europe.

We have established processes and frameworks, including appropriate technical and organizational safeguards, to protect the personal and health information we create, collect and otherwise maintain. We are also subject to privacy and security obligations as part of our contractual commitments with our customers and affiliates. If we fail to perform our services in accordance with these processes, frameworks and contractual commitments, we could be subject to monetary fines, civil penalties or criminal sanctions as are described in "Risk Factors—Risks Relating to Regulatory and Compliance Matters—Failure to comply with privacy and security laws and regulations could result in fines, penalties and damage to our reputation with customers and have a material adverse effect upon our business."

Anti-Corruption Laws and Regulations

We are subject to various U.S. and non-U.S. anti-corruption laws, including the U.S. Foreign Corrupt Practices Act ("FCPA") and the U.K. Bribery Act (the "Bribery Act"). Various worldwide anti-corruption laws such as the FCPA and the Bribery Act prohibit us and our officers, directors, employees and third parties acting on our behalf, including agents, from corruptly offering, promising, authorizing or providing anything of value to a "foreign official" for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA further requires us to make and keep books, records and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. The Bribery Act also prohibits "commercial" bribery and accepting bribes. We operate in some parts of the world where corruption may be common and where anti-corruption laws may conflict to some degree with local customs and practices. We maintain an anti-corruption program including policies, procedures, training and safeguards in the engagement and management of third parties acting on our behalf. Despite these safeguards, we cannot guarantee protection from corrupt acts committed by employees or third parties associated with our Company.

Our global business operations also must be conducted in compliance with applicable export controls and economic sanctions laws and regulations, including those administered by the U.S. Treasury's Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council, the European Union, His Majesty's Treasury and other relevant sanctions authorities.

Violations of these anti-corruption laws or export controls and economic sanctions laws and regulations, or even allegations of such violations, could disrupt our business and result in a material adverse effect on our reputation, business, results of operations, financial condition and/or cash flows. For example, violations may result in criminal or civil penalties, disgorgement of profits, related stockholder lawsuits and other remedial measures, and companies that violate these laws can be debarred by the U.S. government and lose U.S. export privileges. In addition, U.S. or other governments might seek to hold us liable for successor liability for FCPA violations or violations of other anti-corruption laws committed by companies that we acquire or in which we invest, or by or on behalf of persons working for or representing our Company. Future changes in anti-corruption, export control or economic sanctions laws, regulations or enforcement could also result in increased compliance requirements and related costs which could have a material adverse effect on our business, results of operations, financial condition and/or cash flows.

Environment, Health, and Safety

We are subject to licensing and requirements under laws and regulations relating to the protection of the environment, and employee health and safety. These laws and regulations include the safe handling, use, transportation and disposal of potentially infectious and hazardous materials; the assessment of potential work-related risks and establishment of work practice and engineering controls, and providing protective clothing and equipment, training, and medical surveillance; designed to minimize risk to employee health and safety and the environment.

We are committed to reducing our carbon footprint. We plan to conduct environmental sustainability impact assessments and participate in environmental sustainability rating processes. We are seeking to implement energy-saving measures within our operations in the future. Funding for these and similar projects are expected to continue in 2023.

We seek to comply with all relevant environment, employee health and safety laws and regulations. Failure to comply could subject us to various administrative and/or other enforcement actions.

Controlled Substances

We handle controlled substances as part of the services we provide in preclinical testing and clinical trials. The use of controlled substances in testing for drugs of abuse is regulated by the U.S. Drug Enforcement Administration. We seek to conduct our business in compliance with these regulations as applicable. Violations of these rules may result in criminal and civil fines and penalties.

Legal Proceedings

We are involved from time to time in various claims and legal actions, including investigations, disputes, litigation, and regulatory matters, arising in the ordinary course of business. Some of these actions involve claims that are substantial in amount. These matters may be threatened or commenced by various parties, including customers, current or former employees, vendors, study participants, government agencies, or others, and include, but are not limited to, commercial and contract disputes, intellectual property disputes, professional liability claims, employee-related matters, and inquiries, including subpoenas and other civil investigative demands. In accordance with FASB Accounting Standards Codification Topic 450 “Contingencies,” we establish reserves for claims and legal actions when those matters present loss contingencies that are both probable and estimable. When loss contingencies are not both probable and estimable, we do not establish reserves.

We believe that we are in compliance in all material respects with all statutes, regulations, and other requirements applicable to our clinical development services. The clinical development industry is, however, subject to extensive regulation, and the courts have not interpreted many of the applicable statutes and regulations. Therefore, the applicable statutes and regulations could be interpreted or applied by a prosecutorial, regulatory, or judicial authority in a manner that would adversely affect us. Potential sanctions for violation of these statutes and regulations include significant civil and criminal penalties, fines, the loss of various licenses, certificates and authorizations, and additional liabilities from third-party claims.

Based on currently available information, we do not expect that any pending or threatened claim or legal action, either individually or in the aggregate, will have a material adverse effect on the business, our financial condition, results of operations, and/or our cash flows.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We anticipate that Fortrea's board of directors will adopt a written related person transactions policy under which related persons, namely our executives, directors, and principal stockholders, and each of their immediate family members, are not permitted to enter into certain transactions, or materially modify or amend an ongoing transaction, with Fortrea in an amount exceeding $120,000, without the consent of our Audit Committee or a designated member of the Audit Committee. Any request for us to enter into or materially modify or amend such transactions would be required to be presented to our Audit Committee for review, consideration, and approval. All of our directors and executive officers would be required to report to our Audit Committee any such related person transaction. In approving or rejecting the proposed transaction, our Audit Committee will take into account, among other factors it deems appropriate, whether the proposed related person transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances, the extent of the related person's interest in the transaction, and, if applicable, the impact on a director's independence. Under the policy, if we should discover related person transactions that have not been approved, our Audit Committee will be notified and will determine the appropriate action, including ratification, rescission, or amendment of the transaction.

Based on the Company's review of its transactions, there have been no transactions or proposed transactions considered to be related party transactions since January 1, 2020.

RELATIONSHIP WITH LABCORP AFTER THE SPINOFF

Historical Relationship with Labcorp

We are currently a direct wholly owned subsidiary of Labcorp. We were incorporated in Delaware on January 31, 2023. In conjunction with the spinoff, Labcorp will complete the internal restructuring, which will result in Fortrea becoming the parent company of the Labcorp operations comprising, and the entities that will conduct, the Clinical Development and Commercialization Services business. As a result of the historical relationship between us and Labcorp, in the ordinary course of our business, we and our subsidiaries have received various services provided by Labcorp and some of its other subsidiaries, including tax, treasury and cash management, procurement, IT, general accounting and finance, payroll and human resources, environmental, health and safety, legal, communications, real estate and facilities, insurance and indemnity arrangements, and other general and administrative stewardship. Our audited combined financial statements include allocations by Labcorp of a portion of its overhead costs related to those services. These cost allocations have been determined on a basis that we and Labcorp consider to provide a reasonable reflection of the use of those services.

Labcorp's Distribution of Our Shares

Labcorp will be our sole stockholder until completion of the spinoff. In the spinoff, Labcorp is distributing its entire equity interest in us to its stockholders pro rata, as described in more detail in the section entitled “The Spinoff.” The spinoff will be subject to a number of conditions, some of which are more fully described above under “The Spinoff—Spinoff Conditions and Termination.”

Agreements Between Labcorp and Us

In the discussion that immediately follows, we have summarized the terms of material agreements that we intend to enter into with Labcorp in connection with the spinoff and to govern our ongoing relationship with Labcorp following the spinoff. The summaries of these agreements are not complete and are qualified by reference to the terms of the agreements, the forms of which will be included as exhibits to the registration statement on Form 10, of which this information statement is a part. We encourage you to read the full text of those agreements. The terms of those agreements have not yet been finalized; changes, some of which may be material, may be made prior to the spinoff.

We and Labcorp will enter into additional agreements governing our ongoing relationship, including a Patient and Site Data Agreement; Patient Recruitment and Engagement Agreement; End-to-End Offerings Agreement and Clinical Development and Laboratory Services Agreement, each of which is summarized below. With the exception of the Clinical Development and Laboratory Services Agreement, these agreements are not viewed as material.

Separation and Distribution Agreement

The separation and distribution agreement will contain the key provisions relating to the spinoff, including provisions relating to the principal intercompany transactions required to effect the spinoff, the conditions to the spinoff and provisions governing the relationships between Labcorp and us after the spinoff.

Transfer of Assets and Assumption of Liabilities. The separation and distribution agreement will provide for those transfers of assets and assumptions of liabilities that are necessary in advance of our separation from Labcorp so that each of Fortrea and Labcorp retains the assets necessary to operate its respective business and retains or assumes the liabilities allocated to it in accordance with the reorganization.

Representations and Warranties. In general, neither Labcorp nor we will make any representations or warranties regarding any assets or liabilities transferred or assumed, any consents or approvals that may be required in connection with these transfers or assumptions, the value or freedom from any lien or other security interest of any assets transferred, the absence of any defenses relating to any claim of either party or the legal sufficiency of any conveyance documents. Except as expressly set forth in the separation and distribution agreement, all assets will be transferred on an “as is,” “where is” basis.

The Distribution. The separation and distribution agreement will govern Labcorp's and our respective rights and obligations regarding the proposed distribution. Prior to the distribution, Labcorp will deliver all of our issued and outstanding shares of common stock to the distribution agent. On the distribution date, Labcorp will instruct the distribution agent to electronically deliver shares of our common stock to Labcorp's stockholders pro rata, based on the distribution ratio. The Labcorp board of directors will have the sole and absolute discretion to determine the terms of, and whether to proceed with, the distribution.

Conditions. The separation and distribution agreement will also provide that several conditions must be satisfied or waived by Labcorp, at the direction of its board of directors in its sole and absolute discretion, before the distribution can occur. For further information about these conditions, see “The Spinoff —Spinoff Conditions and Termination.” The Labcorp board of directors may, in its sole and absolute discretion, determine the record date, the distribution date, and the terms of the spinoff and may at any time prior to the completion of the spinoff decide to abandon or modify the spinoff.

Termination. Labcorp, at the direction of its board of directors in its sole and absolute discretion, may terminate the separation and distribution agreement at any time prior to the distribution.

Release of Claims. Labcorp and we will each agree to release the other and its affiliates, successors, and assigns, and all persons that prior to the distribution have been the other's stockholders, directors, officers, members, agents, and employees, and their respective heirs, executors, administrators, successors, and assigns, from any claims against any of them that arise out of or relate to acts or events occurring or failing to occur or any conditions existing at or prior to the time of the distribution. These releases will be subject to exceptions set forth in the separation and distribution agreement.

Indemnification. Labcorp and we will each agree to indemnify the other and each of the other's affiliates and their respective past and present directors, officers, and employees, and each of their successors and assigns, against certain liabilities incurred in connection with the spinoff and our and Labcorp's respective businesses. Neither Labcorp's nor our indemnification obligations are subject to any cap. The amount of either Labcorp's or our indemnification obligations will be reduced by any insurance proceeds the party being indemnified receives. The separation and distribution agreement will also specify procedures regarding claims subject to indemnification.

Tax Matters Agreement

In connection with the spinoff (together with certain related transactions), we and Labcorp will enter into a tax matters agreement that will govern the parties’ respective rights, responsibilities, and obligations with respect to taxes, including taxes arising in the ordinary course of business, and taxes, if any, incurred as a result of any failure of the spinoff (or certain related transactions) to qualify as tax-free for U.S. federal income tax purposes. The tax matters agreement will also set forth the respective obligations of the parties with respect to the filing of tax returns, the administration of tax contests, and assistance and cooperation on tax matters.

In general, the tax matters agreement will govern the rights and obligations that we and Labcorp have after the spinoff with respect to taxes for both pre- and post-closing periods. Under the tax matters agreement, Labcorp generally will be responsible for all of our pre-closing income taxes that are reported on combined tax returns with Labcorp or any of its affiliates. We generally will be responsible for all other income taxes and all non-income taxes primarily related to the CDCS business that are due and payable after the spinoff.

The tax matters agreement will further provide that:

- Without duplication of our indemnification obligations described in the prior paragraph, we will generally indemnify Labcorp against (i) taxes arising in the ordinary course of business for which we are responsible (as described above) and (ii) any liability or damage resulting from a breach by us or any of our affiliates of a covenant or representation made in the tax matters agreement; and
- Labcorp will indemnify us against taxes for which Labcorp is responsible under the tax matters agreement (as described above).

In addition to the indemnification obligations described above, the indemnifying party will generally be required to indemnify the indemnified party against any interest, penalties, additions to tax, losses, assessments, settlements, or judgments arising out of or incident to the event giving rise to the indemnification obligation, along with costs incurred in any related contest or proceeding. Indemnification obligations of the parties under the tax matters agreement are not subject to any cap.

Further, the tax matters agreement generally will prohibit us and our affiliates from taking certain actions that could cause the spinoff and certain related transactions to fail to qualify for their intended tax treatment, including:

- during the two-year period following the distribution date (or otherwise pursuant to a “plan” within the meaning of Section 355(e) of the Code), we may be prevented from allowing or permitting certain business combinations or transactions to occur;
- during the two-year period following the distribution date (or otherwise pursuant to a “plan” within the meaning of Section 355(e) of the Code), we may not sell or otherwise issue our common stock, other than pursuant to issuances that satisfy certain regulatory safe harbors set forth in Treasury regulations;
- during the two-year period following the distribution date (or otherwise pursuant to a “plan” within the meaning of Section 355(e) of the Code), we may not redeem or otherwise acquire any of our common stock, other than pursuant to certain open-market repurchases of less than 20% of our common stock (in the aggregate);
- during the two-year period following the distribution date (or otherwise pursuant to a “plan” within the meaning of Section 355(e) of the Code), we may not amend our Amended and Restated Certificate of Incorporation (or other organizational documents) or take any other action, whether through a stockholder vote or otherwise, affecting the voting rights of our common stock; and
- more generally, we may not take any action that could reasonably be expected to cause the spinoff and certain related transactions to fail to qualify as tax-free transactions under Section 368(a)(1)(D) and Section 355 of the Code, or to cause the spinoff to fail to qualify as a tax-free distribution under Section 355 of the Code.

In the event that the spinoff and certain related transactions fail to qualify for their intended tax treatment, in whole or in part, and Labcorp is subject to tax as a result of such failure, the tax matters agreement will determine whether Labcorp must be indemnified for any such tax by us. As a general matter, under the terms of the tax matters agreement, we are required to indemnify Labcorp for any tax-related losses in connection with the spinoff due to any action by us or any of our subsidiaries following the spinoff. Therefore, in the event that the spinoff and/or related transactions fail to qualify for their intended tax treatment due to any action by us or any of our subsidiaries, we will generally be required to indemnify Labcorp for the resulting taxes.

Employee Matters Agreement

In connection with the distribution and spinoff, we expect to enter into an employee matters agreement with Labcorp that will govern the respective rights, responsibilities, and obligations of us and Labcorp after the spinoff with respect to transferred employees, collective bargaining agreements, incentive plans, group health and welfare plans, defined contribution plans, equity-based awards, and other employment, compensation, and benefit-related matters.

Liabilities. In general, Labcorp will be responsible for all employment, compensation, and employee benefit liabilities relating to employees of Labcorp and former employees of Labcorp and for all liabilities relating to Labcorp's benefit plans, and Fortrea will be responsible for all employment, compensation, and employee benefit liabilities relating to employees of Fortrea and former employees of the Fortrea business and for all liabilities relating to Fortrea's benefit plans, subject to certain exceptions further described in the employee matters agreement.

Employee Benefits. In general, our employees currently participate in various group health and welfare, retirement, and other employee benefit and compensation plans maintained by Labcorp. Details relating to the

benefit plans in which Fortrea employees and former employees of the Fortrea business will participate after the spinoff are still being discussed between us and Labcorp. However, other than as otherwise provided in the transition services agreement, we expect that Fortrea will establish its own group health and welfare plans and retirement plans.

Equity Compensation. In general, it is currently anticipated that each outstanding Labcorp award held by a Fortrea employee as of the spinoff will be adjusted or converted into an award with respect to Fortrea common stock. Each outstanding Labcorp equity award held by employees remaining with Labcorp will also be adjusted but will continue to relate to Labcorp common stock. In each case, the award will be equitably adjusted or converted in a manner intended to preserve the aggregate intrinsic value of the original Labcorp equity award and, other than regarding performance share awards, the terms of the equity awards, such as vesting dates, will generally remain substantially the same. Outstanding Labcorp performance share awards held immediately prior to the spinoff by any employee of Fortrea will be treated as follows: (a) performance share awards for the 2021 to 2023 performance period will be converted into time-based restricted stock units denominated in shares of our common stock based on achievement of performance goals as determined by the Labcorp Compensation Committee immediately prior to the spinoff; (b) performance share awards for the 2022 to 2024 performance period will be converted into awards denominated in shares of our common stock, with 50% of the target number being converted into time-base restricted stock units based on achievement of performance goals as determined by the Labcorp Compensation Committee immediately prior to the spinoff and the remaining 50% of the target number being converted into performance shares of Fortrea subject to the achievement of performance criteria established by the Labcorp Compensation Committee, and subject to further review and modification by Fortrea in its discretion; and (c) performance share awards for the 2023 to 2025 performance period shall be converted into performance shares of Fortrea subject to the achievement of performance criteria established by the Labcorp Compensation Committee, and subject to further review and modification by Fortrea in its discretion.

Transition Services Agreement

We and Labcorp will enter into a transition services agreement under which Labcorp will provide and/or make available various administrative services and assets to us and under which we will provide and/or make available various administrative services and assets to Labcorp. The services and assets to be provided to us by Labcorp primarily include:

- hosting and support for IT, network, security, and applications;
- accounting and finance;
- operations, marketing and procurement;
- human resources, payroll and benefits;
- treasury;
- insurance accounting and claims processing;
- facilities, environmental health and safety;
- tax matters; and
- administrative services.

The services and assets to be provided to Labcorp by us primarily include:

- accounting and finance;
- human resources, payroll and benefits;
- operations;

- facilities, environmental health and safety;
- quality controls, including supplier management and regulatory intelligence;
- IT;
- global vendor management; and
- country specific legal and compliance matters.

In consideration for such services, the service recipient will pay fees to the service provider, and those fees will be based on direct and indirect costs associated with rendering those services, at no less than cost.

The term of the transition services agreement will not exceed 24 months beginning on the distribution date (inclusive of any extension period for any transition services).

The personnel performing services under the transition services agreement will be employees and/or independent contractors of the service provider or its subsidiaries and will not be under the service recipient's direction or control.

The transition services agreement will also contain customary mutual indemnification provisions, which, except for liabilities arising out of or related to the gross negligence, willful misconduct or bad faith of the Service Provider (as defined therein) are capped at fees paid.

With respect to certain services, the transition services agreement may be partially terminated with 60 days written notice provided certain other requirements are met. The transition services agreement may be fully terminated by either party in the event of insolvency or unremedied material default.

Lease Agreements

At five locations, we and Labcorp currently share space at a property leased from a third party. In connection with the spinoff, we and Labcorp will enter into an agreement for each property to lease a portion of the space to one another for the remaining term of the lease on market-based terms. Additionally, we and Labcorp will enter into an agreement under which we will lease a purpose-built clinical facility from Labcorp on market-based terms. At each of the identified properties, we and Labcorp will occupy separate floors, buildings and/or spaces as appropriate.

Other Arrangements

Patient and Site Data Agreement. We and Labcorp have entered into an agreement that certain patient data and site performance data gathered by Labcorp will be made available to us on both a continual basis and/or on single transactional instances. Using Labcorp's de-identified patient data sets, we currently utilize querying mechanisms for performing individual data queries that enables us to evaluate a series of clinical solutions and make more informed decisions on how and where to select testing sites. Labcorp will continue to provide us access to the Labcorp-specific data querying mechanisms for an initial two-year period at a price not less than cost. The patient and site data agreement may be terminated (i) by either party (a) upon 30 days prior written notice of an uncured material breach or (b) immediately upon written notice of the insolvency of the other party; (ii) by mutual agreement, memorialized in writing, of the parties at any time; and (iii) by Labcorp upon 30 days prior written notice of a change in control of us. Depending on the method of termination, Labcorp will be entitled to certain termination payments.

Patient Recruitment and Engagement Agreement. We and Labcorp have entered into an agreement with respect to the use of Labcorp's tools and services that enable patient recruitment outreach. We currently leverage such tools and services to enable our patient outreach and recruitment solutions for pharmaceutical customers. Under this agreement, Labcorp will continue to provide us access to the recruitment tools at a price not less than cost. The patient recruitment and engagement agreement may be terminated (i) by either party (a) upon 30 days prior written notice of an uncured material breach or (b) immediately upon written notice of the insolvency of the other party; and (ii) by Labcorp immediately upon written notice if, in its reasonable discretion, it believes the performance of

services would constitute a potential or actual violation of applicable law or scientific/ethical standards of integrity. We may terminate any services or work orders upon (a) 60 days prior written notice or (b) 30 days prior written notice if applicable service agreement between us and the customer is terminated. Depending on the method of termination, Labcorp will be entitled to certain termination payments.

End-to-End Offerings Agreement. We and Labcorp have entered into a two-year strategic agreement to develop opportunities where a joint offering of services would be presented to pharmaceutical customers and where the opportunities would benefit both Labcorp and us. Pharmaceutical customers are often looking for partners that enable them to navigate through the complete molecule / drug development timeline, and Labcorp currently has enabled a series of services that provides this capability. Offerings developed under this agreement will be done on a study-by-study basis and will be commercially non-exclusive and at an arm's length price. The end-to-end offerings agreement may be terminated (i) by either party (a) upon 30 days prior written notice of an uncured material breach or (b) immediately upon written notice of the insolvency of the other party; and (ii) by Labcorp immediately upon written notice if, in its reasonable discretion, it believes the performance of services would constitute a potential or actual violation of applicable law or scientific/ethical standards of integrity. We may terminate any services or work orders (a) upon 60 days prior written notice, (b) upon 30 days prior written notice if the applicable service agreement between us and the customer is terminated or (c) immediately upon written notice if there is reasonably compelling scientific evidence that patient safety is at risk, data integrity is compromised, and/or there is reasonable belief that applicable law would be violated. Depending on the method of termination, we or Labcorp may be entitled to certain termination payments

Clinical Development and Laboratory Services Agreement. Currently, a common integrated service offering for a clinical trial is for us to provide specific CRO related services to the customer while Labcorp provides any related drug development testing that is required to complete the clinical trial. At the time of the spinoff, there will be various customer agreements for these integrated service offerings that were previously negotiated and/or executed prior to the spinoff. In those cases, the existing pricing and contractual terms will remain intact.

Following the spinoff, for a period that will not exceed two years, we and Labcorp have entered into an agreement requiring that, in the case that the third-party customer requires clinical laboratory services as part of a clinical trial, we will continue to propose Labcorp as the default provider for the services that Labcorp can conduct. In exchange for the business referral, Labcorp will continue to offer a competitive and meaningful discount over the list prices of all in-house lab testing (which is then passed on to the customer). Under certain defined circumstances, we will not be required to select Labcorp as a vendor. Although this agreement will only have a two-year term, in order to avoid any business disruptions, work orders contracted under this arrangement will continue to be performed in accordance with their terms following the expiration of the two-year period. At the conclusion of the two-year period, we and Labcorp may negotiate an arm's length arrangement for the continued provision of services to us by Labcorp. This agreement is consistent with current practice and will enable our customers to benefit from the testing spectrum and service capabilities of Labcorp and will support us during the initial transition period. The clinical development and laboratory services agreement may be terminated (i) by either party (a) upon 30 days prior written notice of an uncured material breach or (b) immediately upon written notice of the insolvency of the other party; and (ii) by Labcorp immediately upon written notice if, in its reasonable discretion, it believes the performance of services would constitute a potential or actual violation of applicable law or scientific/ethical standards of integrity. We may terminate any services or work orders (a) upon 60 days prior written notice, (b) upon 30 days prior written notice if the applicable service agreement between us and the customer is terminated or (c) immediately upon written notice if there is reasonably compelling scientific evidence that patient safety is at risk, data integrity is compromised, and/or there is reasonable belief that applicable law would be violated. Depending on the method of termination, Labcorp will be entitled to certain termination payments.

MANAGEMENT

Our Board of Directors

The following table and biographies present information, as of the date of this filing, concerning the individuals whom we expect to serve on our board of directors in connection with the spinoff, including their respective business experience. The following also includes information about all public company directorships each individual currently holds or held during the past five years, which committees they are expected to serve on and which class each director is expected to serve in.

Name	Age	Class	Board Committees	Independent	Other Public Company Boards
Thomas Pike	63	III	—	No	1
R. Andrew Eckert	61	III	Comp.* & Nom.	Yes	1
Betty Larson	47	II	Nom. & Comp.	Yes	—
Peter Neupert	67	III	Nom.* & Audit	Yes	2
Edward Pesicka	56	I	Audit & Comp.	Yes	1
Dr. Amrit Ray	50	II	Audit & Nom.	Yes	1
David Smith	57	I	Audit* & Comp.	Yes	—

*Denotes Committee Chair
Comp.: Management Development and Compensation Committee
Nom.: Nominating, Corporate Governance and Compliance Committee

Class I Directors:

Edward Pesicka will be appointed to our board of directors in connection with the spinoff. Since March 2019, Mr. Pesicka has served as President and Chief Executive Officer, as well as on the board of directors, of Owens & Minor, Inc., a global healthcare solutions company. From January 2016 until March 2019, Mr. Pesicka was an independent consultant and advisor in the healthcare, life science and distribution industries. From January 2000 until April 2015, Mr. Pesicka served in various roles of increasing responsibility at Thermo Fisher Scientific Inc., an American supplier of scientific instrumentation, reagents and consumables and software services, including Chief Commercial Officer and Senior Vice President from January 2014 to April 2015. Prior to Thermo Fisher Scientific, Mr. Pesicka spent eight years with TRW, Inc., an aerospace company, in its finance department and three years with PricewaterhouseCoopers as an auditor. Since 2019, Mr. Pesicka has served as a director of Owens & Minor, Inc.

Director Qualifications: Mr. Pesicka was selected to serve on our board of directors because of his substantial experience and expertise in distribution, as well as the healthcare and life sciences industries. Mr. Pesicka will serve on our Audit Committee and our Management Development and Compensation Committee.

David Smith will be appointed to our board of directors in connection with the spinoff. Mr. Smith has served as Executive Vice President and Chief Financial Officer for Charles River Laboratories International, Inc., an American contract research organization supporting the global pharmaceutical industry, from August 2015 until his retirement in May 2022. Mr. Smith has also previously held multiple positions at Galapagos NV, a Belgian pharmaceutical research company, including Chief Executive Officer of their Galapagos Service Division and Chief Financial Officer, and, in addition, was the Chief Financial Officer at Cambridge University Hospitals in the United Kingdom.

Director Qualifications: Mr. Smith was selected to serve on our board of directors because of his extensive experience in finance. Mr. Smith will serve as chair of our Audit Committee and will also serve on our Management Development and Compensation Committee.

Class II Directors:

Dr. Amrit Ray will be appointed to our board of directors in connection with the spinoff. Dr. Ray is a Biopharmaceutical R&D Executive and advisor to life sciences companies. From March 2022 until December 2022, Dr. Ray served as Chief Patient Officer at Biohaven Pharmaceuticals, a biopharmaceutical company. From February 2021 until March 2022, he served as Senior Advisor to Bain Capital Life Sciences, an investment company. From 2017 until January 2021, Dr. Ray served as Global President, Head of R&D and Medical for the Essential Health and later Upjohn divisions at Pfizer, a biopharmaceutical company. Previously, Dr. Ray held Chief Medical Officer and other executive leadership roles at Johnson & Johnson, a healthcare company. Since 2022, Dr. Ray has served as a director of Ultragenyx Pharmaceutical Inc., a biopharmaceutical company.

Director Qualifications: Dr. Ray was selected to serve on our board of directors because of his extensive experience in the life sciences industry and his expertise in research and development. Dr. Ray will serve on our Audit Committee and our Nominating, Corporate Governance and Compliance Committee.

Betty Larson will be appointed to our board of directors in connection with the spinoff. Since 2023, Ms. Larson has served as Chief People Officer of GE HealthCare Technologies Inc., a medical technology, pharmaceutical diagnostics and digital solutions company. From March 2022 until January 2023, Ms. Larson served as the Chief People Officer of GE's Healthcare business. From 2017 until 2022, Ms. Larson served as Executive Vice President and Chief Human Resources Officer at Becton, Dickinson and Company, a global medical technology company. Prior to that role, Larson served as Chief Human Resources Officer for C. R. Bard, Inc., a leading medical technology company in the fields of vascular, urology and surgical specialty products. She started her career at Baxter International, an American multinational healthcare company, where she held a variety of leadership roles during her 16-year tenure.

Director Qualifications: Ms. Larson was selected to serve on our board of directors because of her extensive experience in the healthcare industry. Ms. Larson will serve on our Nominating, Corporate Governance and Compliance Committee and our Management Development and Compensation Committee.

Class III Directors:

Thomas Pike will serve as our Chief Executive Officer and Chairman of our board of directors. Mr. Pike has more than 30 years of industry experience. Mr. Pike joined Labcorp in January 2023 as president and chief executive officer of its Drug Development, Clinical Development and Commercialization Services business unit. Prior to joining Labcorp, he co-founded, advised and served as a director for several healthcare and technology services companies, including companies with a focus on patients and clinical research sites from 2017 to 2023. Prior to that, Mr. Pike served as CEO and board member of Quintiles Transnational Holdings, Inc. ("Quintiles"), a leading fully integrated biopharmaceutical services company offering clinical, commercial and consulting solutions worldwide. Under Mr. Pike's leadership, Quintiles was named one of the world's Most Ethical Companies and Most Admired Companies by Fortune magazine. During his tenure, he also led the launch of Q^2 Solutions, a clinical trial laboratory services organization, in a joint-venture transaction. Mr. Pike led Quintiles through a successful IPO, helping it grow into a Fortune 500 company with 36,000 employees worldwide. Mr. Pike retired as vice chairman of the merged Quintiles and IMS. Prior to Quintiles, Mr. Pike had a distinguished career at Accenture in executive roles, including Chief Risk Officer and Managing Director of the North America Health and Products business areas. Prior to that, he was the global Chief Operating Officer for Accenture's Resources operating group, and he also served as Accenture's Chief Strategy Officer and a member of the executive leadership team for Accenture's IPO in July 2001. Earlier, he was at McKinsey & Company and, since 2019, serves on the board of Martin Marietta Materials, Inc. Mr. Pike earned his Bachelor of Science in accounting from the University of Delaware.

Director Qualifications: Mr. Pike brings to the board of directors more than 15 years of C-suite experience; broad strategic and financial experience; extensive experience in mergers and acquisitions, integration, and strategic development and analysis; significant business and operating experience in a public company; and valuable knowledge of financial system management, public company accounting, disclosure requirements and financial markets.

Peter M. Neupert will be appointed to our board of directors in connection with the spinoff. Mr. Neupert served as an Operating Partner at Health Evolution Partners, a private equity fund, from February 2012 to July 2014. Prior to joining Health Evolution Partners, Mr. Neupert served as Corporate Vice President, Health Solutions Group at Microsoft from August 2005 to January 2012, and as the Chief Executive Officer and Chairman of the board of directors of Drugstore.com, which he joined in July 1998. Since 2013, Mr. Neupert has served as a director of Labcorp and as a director of Adaptive Biotechnologies Corporation. Mr. Neupert previously served as a member of the board of directors of NextGen Healthcare, Inc., a public software company, and several private companies. Mr. Neupert served as a member of the Board of Trustees of Fred Hutchinson Cancer Research Center from June 2007 to June 2020. Mr. Neupert holds an MBA from the Tuck School of Business at Dartmouth College and a BA in Philosophy from Colorado College.

Director Qualifications: Mr. Neupert was selected to serve on our board of directors because of his extensive knowledge and experience in the field of healthcare information technology and his experience as a director and executive officer of several public companies. Mr. Neupert will serve as chair of the Nominating, Corporate Governance and Compliance Committee and will also serve on our Audit Committee.

R. Andrew Eckert will be appointed to our board of directors in connection with the spinoff. Since December 2022, Mr. Eckert has served as a Senior Advisor to Permira, a global private equity firm. Mr. Eckert served as the Chief Executive Officer of Zelis Inc., a provider of healthcare cost management and payment solutions, from August 2020 until August 2021, and as the President and Chief Executive Officer of Acelity L.P., a global wound care company, from 2017 until October 2019. Since January 2016, Mr. Eckert has served as director of Becton, Dickinson and Company, a global medical technology company. In addition, Mr. Eckert's prior board service includes Varian Medical Systems, Inc., a medical device and software company, from 2005 until 2021.

Director Qualifications: Mr. Eckert was selected to serve on our board of directors because of his extensive knowledge and experience in the field of healthcare information technology and his experience as a director and executive officer of several public companies. Mr. Eckert will serve as Lead Director, the chair of our Management Development and Compensation Committee and will also serve on our Nominating, Corporate Governance and Compliance Committee.

Staggered Board

Our Amended and Restated Certificate of Incorporation provides for a classified board of directors. Upon effectiveness of our Amended and Restated Certificate of Incorporation, the board of directors will initially be divided into three classes. We anticipate that the three classes will be comprised of the following:

- Class I: Mr. Pesicka and Mr. Smith
- Class II: Dr. Ray and Ms. Larson
- Class III: Mr. Pike, Mr. Neupert and Mr. Eckert

The directors first appointed to Class I will hold office for a term expiring at the annual meeting of stockholders to be held in 2024; the directors first appointed to Class II will hold office for a term expiring at the annual meeting of stockholders to be held in 2025; and the directors first appointed to Class III will hold office for a term expiring at the annual meeting of stockholders to be held in 2026, with the members of each class to hold office until their successors are elected and qualified. At the annual meeting of stockholders held in 2024, the Class I directors will be elected for a term of office to expire at the 2027 annual meeting of stockholders. At the 2025 annual meeting of stockholders, the Class II directors will be elected for a term of office to expire at the 2028 annual meeting of stockholders. At the 2026 annual meeting of stockholders, the Class III directors will be elected for a term of office to expire at the 2028 annual meeting of stockholders. At the 2027 annual meeting of stockholders, the Class I directors will be elected for a term of office to expire at the 2028 annual meeting of stockholders. Commencing at the 2028 annual meeting of stockholders and at all subsequent annual meetings of stockholders, the board of directors will no longer be classified under Section 141(d) of the Delaware General Corporation Law ("DGCL"), and all directors will be elected for a term of office to expire at the next succeeding annual meeting of stockholders.

Our Executive Officers

The following table and biographies present information, as of the date of this filing, concerning the individuals we expect to serve as our executive officers in connection with the spinoff, including their respective business experience.

Name	Age	Position
Thomas Pike	63	Chief Executive Officer
Jill McConnell	49	Chief Financial Officer
Mark Morais	47	Chief Operating Officer and President, Clinical Services

Thomas Pike, see "—Our Board of Directors" for information regarding Mr. Pike.

Jill McConnell has been the Chief Financial Officer of the Labcorp Drug Development Segment since 2018 and will be appointed as our Chief Financial Officer in connection with the spinoff. In the approximately 20 years prior to 2018, Ms. McConnell served in a variety of finance roles of increasing responsibility at GSK, a British multinational pharmaceutical and biotechnology company, including Senior Vice President and Chief Financial Officer of its ViiV Healthcare division and Vice President and Head of Finance of its US Pharmaceuticals division, among others. Ms. McConnell received a BA degree from Gettysburg College, and an MBA, Health & Medical Services from Saint Joseph's University.

Mark Morais has been President of Clinical Services and Commercial Solutions, within the Labcorp Drug Development Segment, since September 2020 and Chief Operating Officer and President of Labcorp Clinical Development, since October 2022. Mr. Morais will be appointed as our Chief Operating Officer and President, Clinical Services, in connection with the spinoff. Prior to September 2020, Mr. Morais served as Senior Vice President Strategic Deal Development, Enterprise Client Solutions and Alliance Management at Covance, Labcorp's drug development company, from May 2018 to September 2020 and from December 2016 to May 2018 he served as Covance's Vice President of Strategic Deal Development and Pricing. Prior to Covance, Mr. Morais also served at QuintilesIMS, a leading global provider of information, innovative technology solutions and contract research services, from April 2001 to January 2017. Mr. Morais received his BS degree from North Carolina State University.

Director Independence

NASDAQ rules require that our board of directors have a majority of independent directors. The board of directors has established guidelines for determining director independence that are consistent with the current listing standards of NASDAQ (the "Listing Standards"). On the day immediately prior to the distribution date, we expect that our board of directors will be comprised of seven directors. We expect that all directors except Thomas Pike will meet the independence requirements set forth in the Listing Standards on the day immediately prior to the distribution date. 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.

In making the above determination, we expect our board of directors to consider Ms. Larson's role as Chief People Officer at GE HealthCare Technologies Inc. ("GE Healthcare"), a customer, and Mr. Neupert's role as an independent director of both Labcorp and us. We have provided GE Healthcare with various services in the ordinary course of business over the past five years, primarily in connection with medical devices. We and Labcorp have entered into a variety of agreements in connection with the spinoff, many of which govern our go-forward relationship, see "Relationship with Labcorp After the Spinoff." We expect that Ms. Larson will recuse herself from voting as a member of our board of directors during the approval or disapproval of any transactions between GE Healthcare and us. We also expect that Mr. Neupert will recuse himself from voting as a member of either board of directors during the approval or disapproval of any transactions between Labcorp and us.

Board Leadership Structure

Our board of directors will be led by Chairperson Mr. Pike. In addition, Mr. Eckert will be appointed as Lead Independent Director as of the day immediately before the distribution date.

The Chairperson will be expected to oversee the planning of the annual board of directors' calendar and, in consultation with the other directors, will schedule and set the agenda for meetings of the board of directors and lead the discussions at such meetings. In addition, the Chairperson will be expected to provide guidance and oversight to other members of management, help with the formulation and implementation of our strategic plans and act as the board of directors' liaison to the rest of management. In this capacity, the Chairman will be expected to be actively engaged on significant matters affecting us. The Chairperson will also be expected to lead our annual meetings of shareholders and perform such other functions and responsibilities as requested by the board of directors from time to time.

The Lead Independent Director is expected to be responsible for coordinating the activities of the independent directors and shall perform such other duties and responsibilities as the board of directors may determine, including: presiding at executive sessions of the board of directors; reporting the results of the executive sessions to the Chairperson; providing feedback from executive sessions to the Chairperson; serving as a liaison between the Chairperson and the other directors; advising the Chairperson with respect to the schedule, agenda and information for board of director meetings; advising the Chairperson with respect to consultants who report directly to the board of directors; and being available, as appropriate, to communicate with the Company's shareholders.

In addition, the Company plans on adopting Corporate Governance Guidelines, in which the board of directors will be required to hold executive sessions without Company management and non-independent director participation no fewer than five times a year on the same day as the regularly scheduled board of directors meetings. These meetings shall be chaired by the Lead Independent Director.

Committees of the Board

As of the day immediately before the distribution date, the committees of our board of directors are expected to consist of an Audit Committee, a Nominating, Corporate Governance and Compliance Committee, and a Management Development and Compensation Committee. Each of these committees will be required to comply with the requirements of the SEC and NASDAQ. Our board of directors will adopt a written charter for each of these committees, which will be posted to our website prior to the distribution date.

Audit Committee

The Audit Committee will be responsible for overseeing reports of our financial results, audit reporting, internal controls, and adherence to our Code of Conduct and Ethics in compliance with applicable laws and regulations. Concurrent with that responsibility, as set out more fully in the Audit Committee charter, the Audit Committee will perform other functions, including:

- the selection, appointment, compensation and oversight of the work of any independent registered public accounting firm employed by the Company;
- reviewing the qualifications and independence of the Company's independent registered public accounting firm;
- assisting the board of directors with oversight of the integrity of the financial statements of the Company;
- overseeing the Company's compliance with legal and regulatory requirements as they impact the Company's financial statements or reporting systems;
- overseeing the Company's internal audit functions and internal controls, including approving a risk-based internal audit plan and approving the Internal Audit Charter on an annual basis;

- reviewing the system and controls over reporting that the Company has in place to ensure the accuracy of its key disclosures related to environmental, social, and governance matters;
- overseeing the Company's management of financial risks, including with respect to risk assessment and risk management;
- reviewing all related party transactions in accordance with the Company's Related Party Transactions Policy;
- producing an Audit Committee report as required by the SEC to be included in the Company's annual proxy statement; and
- regularly reviewing the Company's cybersecurity and other information technology risks, controls and procedures, including the potential impacts of such risks on the Company's business, financial results, operations and reputation, and the Company's plans to mitigate cybersecurity risks and to respond to data breaches, and regularly receiving reports from, and meeting with, the Chief Information Risk Officer and Chief Information and Technology Officer to review cybersecurity issues.

The Audit Committee will have at least three members and will consist entirely of independent directors, each of whom will meet the independence, experience and expertise requirements of the NASDAQ listing standards and our Audit Committee charter. Each member of the Audit Committee will be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow. Upon completion of the spinoff, we expect our Audit Committee will consist of Mr. Smith, Mr. Pesicka, Dr. Ray and Mr. Neupert, with Mr. Smith serving as chair. The board of directors has determined that Mr. Smith, Mr. Pesicka, and Mr. Neupert are each an "audit committee financial expert" as defined under the rules and regulations of the SEC.

Nominating, Corporate Governance and Compliance Committee

The Nominating, Corporate Governance and Compliance Committee will be devoted primarily to (i) the continuing review, definition, and articulation of our governance structure and practices and (ii) assisting our board of directors in carrying out its oversight responsibility with respect to compliance issues and attendant risks. Concurrent with that responsibility, as set out more fully in the Nominating, Corporate Governance and Compliance Committee charter, the Nominating, Corporate Governance and Compliance Committee will perform other functions, including:

- identifying individuals qualified to become members of the board of directors, consistent with criteria approved by the board of directors and succession planning;
- evaluating and analyzing annually the independence and commitments of each member of the board of directors;
- recommending to the board of directors the director nominees for the annual meeting of shareholders and the director nominees for each committee;
- reviewing and evaluating any actual or potential conflicts of interest relating to any director that may affect a director's continued service on the board of directors;
- reviewing and reassessing, on an annual basis, the adequacy of the corporate governance principles of the Company and recommending any proposed changes to the board of directors for approval;
- leading the board of directors in its annual self-assessment;
- overseeing management of risks relating to compliance matters, including compliance with applicable legal, regulatory, operational, environmental, and health and safety requirements as well as high ethical standards; and

- assisting the board of directors in its oversight of management's efforts to adopt and implement policies and procedures that require us and our employees to act in compliance with high ethical and legal standards, and to be compliant with applicable operational, health, safety, environmental, quality, and regulatory requirements and best practices (see "Audit Committee" regarding financial control, audit, and accounting matters).

The Nominating, Corporate Governance and Compliance Committee will have at least two members. Upon completion of the spinoff, we expect that our Nominating, Corporate Governance and Compliance Committee will consist of Mr. Neupert, Ms. Larson, Mr. Eckert and Dr. Ray, with Mr. Neupert serving as chair.

Management Development and Compensation Committee

The Management Development and Compensation Committee will have responsibility for defining and articulating our overall executive compensation philosophy and key compensation policies, and administering and approving all elements of compensation for corporate officers. Concurrent with that responsibility, as set out more fully in the Management Development and Compensation Committee charter, the Management Development and Compensation Committee will perform other functions, including:

- reviewing the Company's compensation and benefit policies, procedures and objectives, including any perquisites paid to the CEO and other executive officers and directors;
- performing an annual review of and making recommendations to the independent members of the board of directors regarding the goals and objectives for CEO compensation, evaluating, at least annually, the CEO's performance in light of those goals and objectives, and reviewing the compensation paid to the CEO and other executive officers;
- reviewing and evaluating the compensation paid to the Company's non-employee directors;
- reviewing the CEO's annual report on management development and assisting the board of directors in overseeing management succession plans;
- monitoring the evolving executive compensation landscape and considering shareholder feedback;
- reviewing and overseeing the Company's incentive compensation and equity plans;
- evaluating the Company's pay practices in relation to the Company's risk profile and compensation philosophy;
- approving and periodically assessing the effectiveness of any policies or plans related to the recoupment of incentive compensation, or "clawback" policies;
- overseeing the Company's policies and strategies related to its culture and human capital management, including diversity, equity, and inclusion;
- producing a committee report as required by the SEC to be included in the Company's annual proxy statement; and
- assisting the board of directors in overseeing development and corporate succession plans for the corporate senior leadership team.

The Management Development and Compensation Committee will have at least two members. Upon completion of the spinoff, we expect that our Management Development and Compensation Committee will consist of Mr. Eckert, Mr. Pesicka, Ms. Larson and Mr. Smith, with Mr. Eckert serving as chair.

Director Compensation

As part of the spinoff planning process, Labcorp engaged FW Cook to assist with developing a non-employee director compensation program for us which is intended to compensate the first year of director service. Following

the first year, changes, if any, will be considered and approved by our board of directors and Management Development and Compensation Committee. In establishing such program, Labcorp and FW Cook analyzed the director compensation programs for Fortrea's 16-company industry peer group (as described in more detail below under "Executive Compensation") and companies in the general industry. As a result of such review, the initial director compensation program was approved for us, pursuant to which each director will receive compensation in the form of an annual cash retainer and an equity award. For 2023, the cash retainer will be $67,500 and the equity award will be in the form of Fortrea restricted stock units, which will be issued after the spinoff and are expected to have a grant-date value of $210,000 (which will be subject to, among other terms and conditions, a one-year vesting requirement). The Lead Independent Director will be entitled to receive an additional cash retainer of $40,000, and, after the establishment of our Audit Committee, Nominating, Corporate Governance and Compliance Committee, and Management Development and Compensation Committee, an additional cash retainer of $25,000 will be paid to the chair of the Audit Committee and an additional cash retainer of $20,000 will be paid to the chairs of each of the Nominating, Corporate Governance and Compliance Committee and Management Development and Compensation Committee. For 2024 and thereafter, non-employee members of our board of directors are expected to receive a cash retainer of $90,000 and an equity award in the form of Fortrea restricted stock units, with a grant-date value of $210,000 (which will be subject to, among other terms and conditions, a one year vesting requirement), and the Lead Independent Director and committee chairs will also receive the cash retainers described above.

Code of Conduct and Ethics

Prior to the distribution date, we will adopt a written Code of Conduct and Ethics (the "Code of Conduct") applicable to all of our and our subsidiaries' and affiliates' directors, officers, and employees. The Code of Conduct sets forth policies and expectations on a number of topics, including but not limited to, conflicts of interest, confidentiality, compliance with laws (including insider trading laws), preservation and use of Company assets, and business ethics. The Code of Conduct is designed to:

- promote honest and ethical conduct;
- address compliance with applicable governmental laws, rules, and regulations;
- deter wrongdoing; and
- foster full, fair, accurate and timely disclosure of concerns or violations.

Compensation Committee Interlocks and Insider Participation

None of our executive officers has served as a member of a compensation committee (or if no committee performs that function, a board) of any other entity that has an executive officer serving as a member of our Board.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

As discussed above, Fortrea is currently a subsidiary of Labcorp and not an independent public company, and the Management Development and Compensation Committee of our board of directors (the "Fortrea Compensation Committee") has not yet been formed. This Compensation Discussion and Analysis describes the historical compensation practices of Labcorp and the design and objectives of Labcorp's executive compensation programs in place prior to the separation. It also attempts to outline certain aspects of Fortrea's anticipated compensation structure for its senior executive officers following the separation, including the material terms of any such compensation programs already determined and currently in place. While Fortrea has discussed its anticipated programs and policies with the Compensation and Human Capital Committee (the "Labcorp Compensation Committee") of Labcorp's board of directors (the "Labcorp Board"), they remain subject to the review and approval of the Fortrea Compensation Committee.

For purposes of this Compensation Discussion and Analysis, the following individuals are referred to as our "Named Executive Officers" or "NEOs" based on their status as individuals who would have been considered executive officers of the Clinical Development Business Unit during 2022:

- Thomas Pike, our Chief Executive Officer and Chairman;
- Jill McConnell, our Chief Financial Officer; and
- Mark Morais, our Chief Operating Officer and President, Clinical Services.

Mr. Pike began serving as the President and Chief Executive Officer of Labcorp's Clinical Development Business Unit in January 2023 and is identified as an NEO because he is expected to serve as our Chief Executive Officer and Chairman. Ms. Jill McConnell is identified as an NEO because she is expected to serve as our Chief Financial Officer. Mr. Morais is identified as an NEO because he is expected to serve as our Chief Operating Officer and President, Clinical Services. The information provided for Ms. McConnell and Mr. Morais for 2022 reflects compensation earned at Labcorp based on their roles with Labcorp during 2022. Mr. Pike was not a Labcorp employee or Labcorp director during 2022, so the following discussion of Labcorp's historical executive compensation programs does not apply to him. The discussion of current and future executive compensation programs and the philosophy and principles for NEO compensation does, however, apply to the compensation Ms. McConnell and Messrs. Pike and Morais are expected to receive from us following the separation. The Labcorp Compensation Committee reviewed and approved the compensation programs and policies, including incentive compensation plans and equity-based plans, applicable to our NEOs in 2022. As Ms. McConnell and Mr. Morais were not executive officers of Labcorp in 2022, their compensation was determined by Labcorp's senior management consistent with Labcorp's compensation philosophy but was not specifically reviewed or determined by the Labcorp Compensation Committee, except that their annual equity awards were approved by the Labcorp Compensation Committee in February 2022.

At the time of the separation, we expect that Fortrea will have executive compensation programs, policies, and practices for its executive officers that are similar to those of Labcorp. After the separation, the executive compensation programs, policies, and practices for our executive officers will be subject to the review and approval of the Fortrea Compensation Committee. We currently anticipate that, except as otherwise described in this Compensation Discussion and Analysis, annual and long-term compensation programs for our executive officers immediately following the spinoff will be substantially similar to the programs currently utilized by Labcorp for its executive officers. The Fortrea Compensation Committee will review these programs, and, it is expected, will make adjustments to support Fortrea's strategies and to remain market competitive.

Compensation Program Objectives and Compensation Philosophy

Labcorp's executive compensation program was designed to attract, motivate, and retain talented executives in a highly competitive environment, consistent with Labcorp's executive compensation philosophy to pay for performance by rewarding the achievement of specific short-term and long-term financial, operational, and strategic goals. Labcorp believed its executive compensation program discourages unnecessary risk-taking and aligned the interests of Labcorp's shareholders with the performance of Labcorp's executives. The Labcorp Compensation Committee considered Labcorp's financial and business performance, execution of Labcorp's strategic plan, leadership, and operational performance in making compensation decisions. The Labcorp Compensation Committee believed that talent is the key to the daily operating and long-term success of Labcorp, and adopted a compensation program to support a pay for performance culture based on (i) attraction, retention, and motivation of top talent; (ii) pay differentiation based on individual, role, business unit, and total company level results; (iii) compensation packages that are market competitive; (iv) fair, equitable, and compliant pay practices that support internal equity; (v) motivating performance and rewarding results that lead to profitable growth over time; and (vi) support of shareholder interests and returns.

In support of this philosophy, Labcorp's executives' compensation structure was founded on the following core objectives, which we expect to be the core objectives of Fortrea's compensation philosophy:

- **Focused on performance-based and variable compensation.** Performance-based compensation comprised a significant part of total compensation;
- **Long-term performance oriented.** Equity-based compensation comprised the largest part of total compensation and vests over a multi-year period to align the long-term interests of Labcorp executive officers and shareholders;
- **Sensitive to performance variability.** The size and the realizable values of incentive awards provided to Labcorp executive officers varied significantly with performance achievements;
- **Compensation comparable to that provided by industry peers.** Compensation opportunities for Labcorp executive officers were evaluated in general terms against those offered by companies that were in similar industries and were similar in size and scope of operations; and
- **Designed to recognize varying levels of responsibility.** Differences in executive compensation within Labcorp reflected varying levels of responsibility and/or performance.

Labcorp's executive compensation program aligned compensation with performance using three key elements of compensation: (i) annual salary; (ii) annual cash incentive pay; and (iii) long-term incentive awards. Total target compensation for these three elements was set to be competitive in relation to the median market compensation, while continuing to emphasize the variable or at-risk portion of compensation when establishing the mix among these elements.

Labcorp sought to achieve outstanding performance for Labcorp shareholders through focusing Labcorp executives on adjusted operating income, revenues, adjusted EPS, net orders for Labcorp's Drug Development segment, and relative total shareholder return ("TSR") (compared against Labcorp's peer group). Labcorp's compensation program rewarded Labcorp's executives for achieving goals set for these financial metrics and provided them a direct incentive to both preserve and create shareholder value and increase Labcorp's stock price. A substantial majority of the Labcorp executives' 2022 compensation opportunity was in the form of variable and performance-based awards, including performance-based cash compensation under Labcorp's annual incentive cash plan, (which Labcorp calls the Labcorp Bonus Plan "LBP"), performance shares, stock options and restricted stock units, all of which provide Labcorp's executives a strong incentive to drive Labcorp performance and increase Labcorp shareholder value. The following principles guide Labcorp incentive compensation, which we expect to be the core principles of Fortrea's incentive compensation:

- executives receive payments only if performance goals are met or exceeded;

- payments under the LBP, if any, are based on a mix of (1) Labcorp goals common to all Labcorp executives, (2) a modifier based on enterprise-wide performance on ESG initiatives, and (3) an individual performance modifier for each executive addressing areas such as leadership and strategic objectives;
- by granting performance shares on overlapping cycles, Labcorp can adjust multi-year performance goals each year, as appropriate;
- a significant portion of long-term incentive target value (approximately 60%) is earned only if three-year financial performance goals are met; and
- both LBP payouts and the earned number of performance shares are capped at 200% of target.

Labcorp believes these programs reflect Labcorp's strong commitment to a results-driven compensation program and the amounts earned in 2022 by the Labcorp NEOs reflect this approach. While Labcorp's long-term performance over the last three years has exceeded expectations, Labcorp's annual performance in 2022 was mixed with performance exceeding target in Labcorp's Diagnostics segment and falling below target in Labcorp's Drug Development segment. Under the LBP, the annual incentive payout for Ms. McConnell, which was based on enterprise performance, resulted in a payout below target at 85%. Under the LBP, the annual incentive payout Mr. Morais, which was based on enterprise, segment, and business unit performance, resulted in a payout below target at 45%. With respect to the performance shares received by Ms. McConnell and Mr. Morais in 2020, they received a share payout of 134.2% of target, reflecting Labcorp's strong performance for the three-year performance period ending in 2022.

The Role of the Compensation Committee

The Labcorp Compensation Committee's oversight responsibilities include Labcorp's compensation and benefits as well as human capital management, including diversity, equity, and inclusion. The Labcorp Compensation Committee believes that a strong focus on diversity and inclusion aligns with shareholder goals, and regular updates are provided at each regular meeting to monitor and discuss Labcorp's progress with the Chief Diversity and Inclusion Officer. With respect to Labcorp's NEOs and other executive officers, the Labcorp Compensation Committee establishes compensation and benefits plans, sets compensation targets and performance goals, and evaluates performance against those plans and goals. The Labcorp Compensation Committee meets throughout the year to review compensation trends, evaluate emerging best practices, and consider changes to the executive compensation programs that align pay with performance and provide Labcorp's senior management with an incentive to achieve superior financial results for Labcorp. In determining whether changes to the executive compensation programs are needed, the Labcorp Compensation Committee considers the goals and strategic objectives of Labcorp, including changes to strategy that should be reflected in the incentive structure of the management team. The Labcorp Compensation Committee also considers the results of prior advisory votes on compensation, direct shareholder input, and feedback from its independent consultant, FW Cook, in determining changes to the executive compensation program. The Labcorp Compensation Committee approves changes to each component of executive officer compensation, including increases in base salary, annual incentive awards, and long-term equity incentive awards.

The Fortrea Compensation Committee expects to adopt a similar role following the separation.

The Role of Management in Compensation Decisions

Annually, Labcorp's Chief Executive Officer (the "Labcorp CEO") is invited to provide input on the Labcorp Compensation Committee's executive compensation decisions, and for 2022, including input on the individual performance modifier under the LBP for each Labcorp NEO subject to the approval of the Labcorp Compensation Committee. The Labcorp CEO's input and compensation proposals for the other Labcorp NEOs are based on his assessment of past and expected individual performance and contribution. In addition, Labcorp's Chief Human Resources Officer and Vice President of Global Rewards generally attend and participate in meetings of the Labcorp Compensation Committee, and provide input on the design and implementation of Labcorp's executive compensation program. However, because Ms. McConnell and Mr. Morais were not executive officers of Labcorp in 2022, their compensation was determined by Labcorp's senior management consistent with Labcorp's

compensation philosophy but was not specifically reviewed or determined by the Labcorp Compensation Committee, except that their annual equity awards were approved by the Labcorp Compensation Committee in February 2022.

Fortrea expects that its management will adopt a similar role in compensation decisions following the separation.

The Role of the Independent Consultant

FW Cook is the Labcorp Compensation Committee's independent compensation consultant and plays an integral role in supporting the Labcorp Compensation Committee in the compensation-setting process, and one or more of its representatives attends the Labcorp Compensation Committee meetings to serve as a resource for the Labcorp Compensation Committee. FW Cook provides insight and advice related to Labcorp's compensation plans and policies, and provides recommendations based on compensation trends and regulatory and compliance developments. To encourage independent review and discussion of executive compensation matters, the Labcorp Compensation Committee and its chair regularly meet with the independent compensation consultant in executive sessions without management present. The Labcorp Compensation Committee has sole authority to retain or replace the independent compensation consultant. To maintain consultant independence, the Labcorp Compensation Committee's pre-approval is required for all services performed by the independent compensation consultant.

The Fortrea Compensation Committee expects to retain the services of an independent compensation consultant, which will play a similar role in supporting the Fortrea Compensation Committee.

Use of Peer Group

In February 2023, Labcorp established a peer group for Fortrea with input from FW Cook for use in benchmarking executive and non-employee director compensation levels and other pay practices. In establishing the peer group, Labcorp and FW Cook considered competitors based on Fortrea's projected size and business profile using objective screening criteria including revenue, free cash flow, EBITDA, market capitalization and number of employees of publicly traded organizations.

The companies included in Fortrea's comparative peer group are:

- Bausch Health Companies
- Bio-Rad Laboratories
- Bruker Corporation
- Catalent, Inc.
- Charles River Laboratories
- Exelixis, Inc.
- ICON plc
- IQVIA Holdings, Inc.
- Jazz Pharmaceuticals plc
- Medpace Holdings, Inc.
- Organon & Co.
- Perrigo Company plc
- Syneos Health

- Teleflex Incorporated
- Viatris Inc.
- Vir Biotechnology, Inc.

2022 Elements of Compensation

Labcorp's executive compensation program focused on three key elements of compensation: (i) annual salary; (ii) annual cash incentive pay; and (iii) long-term incentive awards. In addition to these three main elements, Labcorp provides limited perquisites, severance benefits, and postretirement benefits as part of a standard, competitive compensation package. It is expected that Fortrea's executive compensation programs will include the same key elements, although some components such as postretirement benefits are not expected to be included.

Base Salary

Annual base salary provides fixed pay that corresponds to an executive's experience and job scope. While the Labcorp Compensation Committee generally targeted salary levels of its executive officers at the median of the market data (and retained the flexibility to adjust such levels, while also considering reviews and recommendations by the Labcorp CEO with respect to individual experience and performance in setting such amounts), the annual base salaries of Ms. McConnell and Mr. Morais were not specifically reviewed or determined by the Labcorp Compensation Committee and were instead determined by Labcorp's senior management consistent with Labcorp's compensation philosophy. The amounts of the base salaries for Ms. McConnell and Mr. Morais for 2022 were determined using several factors, including market competitive data and the individual's performance and experience in the role, and increases generally provided to Labcorp employees. For 2022, Ms. McConnell's base salary was $411,215 and Mr. Morais's base salary was $413,800.

Annual Cash Incentive Pay (LBP)

Labcorp maintains the LBP, which is Labcorp's enterprise-wide bonus plan (started in 2021) that covers the majority of Labcorp executives and management eligible for bonuses, including the Fortrea NEOs. The LBP is designed to compensate Labcorp executives for achieving annual goals that further Labcorp's strategy and create Labcorp shareholder value. The LBP was introduced to better (i) support Labcorp strategy through its strong focus on enterprise-wide performance, (ii) harmonize practices across the enterprise, and (iii) align with the range of performance opportunity observed among Labcorp's peer group. The design of the LBP for 2022 remained unchanged from 2021, except for the introduction of a company-wide ESG modifier applicable to Labcorp senior executives, but such ESG modifier did not apply to the Fortrea NEOs in 2022.

Bonus awards for the Fortrea NEOs under the LBP were based on two performance factors:

- a Business Performance Factor, which is based on Labcorp financial metrics; and
- the executive's Individual Performance Modifier.

Ms. McConnell's Business Performance Factor was based entirely on enterprise financial metrics, and Mr. Morais's Business Performance Factor was based on a combination of enterprise, business segment, and business

unit metrics. The table below shows the metrics and weightings that determine the Business Performance Factor for each NEO.

METRICS	ENTERPRISE GROUP	DRUG DEVELOPMENT SEGMENT GROUP
Executives	Jill McConnell	Mark Morais
Labcorp Consolidated Revenue	50 %	25 %
Labcorp Consolidated AOI	50 %	25 %
Segment Net Orders		20 %
Segment AOI		20 %
Business Unit Consolidated Revenue		5 %
Business Unit Consolidated Adjusted Operating Income (AOI)		5 %
Total	**100 %**	**100 %**

Financial goals may be achieved by the NEOs at a threshold, target, or superior level with payout levels equal to: 50% at threshold performance, 100% at target performance, and 200% at superior performance. If actual performance falls between either the threshold and target levels or the target and superior levels, the payouts are interpolated accordingly based on payout levels shown below. Each goal is measured separately and if the threshold level of performance for a particular goal is not achieved, the payout for that goal is zero.

In addition, there is an Individual Performance Modifier that increases or decreases the executive's bonus based on individual performance, which may address individual, strategic, and operational objectives, as well as soft skills like leadership and collaboration. The Individual Performance Modifier may range from 0% to 150%, provided that the modifier may not increase the payout to more than 200% of target under the LBP, the overall plan cap on payouts. If one or more of the individual performance metrics are not achieved (resulting in 0%), then the corresponding LBP payout could result in an amount less than the threshold level amount.

The threshold, target, and superior goals for the revenues, adjusted operating income, and segment net orders measures were based on various outcomes considered by the Labcorp Compensation Committee, with the target amounts aligning to Labcorp's and segment's operating budget approved by the Labcorp Board. Labcorp's 2022 goals took into consideration Labcorp's and each segment's internal outlook and expectations, and the outlook for 2022 provided to the public markets in early 2022. As Labcorp's business context has become increasingly volatile due to the impact of factors such as COVID-19, global economic and sociopolitical factors, and inflation, setting appropriate targets continues to be challenging. In August 2022, Labcorp increased the threshold levels of Drug Development segment metrics from 80% of target to 90% of target, which made the achievement of threshold more challenging, in order to better align costs with performance given the challenging business environment. This also aligned thresholds on Drug Development metrics with the threshold used for enterprise and Diagnostics revenue. Target and maximum performance levels were not changed.

Results for 2022 Company and Segment Financial Goals.

The 2022 goals and the result for the year for each goal were:

LABCORP GOALS	THRESHOLD	TARGET	SUPERIOR	2022 RESULT	ACHIEVEMENT[5]
Consolidated Revenues[1]	$13.9 billion	$15.5 billion	$17.0 billion	$15.0 billion	97%
Consolidated Adjusted Operating Income[2]	$2.2 billion	$2.7 billion	$3.0 billion	$2.5 billion	94%
LABCORP DRUG DEVELOPMENT SEGMENT BUSINESS	**THRESHOLD**	**TARGET**	**SUPERIOR**	**2022 RESULT**	**ACHIEVEMENT[5]**
Segment Net Orders[3]	$7.3 billion	$8.1 billion	$11.4 billion	$7.3 billion	90%
Segment Adjusted Operating Income[4]	$0.9 billion	$1.0 billion	$1.4 billion	$0.8 billion	78%
Business Unit Revenue	$3.0 billion	$3.3 billion	$4.6 billion	$3.0 billion	91%
Business Unit Adjusted Operating Income	$0.4 billion	$0.5 billion	$0.7 billion	$0.4 billion	80%

(1) Consolidated Revenues represents Labcorp's consolidated revenues as reported in the 2022 Annual Report, adjusted for foreign currency impact versus budgeted exchange rates.
(2) Consolidated Adjusted Operating Income represents Labcorp's consolidated adjusted operating income (excluding amortization, restructuring charges, special items, and impairments) as reported in Labcorp's 2022 earnings release on February 16, 2023, adjusted for foreign currency impact versus budgeted exchange rates.
(3) Segment Net Orders represents Labcorp Drug Development's reported net orders at actual currency rates.
(4) Drug Development's Segment Adjusted Operating Income represents Labcorp Drug Development's adjusted operating income as reported in Labcorp's 2022 earnings release on February 16, 2023, adjusted for foreign currency impact versus budgeted exchange rates.
(5) Percentage achieved as a percentage of the target goal.

For 2022, the bonus opportunities for Ms. McConnell and Mr. Morais were 50% and 50%, respectively, Enterprise performance for Ms. McConnell was 84.8%, the Business Performance Factor for Mr. Morais was 45.1%, and the Individual Performance Modifiers for Ms. McConnell and Mr. Morais were 100% and 103%, respectively, which resulted in each individual's LBP award value of $174,355 and $96,111, respectively.

Long-Term Incentive Awards

Labcorp long-term incentive awards for 2022 for Ms. McConnell and Mr. Morais were comprised of a mix of performance share awards and restricted stock units. Performance share awards vest based on performance at the end of a three-year performance measurement period. Restricted stock units generally vest in equal one-third increments over a three- year period beginning on the first anniversary of the grant date. In setting 2022 long-term compensation, the Labcorp Compensation Committee determined that a balanced program using performance-based awards and restricted stock units for senior leadership would achieve all of the following: reward stock-price growth; deliver performance-based, at-risk compensation through performance shares; ensure longer-term business focus through the use of multi-year operational performance goals to determine the number of performance share awards ultimately earned; provide retention features through multi-year vesting and the use of restricted stock units (three-year vesting requirement); align interests of senior leadership, including the Fortrea NEOs, with interests of all shareholders; and align with market and peer group practices.

The Labcorp Compensation Committee annually evaluates the mix of long-term incentive awards to align with peer group practice and/or other applicable market comparisons. For 2022, the Labcorp Compensation Committee continued with a mix of 60% performance shares and 40% restricted stock units. The values ultimately selected for senior leadership were based on Labcorp's desire to attract and retain talent. Labcorp continued to place a strong emphasis on long-term incentives to align with shareholder interests.

Each year the Labcorp Compensation Committee assesses the appropriateness of the metrics used to determine the actual number of performance shares to be earned, if any, at the end of the next three-year period. This assessment takes into consideration a number of factors including, alignment with long-term business objectives, feedback from Labcorp shareholders, ability to establish meaningful long-term goals and alignment to shareholder

value creation, among others. For the 2022-2024 performance cycle, the Labcorp Compensation Committee determined that EPS growth, revenue growth, and TSR remained appropriate because they (i) are critical to the long-term success of Labcorp, (ii) are transparent to shareholders and the Fortrea NEOs, (iii) reinforce alignment between the Fortrea NEOs and shareholders through the TSR modifier, and (iv) create an appropriate balance between profitability and top-line growth, which is important to shareholder value and discourages unnecessary risk taking.

The table below presents an overview of the 2022-2024 performance share awards, which are based on three-year cumulative EPS growth, revenue growth measured on a three-year cumulative basis, and TSR relative to Labcorp's peer group, as follows:

GOAL	WEIGHTING	THRESHOLD	TARGET	SUPERIOR
EPS GROWTH				
(3-year cumulative EPS)	70%	$50.25	$56.75	$63.25
REVENUE GROWTH				
(3-year cumulative revenue)	30%	$46.0 billion	$47.4 billion	$48.8 billion
RELATIVE TOTAL SHAREHOLDER RETURN MODIFIER*	N/A	Bottom 25th Percentile -25%	Between the 26th and 75th Percentile No adjustment	Top 25th Percentile +25%

The performance share awards provide that achievement at the Threshold level results in earning 50% of the related portion of the award, achievement at the Target level results in earning 100% of the related portion of the award, and achievement at the Superior level results in earning 200% of the related portion of the award. If the three-year cumulative relative TSR falls below the 25th percentile of Labcorp's peer group, the calculated payout of the performance shares will be reduced by 25%. If the three-year cumulative relative TSR is above the 75th percentile, the calculated payout of the performance shares will be increased by 25%, subject to an overall cap at 200% of target.

Details related to the grant size for each NEO can be found in the table included at "Grants of Plan-Based Awards".

2020-2022 Performance Share Awards Earned

Labcorp granted performance share awards in 2020 that would be earned only to the extent the stated performance goals over the three-year performance period ending December 31, 2022 were realized. The awards were based on annual EPS growth over the three-year period and revenue growth measured by three-year cumulative revenue, with a modifier based on total shareholder return relative to Labcorp's peer group. The awards provided that achievement at the Threshold level would result in earning 50% of the related portion of the award, achievement at the Target level would result in earning 100% of the related portion of the award and achievement at the Superior

level would result in earning 175% of the related portion of the award. As a result of the performance, and as described in the table below, awards were earned at 134.2% of target, and vested on March 30, 2023:

GOAL	WEIGHTING	THRESHOLD	TARGET	SUPERIOR	2020-2022 RESULT
EPS GROWTH* (annual)	70%	2020: $11.64 2021 & 2022: *2% annual growth rate over the prior year*	2020: $12.00 2021 & 2022: *5% annual growth rate over the prior year*	2020: $12.36 2021 & 2022: *8% annual growth rate over the prior year*	2020: $23.94 (superior) 2021: $28.54 (Superior) 2022: $19.94 (below Threshold) Average annual growth rate for the 3-year period of 33.5%
REVENUE GROWTH (3-year cumulative revenue)	30%	$36.7 billion	$37.9 billion	$39.0 billion	$45.0 billion (Superior)
RELATIVE TOTAL SHAREHOLDER RETURN MODIFIER**	N/A	Bottom 25th Percentile	25th-75th Percentile	Top 25th Percentile	64th Percentile (Target)

* The level of achievement was determined separately for each of 2020, 2021 and 2022, and then an average of the achievement levels for these three years was calculated to determine the overall achievement level of the EPS Growth performance criterion for the 2020-2022 performance period.

** Refers to the percentile among Labcorp's peer group based on TSR. The performance shares awards provided that if the three-year cumulative relative TSR was below the 25th percentile of Labcorp's peer group, the calculated payout of the performance shares would be reduced by 25%, if the three-year cumulative relative TSR was above the 75th percentile, the calculated payout of the performance shares would be increased by 25%, and of the three-year cumulative relative TSR was in range from the 26th to the 75th percentile, then no adjustment would be made.

Retirement Plans; Deferred Compensation Plan; Perquisites

- ***Retirement Plans:*** Ms. McConnell and Mr. Morais were eligible to participate in Labcorp's 401(k) plan, which is a defined contribution retirement savings plan. Participation in this plan is available to substantially all eligible US-based employees, including executives. Labcorp contribution information for the Fortrea NEOs is reflected in the "Summary Compensation Table" below.

- ***Deferred compensation Plan:*** At the end of 2021, Labcorp froze both the Laboratory Corporation of America Holdings Deferred Compensation Plan and the Covance Deferred Compensation Plan and established a new plan, the Laboratory Corporation of America Holdings Nonqualified Deferred Compensation Plan ("DCP"), effective January 1, 2022. Under the DCP, certain of Labcorp's executives, including the NEOs, may elect to defer up to 90% of their annual cash incentive pay and/ or up to 50% of their annual base salary and/or eligible commissions subject to annual limits established by the federal government. The deferral limits were based on the Labcorp Compensation Committee's assessment of best practices at the time the DCP was established. The DCP was established to provide a competitive benefit as part of the overall benefits package available to executives and provides them with a tax efficient strategy for retirement savings and capital accumulation without significant cost to Labcorp. Labcorp makes no matching contributions to the DCP. For additional information on the DCP, see "Deferred Compensation Plans".

- ***Perquisites:*** Ms. McConnell and Mr. Morais received financial services, long-term disability, and a wellness exam allowance in 2022, all of which were determined by Labcorp to be appropriate benefits that help ensure that Labcorp executives maintain appropriate fiscal and physical health, which contributes to

stable executive leadership for Labcorp. Labcorp believes that the perquisites it provides are appropriate and beneficial to Labcorp. For more information on perquisites provided by Labcorp in 2022, including the valuation and amounts, see the “Summary Compensation Table” below.

Termination and Change-in-Control Payments

Ms. McConnell and Mr. Morais were covered by Labcorp’s U.S. Severance Policy (the “Severance Policy”) that provides participants with financial protection in circumstances involving a qualifying termination. For additional information on the termination benefits under the Severance Policy, see “Potential Payments Upon Termination or Change in Control”. In addition, the Labcorp 2016 Omnibus Incentive Plan provides that if awards are assumed or substituted in connection with a change in control, only a qualifying termination event will result in accelerated vesting (i.e., “double trigger”). The plan does not provide for any tax gross-ups. Labcorp believes these provisions are consistent with current market practice.

Clawback Requirement

Awards that have been made pursuant to Labcorp’s 2016 Omnibus Incentive Plan are subject to any recoupment policy adopted by Labcorp to comply with the requirements of any applicable laws. In December 2018, the Labcorp Board adopted the Incentive Compensation Recoupment Policy, which generally provides for clawback of cash and equity awards upon a finding by Labcorp’s Audit Committee or the Labcorp Compensation Committee, as applicable, of an accounting restatement caused by material non-compliance with any reporting requirement, an overpayment of an award based on an accounting error, or employee misconduct. In addition, awards made under Labcorp’s 2016 Omnibus Incentive Plan may be annulled if the grantee is terminated for cause (as defined in Labcorp’s 2016 Omnibus Incentive Plan or in any other agreement with the grantee).

Following the separation, the Fortrea Compensation Committee will adopt and develop practices and procedures with respect to compensation decisions relating to clawbacks within the framework of the compensation plans adopted by us and applicable law. It is currently expected that these practices and procedures will initially be similar to those of Labcorp’s recoupment policy as described above. All such policies will reflect the final SEC rules implementing the incentive-based compensation recovery provisions of the Dodd-Frank Act and the recently announced NASDAQ Listing Standards governing clawbacks of executive compensation.

Stock Ownership Guidelines

The Labcorp Board believes that requiring executive management to maintain a significant personal level of stock ownership ensures that each executive officer is financially aligned with the interests of Labcorp’s shareholders. Pursuant to Labcorp’s executive stock ownership program, the stock ownership requirement for each Section 16 Officer of Labcorp is determined annually, utilizing the executive’s base salary as of the business day closest to June 30 of each year (the “Measurement Date”) and the average closing price of Labcorp’s Common Stock for the 90-day period ending on the Measurement Date. For new executive officers, the stock ownership requirement is initially determined as of the date that the person becomes an executive officer, utilizing the executive’s base salary as of that date and the average closing price of Labcorp’s Common Stock for the 90-day period ending on that date.

The required level of stock ownership will be adjusted if the executive’s position changes and the new position has a different ownership requirement. An executive is required to maintain this level of stock ownership throughout his or her tenure with Labcorp until near retirement, as explained below. The ownership requirements for each position are:

- Chief Executive Officer: 6x annual base salary
- Executive Vice Presidents 3x annual base salary
- All other executive officers: 1x annual base salary

Until the required level of ownership is met, an executive is required to hold 50 percent of any shares of Labcorp Common Stock acquired upon the lapse of restrictions on any stock grant and upon the exercise of stock

options, net of taxes and shares used to pay the exercise price. If an executive fails to meet or show progress towards satisfying these requirements, the Labcorp Compensation Committee may reduce future equity grants or other incentive compensation for that executive. Once an executive reaches the age of 62, the ownership requirement is reduced by 50%, and once an executive reaches the age of 64, the ownership requirement is reduced by 75%. The Fortrea NEOs were not subject to Labcorp's stock ownership guidelines because they were not executive officers of Labcorp in 2022.

In connection with the separation, Fortrea will adopt its own stock ownership guidelines that will be substantially similar to Labcorp's stock ownership guidelines.

Ban on Pledging and Hedging Transactions

Labcorp maintains an Insider Trading Policy that prohibits all directors, officers, and employees from pledging and hedging with respect to Labcorp stock, including: purchases of Labcorp stock on margin and/or any pledge of Labcorp stock including holding Labcorp stock in a marginable account and/or in any account other than a cash account; short sales; the buying or selling "puts" or "calls"; and other forms of hedging transactions, such as "prepaid variable forwards," "equity swaps," "collars," and "exchange funds".

Fortrea expects to adopt a similar policy following the separation.

Go-Forward Fortrea Compensation Arrangements

The executive compensation programs that will initially be adopted by Fortrea are currently expected to be substantially similar to those in place at Labcorp immediately prior to the separation. However, after the separation, the Fortrea Compensation Committee will continue to evaluate Fortrea's compensation and benefit programs and may make adjustments, which may be significant, as necessary to meet prevailing business needs and strategic priorities. Adjustments to elements of Fortrea's compensation programs may be made going forward if appropriate, based on industry practices and the competitive environment for a newly-formed, publicly-traded company, or for other reasons.

Arrangements with Mr. Pike

On January 9, 2023, Thomas Pike became the President and Chief Executive Officer of Labcorp's Clinical Development Business Unit pursuant to an employment agreement between Mr. Pike and Labcorp (the "Pike Employment Agreement"). If the spinoff is completed, the Pike Employment Agreement will be assigned to Fortrea, and he will serve as Chairman of the board of directors of Fortrea (the "Fortrea Board") and President and Chief Executive Officer of Fortrea. The following discussion is qualified in its entirety by reference to the Pike Employment Agreement.

The Pike Employment Agreement provides for a base salary of $1,100,000 per year (to be reviewed no less than annually for increase), eligibility to earn an annual target bonus equal to 150% of base salary (to be reviewed no less than annually for increase) based on the achievement of performance objectives (with a pro-rated minimum payout of 100% for 2023), and annual long-term equity-based awards as described in more detail below. In addition, Mr. Pike received a sign-on equity grant of $4,000,000 in the form of time-vested restricted stock units ("RSUs") of Labcorp (the "Sign-On Equity Grant"'), which will be eligible for vesting in three equal installments on the first three anniversaries of the grant date and will be subject to adjustment pursuant to which any unvested portion of such Sign-On Equity Grant may, in connection with the spinoff, be converted into Fortrea equity awards and assumed by Fortrea. If, by July 3, 2023, the spinoff has not been completed, but the Labcorp Board has not made a determination not to complete the spinoff, Mr. Pike will receive an additional one-time equity award of $4,000,000 in the form of Labcorp RSUs, subject to the same vesting and adjustment terms as the Sign-On Equity Grant (the "Delayed Equity Grant").

Following completion of the spinoff and subject to approval of the Fortrea Board or the applicable committee thereof, Mr. Pike will receive Fortrea equity awards with an aggregate grant date value of $20,000,000 (the "Initial Fortrea Equity Grant"), comprised of 30% RSUs and 70% stock options, in each case, which will vest as follows: (a) if the spinoff occurs on or before December 31, 2023, in three equal installments on the first three anniversaries of

the grant date, (b) if the spinoff occurs anytime in 2024, in equal installments on each of January 1, 2025, January 1, 2026 and January 1, 2027, or (c) pursuant to any other vesting schedule established by the Fortrea Board so long as all the shares vest within three years of the grant date. Equity awards following the completion of the spinoff will be determined by the Fortrea Board or the applicable committee thereof, provided that the first Fortrea equity award following the expiration of the initial term of the employment agreement will have an aggregate target grant date fair value of approximately $8,000,000 (subject to rounding). Notwithstanding the foregoing, in the event that Mr. Pike receives a Delayed Equity Grant, then the amount of the Initial Fortrea Equity Grant will be reduced by the grant date fair value of the Delayed Equity Grant.

The Pike Employment Agreement also provides that his primary office location will be in Maricopa County, Arizona and that he will be eligible to participate in all employee benefit plans, practices and programs that are generally made available to senior executives (except for Labcorp's Master Senior Executive Severance Plan or any similar such Fortrea severance plan, if established).

Pursuant to the Pike Employment Agreement, if Mr. Pike's employment is terminated prior to the spinoff by Labcorp without "cause" or by Mr. Pike for "good reason" (as such terms as defined in the Pike Employment Agreement), or if Labcorp does not renew the term, Mr. Pike will receive a partial year bonus (subject to his execution of a release of claims). If any such termination occurs after the spinoff, Mr. Pike will receive a partial year bonus as well as severance benefits (subject to his execution of a release of claims) equal to (i) two times the sum of his base salary and average annual bonus for the last three years if the applicable termination does not occur within 36 months following a "change in control" (as defined in the Pike Employment Agreement) of Fortrea, or (ii) three times the sum of his base salary and average annual bonus for the last three years, if the applicable termination of employment occurs within 36 months following a change in control of Fortrea. The Pike Employment Agreement contains a cutback provision, which provides that if any payments to Mr. Pike would constitute "parachute payments" within the meaning of Section 280G of the Code, as amended, then those payments will be subject to a reduction in order to avoid application of any applicable Section 280G excise tax, but only if the reduction would result in a greater net after-tax amount payable to Mr. Pike.

Pursuant to the award agreement governing the Sign-On Equity Grant, (i) if Mr. Pike's employment is terminated prior to the spinoff by Labcorp without "cause" and he does not, in connection with the spinoff, serve as a member of the Fortrea Board, 100% of the RSUs will vest on the date of Mr. Pike's separation from service (as defined in the award agreement), and (ii) if, prior to or in connection with the spinoff, Mr. Pike's employment is terminated by Labcorp without "cause" but, in connection with the spinoff, it is determined that he will serve as a member of the Fortrea Board (and not as an employee of Fortrea), Mr. Pike will not receive accelerated vesting but the RSUs will be eligible to continue to vest subject to Mr. Pike's continued service on the Fortrea Board. Vesting of the Sign-On Equity Grant will also be accelerated upon a Separation from Service due to Mr. Pike's death, disability, or termination without "cause" or for "good reason" within 24 months after a "change in control" (as such terms are defined in the award agreement). The Sign-On Equity Grant also includes certain accelerated vesting provisions in the event of termination of Mr. Pike's employment for similar reasons as described above outside of a change in control or in the event of his "retirement" as defined in the award agreement.

Mr. Pike has also entered into a confidentiality, non-competition and non-solicitation agreement with Labcorp, which includes a perpetual confidentiality covenant and covenants not to compete or solicit employees and/or customers for twelve months following termination of his employment.

Arrangements with Ms. McConnell

In connection with the spinoff, it is expected that Ms. McConnell's annual base salary at Fortrea will be $500,000 and annual target bonus will be 85% of base salary prorated based on Ms. McConnell's current target level and new target level following the spinoff. Her annual target bonus will be subject to performance metrics as established by Labcorp for the period prior to the spinoff and established by Fortrea after the spinoff. Ms. McConnell will also have an annual target Fortrea equity value equal to $1,000,000. Ms. McConnell will also receive a $200,000 retention cash bonus pursuant to a written agreement to be entered into, which is expected to provide for payment in two installments (the first to occur 30 days following the spinoff and the second to occur on the six month anniversary of the spinoff). Ms. McConnell will also be eligible to participate in Fortrea's Master

Severance Policy, which is expected to include severance benefits equal to one year of annual base salary, targeted bonus, and a medical stipend upon a qualifying termination upon terms and conditions that are expected to be substantially similar to Labcorp's Master Senior Executive Severance Plan as described in more detail below. In addition to the arrangements outlined above, Ms. McConnell also received a special grant of Labcorp RSUs with a value of $1,000,000 with a three-year graded vesting schedule.

Arrangements with Mr. Morais

In connection with the spinoff, it is expected that Mr. Morais's annual base salary at Fortrea will be $500,000 and annual target bonus will be 85% of base salary prorated based on Mr. Morais's current target level and new target level following the spinoff. His annual target bonus will be subject to performance metrics as established by Labcorp for the period prior to the spinoff and established by Fortrea after the spinoff. Mr. Morais will also have an annual target Fortrea equity value equal to $1,000,000. Mr. Morais will also receive a $200,000 retention cash bonus pursuant to a written agreement to be entered into, which is expected to provide for payment in two installments (the first to occur 30 days following the spinoff and the second to occur on the six month anniversary of the spinoff). Mr. Morais will also be eligible to participate in Fortrea's Master Severance Policy, which is expected to include severance benefits equal to one year of annual base salary, targeted bonus, and a medical stipend upon a qualifying termination upon terms and conditions that are expected to be substantially similar to Labcorp's Master Senior Executive Severance Plan as described in more detail below. In addition to the arrangements outlined above, Mr. Morais also received a special grant of Labcorp RSUs with a value of $1,000,000 with a three-year graded vesting schedule.

Treatment of NEOs' Long-Term Incentive Compensation Awards in Connection with the Separation

Equity awards held by our named executive officers who will continue with Fortrea will be treated the same as equity awards held by other employees who will continue with Fortrea, as described under "The Spinoff—Stock-Based Plans—Treatment of Equity-Based Compensation."

Fortrea Holdings Inc. 2023 Omnibus Incentive Plan

It is anticipated that prior to the separation, Fortrea will adopt the Fortrea Holdings Inc. 2023 Omnibus Incentive Plan (the "2023 Omnibus Plan") with terms substantially as set forth below. The following discussion is qualified in its entirety by reference to, and should be read together with the full text of, the 2023 Omnibus Plan.

Share Reserve. Subject to adjustments for changes in capitalization, the maximum number of shares of our common stock that will be available for issuance under the 2023 Omnibus Plan will be 11,000,000. For purposes of determining the aggregate number of shares of Fortrea common stock subject to the 2023 Omnibus Plan, the following share counting rules apply:

- Shares subject to an award of options, stock appreciation rights ("SARs") or an award other than options or SARs will be counted against the maximum number of shares of Fortrea common stock available for issuance under the 2023 Omnibus Plan as one share for every one share of Fortrea common stock subject to such an award. Shares subject to an award of SARs will be counted regardless of the number of shares of Fortrea common stock actually issued to settle such SARs upon the exercise of those rights.
- Shares subject to an award granted under the 2023 Omnibus Plan will again become available for issuance under the plan in the same amount as such shares were counted against the share limit if the award terminates by expiration, forfeiture, cancellation or otherwise without the issuance of such shares (except as set forth below). However, shares tendered, withheld or subject to an award (other than an option or SAR) surrendered or otherwise used in connection with the purchase of shares of Fortrea common stock or deducted or delivered from payment of such award in connection with Fortrea's tax withholding obligations will again be available for making awards under the 2023 Omnibus Plan in the same number as such shares were counted against the share limit; provided, however, that shares that are so surrendered, used, deducted or delivered on or after the tenth anniversary of the effective date of the 2023 Omnibus Plan may not be made available for making awards under the 2023 Omnibus Plan.

- The number of shares of Fortrea common stock available for issuance under the 2023 Omnibus Plan will not be increased by the number of shares of Fortrea common stock (i) tendered, withheld or subject to an option granted under the 2023 Omnibus Plan surrendered in connection with the payment of the option price upon exercise of an option or in connection with Fortrea's tax withholding obligations with respect to options or stock-settled SARs, (ii) that were not issued upon the net settlement or net exercise of a stock-settled SAR or (iii) purchased by Fortrea with proceeds from option exercises.

Shares of Fortrea common stock to be issued under the 2023 Omnibus Plan may be authorized and unissued shares, treasury shares, or any combination of the foregoing, as may be determined from time to time by the Fortrea Board or by the Fortrea Compensation Committee.

Director Compensation Limits. The aggregate maximum value of compensation granted to any non-employee director of Fortrea for such service in any one calendar year may not exceed $600,000 in total value; provided, that the Fortrea Board may make exceptions to this limit for individual non-employee directors in extraordinary circumstances as the Fortrea Board may determine in its sole discretion, as long as (i) the aggregate limit does not exceed $750,000 in total value during a fiscal year and (ii) the non-employee director receiving such additional compensation does not participate in the decision to award such compensation.

Administration. The 2023 Omnibus Plan generally will be administered by a committee (the "Committee"). The Fortrea Board also may appoint one or more committees of the Fortrea Board to administer the 2023 Omnibus Plan and grant and determine all terms of awards to grantees who are not Fortrea officers or Fortrea directors. Except where the authority to act on such matters is specifically reserved to the Fortrea Board under the 2023 Omnibus Plan or applicable law, the Committee and each other committee will have full power and authority to interpret and construe all provisions of the 2023 Omnibus Plan, any award or any award agreement, and to make all related determinations, including the power and authority to (i) designate grantees of awards; (ii) determine the type or types of awards to be made to a grantee; (iii) determine the number of shares of Fortrea common stock subject to an award; (iv) establish the terms and conditions of each award; (v) prescribe the form of each award agreement; (vi) subject to limitations in the 2023 Omnibus Plan, amend, modify or supplement the terms of any outstanding award; (vii) accelerate the vesting of awards and (viii) make Substitute Awards and/or Adjusted Awards (as defined below).

Eligibility. Employees, officers, directors and other service providers of Fortrea or any of its affiliates will be eligible to be granted awards under the 2023 Omnibus Plan. In addition, other individuals whose participation in the 2023 Omnibus Plan is determined to be in the best interests of Fortrea may also be granted awards; provided that such grantee satisfies the Form S-8 definition of "employee."

Award Types. The 2023 Omnibus Plan will permit the grant of stock options, SARs, restricted stock, restricted stock units ("Fortrea RSUs"), deferred stock units, performance shares or other performance-based awards, dividend equivalent rights, other equity-based awards (including unrestricted stock) and cash awards.

Substitute Awards and Adjusted Awards. The Committee may make an award granted upon assumption of, or in substitution for, outstanding awards previously granted under a compensatory plan of Fortrea, an affiliate, or a business entity acquired or to be acquired by Fortrea or an affiliate or with which Fortrea or an affiliate has combined or will combine (a "Substitute Award"). The Committee may also grant an award in substitution for or adjustment of an award that was granted under an equity incentive plan of Labcorp (as described in the 2023 Omnibus Plan, and such award, an "Adjusted Award").

Stock Options. The Committee may grant options to purchase Fortrea common stock that qualify as "incentive stock options" within the meaning of Section 422 of the Code ("ISOs") or non-qualified stock options ("NSOs"), which are options that do not qualify as ISOs. All stock options granted under the 2023 Omnibus Plan are NSOs unless the applicable award agreement expressly states that the stock option is intended to be an ISO. Each option will become vested and exercisable at such times and under such conditions as the Committee may determine. Unless otherwise set forth in the applicable award agreement, each option will terminate on the day before the tenth anniversary of the option grant date. Except in the case of Substitute Awards or Adjusted Awards, the exercise price per share of Fortrea common stock for each option may not be less than 100%, or 110% in the case of ISOs granted to a Ten Percent Shareholder (as defined in the 2023 Omnibus Plan), of the fair market value of a share of

Fortrea common stock on the option grant date. The exercise price of a stock option may be paid by such methods as determined by the Committee, including by cash, cash equivalents, shares of Fortrea common stock and net issuance.

Stock Appreciation Rights. The Committee may grant SARs in conjunction with all or a part of any other award granted under the 2023 Omnibus Plan, or without regard to any other award. The Committee will determine the time or times at which and the circumstances under which a SAR may be exercised in whole or in part, the time or times at which and the circumstances under which a SAR will cease to be exercisable, the method of exercise, the method of settlement, the form of consideration payable in settlement, the method by which shares will be delivered or deemed delivered to grantees and any other terms or conditions of any SAR. Unless otherwise set forth in the applicable award agreement, each SAR will terminate on the day before the tenth anniversary of its grant date. Upon exercise of a SAR, the holder will be entitled to receive the excess of the fair market value of one share of Fortrea common stock on the exercise date over the exercise price of the SAR, as determined by the Committee. The exercise price of a SAR, except in the case of a Substitute Award or Adjusted Award, may not be less than the fair market value of a share of Fortrea common stock on the grant date.

Restricted Stock and Restricted Stock Units. The Committee may award restricted stock and Fortrea RSUs. A grantee of restricted stock will have all the rights of a shareholder, including the right to vote the shares and receive dividends, except to the extent limited by the Committee. Grantees of Fortrea RSUs will have no voting or dividend rights or other rights associated with stock ownership, although the Committee may award dividend equivalent rights on such units. The terms and conditions of restricted stock and Fortrea RSUs are determined by the Committee. In addition, the Committee may subject dividends and dividend equivalent rights paid on time-vested awards of restricted stock or Fortrea RSUs to such forfeiture and repayment obligations if the underlying awards are forfeited before they vest. Grantees will not vest in dividends or dividend equivalent rights paid on performance-based awards of restricted stock or Fortrea RSUs, as applicable, and will be required to forfeit and repay to the Company such dividends or dividend equivalent rights if the performance goals are not achieved.

Dividend Equivalent Rights. The Committee may grant rights to dividend equivalents to a grantee in connection with an award, or without regard to any other award, except that no dividend equivalent rights may be granted in connection with, or related to, an award of stock options or SARs. The terms and conditions of awards of dividend equivalent rights will be specified in the applicable award agreement.

Performance Awards. The Committee may award performance shares and other performance-based awards in such amounts and upon such terms and conditions as the Committee may determine. Each grant of a performance-based award will have an initial value or target number of shares of Fortrea common stock that is established by the Committee at the time of grant. The Committee may set performance goals in its discretion which, depending on the extent to which they are met, will determine the value and number of performance shares or other performance-based awards that will be paid out to a grantee. The performance goals generally will be based on one or more performance measures. Performance-based awards may be payable in cash, shares of Fortrea common stock or a combination thereof, as determined by the Committee.

Other Equity-Based Awards. The Committee may grant other types of equity-based or equity-related awards, including the grant or offer for sale of shares of unrestricted stock, in such amounts and subject to such terms and conditions as the Committee may determine. Any other equity-based awards granted by the Committee may be subject to performance goals established by the Committee based on one or more performance measures.

No Repricing. Except in connection with a corporate transaction involving Fortrea (including, without limitation, any stock dividend, distribution, stock split, extraordinary cash dividend, recapitalization, change in control, reorganization, merger, consolidation, split-up, spinoff, combination, repurchase or exchange of shares of stock or other securities or similar transaction), Fortrea may not, without obtaining shareholder approval, (1) amend the terms of outstanding options or SARs to reduce the exercise price of such outstanding options or SARs, (2) cancel outstanding options or SARs in exchange for options or SARs with an exercise price that is less than the exercise price of the original options or SARs or (3) cancel outstanding options or SARs with an exercise price above the current stock price in exchange for cash or other securities.

Transferability of Awards. Options and SARs under the 2023 Omnibus Plan may not be transferred or assigned. Each option and SAR will be exercisable only by the grantee (or, in the event of such grantee's legal incapacity or incompetency, such grantee's guardian or legal representative) during his or her lifetime. However, if permitted by the applicable award agreement or the Committee, a grantee may transfer, not for value, all or part of an option (which is not an ISO) or a SAR to any Family Member (as defined in the 2023 Omnibus Plan).

Change in Control. Unless otherwise determined by the Committee, if Fortrea is the surviving entity in any reorganization, merger or consolidation of Fortrea that does not constitute a Change in Control (as defined in the 2023 Omnibus Plan), any outstanding award will pertain to the securities to which a holder of the number of shares of stock subject to such award would have been entitled immediately after the transaction, with a corresponding proportionate adjustment to the per share option price and per share SAR price.

Except as otherwise provided, upon the occurrence of a Change in Control in which outstanding awards are not assumed or continued, the following provisions will apply. Except with respect to performance-based awards, all outstanding awards of restricted stock, Fortrea RSUs and dividend equivalent rights will be deemed to have vested, and the shares of Fortrea common stock subject to such awards will be delivered immediately before the Change in Control, and either or both of the following two actions will be taken:

- At least 15 days before the scheduled completion of the Change in Control, all outstanding options and SARs will become immediately exercisable and will remain exercisable for a period of 15 days (subject to consummation of the Change in Control); and/or
- The Committee may elect to cancel any outstanding awards of options, SARs, restricted stock, Fortrea RSUs, deferred stock units, and/or dividend equivalent rights and require payment or delivery to the holders of such awards an amount in cash or securities in an amount having a value (as determined by the Committee acting in good faith), in the case of restricted stock, Fortrea RSUs, deferred stock units, and dividend equivalent rights (for shares of stock subject thereto), equal to the formula or fixed price per share paid to holders of shares of stock pursuant to such Change in Control and, in the case of stock options or SARs, equal to the product of the number of shares of stock subject to such stock options or SARs multiplied by the amount, if any, by which (1) the formula or fixed price per share paid to holders of shares of stock pursuant to such transaction exceeds (2) the option price or SAR price applicable to such stock options or SARs.

For performance-based awards denominated in stock or cash, (1) if less than half of the performance period has lapsed, the awards will be treated as though target performance has been achieved, (2) if at least half of the performance period has lapsed, actual performance to date will be determined as of a date reasonably proximal to the date of consummation of the Change in Control, and that level of performance will be treated as achieved immediately prior to the Change in Control and (3) if actual performance is not determinable, the awards will be treated as though target performance has been achieved. Other equity-based awards will be governed by the terms of the applicable award agreement.

Except as otherwise provided, upon the occurrence of a Change in Control in which outstanding awards are being assumed or continued, the 2023 Omnibus Plan and such awards will continue in the manner and under the terms specified in any writing providing for assumption or continuation of such awards, which may specify the substitution for such awards of new common stock options, SARs, restricted stock, Fortrea RSUs, deferred stock units, dividend equivalent rights or other equity-based awards relating to the stock of a successor entity, a parent or subsidiary thereof. In the event of such a substitution, appropriate adjustments will be made to the number of shares subject to the original awards and to option and SAR exercise prices. Except as otherwise provided, if the holder's employment is terminated without cause within one year following the Change in Control (or such longer or shorter period as determined by the Committee), the award will fully vest and may be exercised in full, to the extent applicable, beginning on the date of such termination and for the one-year period immediately following such termination or for such longer period as the Committee shall determine.

Non-US Awards. To the extent the Committee determines that the material terms set by the Committee imposed by the 2023 Omnibus Plan preclude the achievement of the material purposes of the plan in jurisdictions outside the

United States, the Committee shall have the authority and discretion to modify those terms and provide for such additional terms and conditions as the Committee determines to be necessary, appropriate, or desirable to accommodate differences in local law, policy, or custom or to facilitate administration of the 2023 Omnibus Plan. The Committee may adopt or approve sub-plans, appendices, or supplements to, or amendments, restatements, or alternative versions of the 2023 Omnibus Plan as in effect for any other purposes; provided, however, that they do not include any provisions that are inconsistent with the terms of the 2023 Omnibus Plan as in effect, unless the 2023 Omnibus Plan could have been amended to eliminate such inconsistency without further approval by Fortrea's shareholders.

Adjustments. The Committee will adjust the terms of outstanding awards under the 2023 Omnibus Plan to preserve the interests of the holders in such awards if the number of outstanding shares of Fortrea common stock is increased, decreased or changed into or exchanged for a different number of shares of kind of capital stock or other securities of Fortrea on account of any merger, reorganization, recapitalization, reclassification, stock split, reverse stock split, spinoff, combination of stock, exchange of stock, stock dividend or other distribution payable in capital stock, or other increase or decrease in shares of Fortrea common stock effected without receipt of consideration by Fortrea or, in each case, any other transaction or event having an effect similar to the foregoing. In the event of any distribution to Fortrea's shareholders of securities of any other entity or other assets (including an extraordinary dividend but excluding a non-extraordinary dividend, declared and paid by Fortrea) without receipt of consideration by Fortrea, the Committee will make appropriate adjustments to (1) the share limits set forth in the 2023 Omnibus Plan, (2) the number and kind of shares of stock subject to outstanding awards, (3) the aggregate and per share option price of outstanding options and the aggregate and per share SAR price of outstanding SARs and/or (4) other award terms. Any adjustment to the maximum aggregate number of shares of Fortrea common stock actually issued or transferred by Fortrea upon the exercise of ISOs may be made only if and to the extent that such adjustment would not cause any option intended to qualify as an ISO to fail to so qualify. Moreover, in the event of any such transaction or event or in the event of a Change in Control, the Committee may provide in substitution for any or all outstanding awards under the 2023 Omnibus Plan such alternative consideration as it, in good faith, may determine to be equitable and shall require in connection therewith the surrender of all awards so replaced. For each option or SAR with an option price or SAR price, respectively, greater than the consideration offered in connection with any such transaction or event or Change in Control, the Committee may in its discretion elect to cancel such option or SAR without any payment to the holder of such option or SAR.

Amendment and Termination. The Fortrea Board may amend, suspend or terminate the 2023 Omnibus Plan at any time. Any amendment to the 2023 Omnibus Plan, however, will be subject to receipt of the shareholder approval if required by any law, regulation or rule of any stock exchange on which Fortrea common stock is listed, or to the extent determined by the Fortrea Board. Fortrea shareholder approval will be required for any proposed amendment to provisions that prohibit the repricing of outstanding stock options or SARs or that generally require the option price of any stock option to be at least equal to the fair market value of our common stock on the option grant date. Without the consent of the affected grantee of an outstanding award, no amendment, suspension or termination of the 2023 Omnibus Plan may materially impair the rights or obligations under that award. Unless earlier terminated, the 2023 Omnibus Plan will remain available for the grant of awards until the day before the 10th anniversary of its effective date.

Clawback and Forfeiture. Any award granted pursuant to the 2023 Omnibus Plan will be subject to mandatory forfeiture and/or repayment by the grantee to Fortrea (i) to the extent set forth in the 2023 Omnibus Plan or an award agreement, (ii) to the extent the grantee is, or in the future becomes, subject to (A) any Fortrea or affiliate "clawback" or recoupment policy, including those that are adopted to comply with the requirements of any applicable laws, or (B) any applicable laws which impose mandatory recoupment, under circumstances set forth in such applicable laws, or (C) upon such terms and conditions as may be required by the Fortrea Board or the Committee or under Section 10D of the Exchange Act and/or any applicable rules or regulations promulgated by the Securities and Exchange Commission or any national securities exchange or national securities association on which the shares of stock may be traded.

Fortrea Holdings Inc. Employee Stock Purchase Plan

It is anticipated that prior to the separation, Fortrea will adopt an employee stock purchase plan that is similar to Labcorp's 2016 Employee Stock Purchase Plan (which permits substantially all U.S., Canada and United Kingdom employees of Labcorp to purchase a limited number of shares of Labcorp at 85% of market value semi-annually in January and July of each year). However, no offering periods are expected to commence prior to 2024 and any decision to commence will be determined by the Fortrea Board.

Fortrea Holdings Inc. Bonus Program

It is anticipated that prior to the separation, Fortrea will adopt the Fortrea Holdings Inc. Bonus Program (the "Bonus Program") which will be an enterprise-wide, performance-based, annual cash incentive for key Fortrea employees established under the 2023 Omnibus Plan. Target bonus opportunities awarded under the Bonus Program will be multiplied by a Business Performance Factor and Individual Modifier and will be subject to threshold, target, and maximum payout levels, similar to Labcorp's LBP.

The Bonus Program will provide for certain payments of bonus awards thereunder in the event of certain types of terminations of employment (such as termination due to death, disability, or a reduction in force), as well as payment in the event of a change in control of Fortrea (as defined under the 2023 Omnibus Plan) based on the target bonus opportunity.

The Bonus Program may be amended, suspended, or terminated at any time, and bonus awards granted thereunder represent a discretionary benefit of employment. A bonus award in any year does not entitle an employee to future awards, and all awards under the Bonus Program will be subject to any claw back or similar policy of Fortrea then in effect.

Fortrea Termination and Change-in-Control Payments

In connection with the spinoff, Fortrea intends to adopt a Master Senior Executive Severance Plan (the "Executive Severance Plan") that is substantially similar to Labcorp's Amended and Restated Master Senior Executive Severance Plan. The Fortrea NEOs (other than Mr. Pike) will be eligible to participate in the Executive Severance Plan, which will provide participants with financial protection in circumstances involving a qualifying termination (which will generally include an involuntary termination without "cause" or voluntary termination with "good reason" (as such terms are defined in the Executive Severance Plan)). The severance payments for executives employed at or above Executive Vice President under the Executive Severance Plan in the event of a qualifying termination will be equal the sum of the executive's annual base salary and annual target bonus for the year of the qualifying termination (or, in the event that the qualifying termination occurs within 24 months following a "change in control" (as defined in the Executive Severance Plan), two times the sum of the executive's annual base salary and annual target bonus for the year of the qualifying termination). It is also expected that Fortrea will adopt a separate severance policy for participants who are not eligible to participate in the Executive Severance Plan that will be substantially similar to Labcorp's U.S. Severance Policy (as described in more detail under "Potential Payments Upon Termination or Change in Control").

Fortrea Retirement Plan, Deferred Compensation Plan, and Perquisites

In connection with the spinoff, Fortrea has adopted a 401(k) plan that is similar to Labcorp's 401(k) plan. It is also anticipated that, in connection with the spinoff, Fortrea will adopt a deferred compensation plan that is similar to Labcorp's DCP. In addition, it is expected that Fortrea will use limited perquisites as a method of compensation and will provide executive officers with only those perquisites Fortrea believes are reasonable and consistent with our compensation goal of attracting and retaining superior executives for key positions.

Executive Compensation Tables

Summary Compensation Table

The compensation paid, accrued, or awarded by Labcorp to our NEOs during the years ended December 2022, is set forth below. Mr. Pike was not a Labcorp employee or director prior to 2023, and therefore the following information about Labcorp's historical executive compensation does not apply to him.

Name and Principal Position	Year	Salary ($)[1]	Bonus ($)	Non-Qualified Stock Options ($) [2]	Stock Awards ($) [2]	Non-Equity Incentive Plan Compensation ($)[3]	All Other Compensation ($)[4]	Total ($)
Thomas Pike								
Chief Executive Officer and Chairman	2022	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Jill McConnell								
Chief Financial Officer	2022	$ 411,215	$ —	$ —	$ 460,682	$ 174,355	$ 29,557	$ 1,075,809
Mark Morais								
Chief Operating Officer and President, Clinical Services	2022	$ 413,800	$ —	$ —	$ 358,899	$ 96,111	$ 27,541	$ 896,351

_____

(1) Values reflect the amounts actually paid to the NEOs in each year. Base salary adjustments, if any, typically occur in July of each year. Base salary adjustments are typically not retroactive to the beginning of the year.

(2) Represents the aggregate grant date fair value of restricted stock units and performance shares for each NEO granted during each respective year, computed in accordance with accounting standards for stock-based compensation. The grant date fair value of restricted stock units is based on the closing price of Labcorp's common stock on the applicable grant date. For the February 2022 performance share awards, the grant date fair value is based on a Monte Carlo simulated fair value for the relative (to the peer group at the time of the grant) TSR component of the performance awards. The Monte Carlo simulation model relies upon assumptions, including the historical and expected volatility of Labcorp's stock price and the relevant comparator index, correlation coefficients and interest rates. Assumptions used in these calculations are included on page F-33 of Labcorp's 2022 Annual Report. For this purpose, the February 2022 performance share awards included in the above totals are valued assuming achievement of the EPS and revenues goals at target, which was the probable outcome determined for accounting purposes at the time of grant. The threshold and superior grant date values of performance share awards granted in February 2022 included above are as set forth in the table below.

NAME	GRANT DATE VALUE AT THRESHOLD PERFORMANCE ($)	GRANT DATE VALUE AT SUPERIOR PERFORMANCE ($)
Thomas Pike	$ —	$ —
Jill McConnell	$ 140,557	$ 562,226
Mark Morais	$ 109,003	$ 436,012

(3) Represents the amounts earned by each NEO during 2022 pursuant to Labcorp's LBP.

(4) Amounts include but are not limited to the following: (i) Labcorp's 401(k) contributions, which are applicable to all eligible employees, of $15,250 for Ms. McConnell and $13,090 for Mr. Morais and (ii) cash dividend amounts of $11,636 for Ms. McConnell and $13,734 for Mr. Morais, each paid or to be paid at vesting for awards granted in 2019, 2020, and 2021, reflecting dividends paid on Labcorp's common stock in 2022. Dividend Equivalent Rights are not paid out unless the underlying shares vest.

Grants of Plan-Based Awards

During 2022, the following restricted stock unit, performance share awards, stock options, and annual cash incentive awards pursuant to the LBP, were made to the NEOs.

Name	Award Type	Grant Date	Estimated Possible Payouts under Non-Equity Incentive Plan Awards[1]			Estimated Future Payouts under Equity Incentive Plan Awards[2]			All Other Stock Awards Number of Shares of Stock or Units (#))[4]	Grant Date Fair Value of Stock and Option Awards($)[5]
			Threshold ($)	Target ($)	Maximum ($)	Threshold ($)[2]	Target ($)[2]	Maximum ($)[2]		
Thomas Pike	Restricted Stock Units	-	—	—	—	—	—	—	—	—
	Performance Shares	-	—	—	—	—	—	—	—	—
	LBP	-	—	—	—	—	—	—	—	—
Jill McConnell	Restricted Stock Units	2/11/22							650	$ 179,569
	Performance Shares	2/11/22				490	980	1,960		$ 281,113
	LBP	3/31/22	$ 102,804	$ 205,607	$ 411,214					
Mark Morais	Restricted Stock Units	2/11/22							510	$ 140,893
	Performance Shares	2/11/22				380	760	1,520		$ 218,006
	LBP	3/31/22	$ 103,450	$ 206,900	$ 413,800					

_____

(1) Amounts represent the range of possible payouts denominated in dollars pursuant to the Labcorp LBP, as established by Labcorp's Compensation Committee in February 2022. Pursuant to the Labcorp LBP, base salary amounts used to calculate target bonus amounts are prorated to reflect base salary increases effective July 3, 2022. Actual amounts paid out pursuant to the plan are included in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table above. For a discussion of the performance criteria applicable to these awards, see "Compensation Discussion and Analysis – Annual Cash Incentive Pay (LBP)" above.

(2) Amounts represent the range of estimated potential shares to be earned under performance share awards. The performance share awards vest at the end of three years provided that certain performance metrics are met. For a discussion of the performance criteria applicable to these awards, see "Compensation Discussion and Analysis – Long-Term Incentive Awards" above.

(3) Amounts represent stock option awards that vest ratably over three years, beginning on the first anniversary of the grant date, based on continued service.

(4) Amounts represent restricted stock unit awards that vest ratably over three years, beginning on the first anniversary of the grant date, based on continued service.

(5) Amounts represent the full grant date fair value of restricted stock unit and performance share awards as computed in accordance with accounting standards for stock-based compensation, but excluding the effect of estimated forfeitures. The amounts shown in this column will likely vary from the amount actually realized by any NEO based on a number of factors, including the number of shares that ultimately vest, the satisfaction or failure to meet any performance criteria, the timing of any exercise or sale of shares, and the price of Labcorp's common stock. The value for stock options is calculated using the Black-Scholes option pricing model. The value of the performance share awards granted in February 2022, as of the grant date if they are achieved at the maximum payout is as follows: Ms. McConnell – $562,226 and Mr. Morais – $436,012.

Outstanding Equity Awards at Fiscal Year-End

The following table shows, as of December 31, 2022, the number of outstanding stock options, restricted stock units and performance shares held by the NEOs.

		Stock Awards			
Name	Grant Date	Number of Shares or Units of Stock that have Not Yet Vested (#)[1]	Market Value of Shares or Units of Stock that have Not Yet Vested (#)[2]	Equity incentive plan awards: number of unearned shares, units or other rights that have not vested (#)[3,4,5]	Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested ($)[2]
Thomas Pike		—	—	—	—
		—	—	—	—
		—	—	—	—
		—	—	—	—
Jill McConnell	2/4/20	227	$ 53,454		
	2/2/21	480	$ 113,030		
	2/11/22	650	$ 153,062		
	2/4/20			2,133	$ 502,279
	2/2/21			2,920	$ 687,602
	2/11/22			1,960	$ 461,541
Mark Morais	2/4/20	127	$ 29,906		
	2/2/21	354	$ 83,360		
	2/2/21	147	$ 34,616		
	12/15/21	114	$ 26,845		
	2/11/22	510	$ 120,095		
	2/4/20			1,180	$ 277,866
	2/2/21			2,160	$ 508,637
	2/11/22			1,520	$ 357,930

(1) Restricted stock units vest ratably over three years, beginning on the first anniversary of the grant date.
(2) Aggregate market value is calculated based on the Labcorp common stock price on December 30, 2022, which was $235.48 per share, multiplied by the number of shares or units, respectively, for each unvested performance or stock award.
(3) Represents the number of shares subject to the February 4, 2020 performance awards that vested on March 30, 2023 following the performance period ending December 31, 2022.
(4) Based on performance to date, represents the number of shares subject to the February 2, 2021 performance awards for the performance period ending December 31, 2023, assuming achievement at superior. Information on the threshold, target, and superior awards are provided in the “Grants of Plan-Based Awards” table in Labcorp’s proxy statement for its 2022 Annual Meeting of Shareholders.
(5) Based on performance to date, represents the number of shares subject to the February 11, 2022 performance awards for the performance period ending December 31, 2024, assuming achievement at superior. Information on the threshold, target, and superior awards are provided in the “Grants of Plan-Based Awards” table above.

Option Exercises and Stock Vested

The following table shows, for 2022, the number and value of stock options exercised and the number and value of vested restricted stock units and performance shares for each of the NEOs.

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Thomas Pike	—	—	—	—
Jill McConnell[1]	—	—	$ 3,639	$ 1,004,420
Mark Morais[2]	—	—	$ 4,555	$ 1,174,524

(1) Represents one-third of the restricted stock units granted on February 12, 2019 that vested on February 12, 2022 at $272.68 per share, the closing price of Labcorp common stock on February 14, 2022; one-third of the restricted stock units granted on February 4, 2020 that vested on February 4, 2022 at $277.48 per share, the closing price of Labcorp common stock on that date; one-third of the restricted stock units granted on February 2, 2021 that vested on February 2, 2022 at $273.18 per share, the closing price of Labcorp common stock on that date; and 167% of the performance share award granted on February 12, 2019 that vested on March 27, 2022 at $276.42 per share, the closing price of Labcorp common stock on March 28, 2022.

(2) Represents one-third of the restricted stock units granted on February 12, 2019 that vested on February 12, 2022 at $272.68 per share, the closing price of Labcorp common stock on February 14, 2022; all of the restricted stock units granted on December 1, 2019 that vested on December 1, 2022 at $241.77 per share, the closing price of Labcorp common stock on that date; one-third of the restricted stock units granted on February 4, 2020 that vested on February 4, 2022 at $277.48 per share, the closing price of Labcorp common stock on that date; one-third of the restricted stock units granted on February 2, 2021 that vested on February 2, 2022 at $273.18 per share, the closing price of Labcorp common stock on that date; on-third of the restricted stock units granted on December 15, 2021 that vested on December 15, 2022 at $229.29 per share, the closing price of Labcorp common stock on that date; and 167% of the performance share award granted on February 12, 2019 that vested on March 27, 2022 at $276.42 per share, the closing price of Labcorp common stock on March 28, 2022.

Deferred Compensation Plans

At the end of 2021, Labcorp froze both the Laboratory Corporation of America Holdings Deferred Compensation Plan (“Labcorp Frozen DCP”) and the Covance Deferred Compensation Plan (“Covance DCP”) and established a new plan, the Laboratory Corporation of America Holdings Nonqualified Deferred Compensation Plan (“DCP”), effective January 1, 2022. The DCP offers eligible participants another vehicle to accumulate savings for retirement. See “Compensation Discussion & Analysis – Deferred Compensation Plan” above. Amounts deferred by a participant are credited to a bookkeeping account maintained on behalf of each participant, which is used for the measurement and determination of amounts to be paid to a participant, or such participant’s designated beneficiary, pursuant to the terms of the DCP. Deferred amounts are Labcorp’s general unsecured obligations and are subject to claims by Labcorp’s creditors. Labcorp’s general assets or existing Rabbi Trust may be used to fund payment obligations and pay DCP benefits.

According to the terms of the DCP, a participant has the opportunity to allocate deferred amounts to one or more of 25 measurement funds offered. Amounts in these accounts can earn variable returns, including negative returns. Labcorp makes no matching contributions to the DCP.

Under the DCP, a participant may make separate distribution elections with respect to each year’s deferrals. These distribution elections include the ability to elect a single lump-sum payment or annual installment payments.

The DCP was amended to grandfather participants prior to December 31, 2004 to remove the six-month waiting period for distributions following separation from service. Distribution elections made after December 31, 2004 require a six-month waiting period following separation from service before distribution of the first payment, as required by Section 409A of the Code. Otherwise, distribution elections include the ability to elect a single lump-sum payment or annual installment payments. Under the DCP, upon termination the NEOs would be entitled to receive the same amounts set forth for each officer in the Aggregate Balance column of the Nonqualified Deferred Compensation Table above, regardless of reason for the termination.

The following table summarizes each NEO's contributions, earnings, and aggregate balance under the Labcorp Frozen DCP, the Covance DCP, and the DCP as of December 31, 2022.

Name	Executive Contributions in Last FY ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)	Aggregate Withdrawals / Distributions ($)	Aggregate Balance at Last FYE ($)
Thomas Pike	—	—	—	—	—
Jill McConnell	—	—	—	—	—
Mark Morais	$ 12,414				$ 81,625

Potential Payments Upon Termination or Change in Control

The tables that follow provide information related to compensation payable to each NEO, assuming termination of such executive's employment on December 30, 2022, or assuming a change in control with a corresponding qualifying termination occurred on December 30, 2022. Amounts also assume the price of Labcorp Common Stock was $235.48, the closing price on December 30, 2022.

Jill McConnell	Voluntary Termination	Early Retirement	Normal Retirement	Involuntary Not for Cause or Good Reason Termination	For Cause	Change-In-Control	Disability		Death
Severance (Related to Base Compensation)	—	—	—	$ 411,214	—	$ 411,214	—		—
Severance (Related to Annual Incentive Cash Payments)	—	—	—	$ 205,607	—	$ 205,607	—		—
Restricted Stock Units	—	—	—	$ 162,308	—	$ 322,477	$ 322,477		$ 322,477
Performance Shares	—	—	—	$ 1,058,144	—	$ 957,689	$ 957,689		$ 957,689
Health & Welfare Benefits	—	—	—	$ 23,220	—	$ 23,220	$ 300,000	$822,430	$ 822,430
TOTAL	**—**	**—**	**—**	**$ 1,860,493**	**—**	**$ 1,920,207**	**$ 1,580,166**		**$ 2,102,596**

Mark Morais	Voluntary Termination	Early Retirement	Normal Retirement	Involuntary Not for Cause or Good Reason Termination	For Cause	Change-In-Control	Disability	Death
Severance (Related to Base Compensation)	—	—	—	$ 413,800	—	$ 413,800	—	—
Severance (Related to Annual Incentive Cash Payments)	—	—	—	$ 206,900	—	$ 206,900	—	—
Restricted Stock Units	—	—	—	$ 43,535	—	$ 297,525	$ 297,525	$ 297,525
Performance Shares	—	—	—	$ 691,368	—	$ 646,381	$ 646,381	$ 646,381
Health & Welfare Benefits	—	—	—	$ 23,220	—	$ 23,200	$ 300,000	$ 827,600
TOTAL	**—**	**—**	**—**	**$ 1,478,823**	**—**	**$ 1,587,826**	**$ 1,243,906**	**$ 1,771,506**

Equity Awards

Labcorp's equity award agreements provide that if the executive has a Separation from Service by reason of death, disability, or for "good reason" or without "cause" within 24 months of a "change of control," each as defined in the applicable agreements, then all of the restricted stock unit and stock option awards will accelerate in full as of the date of termination. If, unrelated to a change of control, the executive receives a notice of an involuntary Separation from Service without cause or incurs a voluntary Separation from Service for good reason, on or after 6 months following the grant date, then all restricted stock units and stock options that were scheduled to vest within 12 months immediately following the Separation from Service will vest in full on the date of Separation from Service.

Additionally, in the event of a Separation from Service at a time when the executive has attained the age of 65 and completed five full years of service ("Retirement at Age 65 Plus 5") and (i) the Separation from Service occurs on or after 6 months following the grant date, but before 9 months after the grant date for stock options and restricted stock units granted in 2020 or later (but before December 15 of the applicable grant year for options and restricted stock granted in 2019) the restricted stock units and stock options that were scheduled to vest within 12 months immediately following the Separation from Service will vest upon the date of the Separation from Service, or (ii) if the Separation from Service occurs on or after 9 months from the grant date for stock options or restricted stock units granted in 2020 or later (but on or after December 15 of the applicable grant year for stock options or restricted stock units granted in 2019), then all of the restricted stock unit and stock option awards will vest in full as of the date of the Separation from Service. In the event of a Separation from Service at a time when the executive has attained the age of 55 and the sum of his or her age plus years of service equals or exceeds 70 ("Rule of 70 Retirement"), the restricted stock units and options that were scheduled to vest within 12 months immediately following the Separation from Service will vest upon the date of the Separation from Service. The executive (or his/her heir or executor/executrix, as the case may be) may exercise vested stock options at any time within one year after the date of death, disability, Retirement at Age 65 Plus 5, Rule of 70 Retirement or a specified termination within 24 months of a change in control. (For other terminations, the executive may exercise vested options within 90 days of his/her termination).

The award agreements for performance share awards provide that in the event that an executive's Separation from Service occurs by reason of death or disability or an involuntary Separation from Service without cause or voluntary Separation from Service for good reason within 24 months of a change of control, then the performance share awards will accelerate at 100% of the target level on the date of the Separation from Service. In the event of a Retirement at Age 65 Plus 5, and (i) the Separation from Service occurs on or after 6 months following the grant date but before 9 months after the grant date for performance share awards granted in 2020 or later (but before December 15 of the applicable grant year for performance share awards granted in 2019), the performance shares will continue to be eligible to vest in a prorated number based on actual achievement of performance metrics as if the executive had not had a Separation from Service or (ii) if the Separation from Service occurs on or after 9 months after the grant date for performance share awards granted in 2020 or later (but on or after December 15 of the applicable grant year for performance share awards granted in 2019), then all of the performance shares will continue to vest in the number of shares set forth in the grant based on actual achievement of performance metrics as if the service had not terminated. In the event of a Rule of 70 Retirement on or after 6 months following the grant date, the performance shares will continue to vest in a prorated number based on actual achievement of performance metrics as if the service had not terminated. If the executive receives a notice of an involuntary Separation from Service without cause or incurs a voluntary Separation from Service for good reason, on or after 6 months following the grant date, then the performance shares will continue to vest in a prorated number based on actual achievement of performance metrics as if the service had not terminated.

For the purposes of the award agreements, a Separation from Service generally has the meaning set forth in Section 409A of the Code and occurs when the Company reasonably anticipates that an executive's level of services will permanently decrease to 20 percent or less of the average level of services the executive has performed over the immediately preceding 36-month period.

Base Compensation and Annual Incentive Cash Payments

No additional base compensation amounts are payable for terminations resulting from the following events: voluntary termination by the officer without good reason, normal retirement, termination for cause, or termination due to disability or death. A prorated annual incentive cash payment may be made for each of the termination events mentioned in the tables above, except for a voluntary termination, early or normal retirement, or a termination for cause.

U.S. Severance Policy

Labcorp's U.S. Severance Policy (the "Severance Policy") provides Ms. McConnell and Mr. Morais, as well as Labcorp's other eligible employees, with severance payments upon a "qualifying termination". A "qualifying termination" is generally defined as a position elimination or reduction in force, certain reassignments, relocation to a location that is at least 50 miles away from the original worksite, removal from an assigned office or work location due to a client request, office/site closure, or position elimination as a result of a divestiture of a business or operations, in each case, with certain exceptions. The severance payments for Ms. McConnell and Mr. Morais under the Severance Policy in the event of a qualifying termination are equal to one year of base salary, a pro-rated target bonus, and 12 months of stipend for medical benefits and are conditioned upon the individual's execution of Labcorp's standard severance agreement, which includes release of claims in favor of Labcorp. It is expected that Fortrea will adopt a severance policy that is substantially similar to the Labcorp Severance Policy.

Health and Welfare Benefits

In the event of a qualifying termination under the Severance Policy, the medical stipend payment annually for 2022 was $20,220 as determined by Labcorp.

In the event an executive dies while an active employee, the executive's beneficiary will receive two times such executive's base annual earnings up to a maximum of $1.5 million from Labcorp's group term life plan. In addition, eligible, enrolled dependents will receive Labcorp-paid COBRA continuation of coverage for the first six months following the executive's death (not included in the tables above). If the executive was traveling on Labcorp business at the time of death, the beneficiary will also receive $1 million of business travel accident insurance; this is not reflected in the tables above.

If an executive becomes disabled (i.e., such executive is not able to perform the material duties of executive's occupation solely because of disease or injury), the executive is generally eligible for salary continuation for the first six months of disability at 100% through Labcorp's Short-Term Disability Plan. For a disability that extends beyond six months, the Executive Long-Term Disability Plan will pay a monthly benefit equal to 60% of the executive's base pay plus annual bonus pay, up to a monthly maximum benefit of $25,000 until age 65, as long as the executive remains on disability as defined by the plan.

Perquisites

All perquisites offered to participating NEOs immediately terminate upon the executive's termination.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information with respect to the anticipated beneficial ownership of our common stock by:

- each stockholder who is expected following the spinoff to beneficially own more than 5% of our common stock;
- each executive officer named in the Summary Compensation Table;
- each person expected to serve on our board of directors as of the distribution date; and
- all of our executive officers and directors, as a group, expected to serve as of the distribution date.

We have based the percentage amounts set forth below on each indicated person's beneficial ownership of Labcorp common stock as of May 3, 2023, unless we indicate some other basis, and based on the pro rata distribution of one share of our common stock for every share of Labcorp common stock outstanding. To the extent our directors and executive officers own Labcorp common stock at the time of the spinoff, they will participate in the distribution of our common stock in the spinoff on the same terms as other holders of Labcorp common stock. Immediately after the distribution date, we will have an aggregate of approximately 88.6 million shares of common stock outstanding, based on approximately 88.6 million shares of Labcorp common stock outstanding on as of May 3, 2023. The number of shares of common stock beneficially owned by each stockholder, director or executive officer is determined according to the rules of the SEC and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as otherwise noted in the footnotes below, each holder identified below has sole voting and investment power with respect to the shares of our common stock beneficially owned. The mailing address for each of the directors and executive officers is c/o: Fortrea Holdings Inc., 8 Moore Drive, Durham, North Carolina 27709.

Directors and Named Executive Officers	Amount and Nature of Beneficial Ownership	Percentage of Class
Thomas Pike	—	*
Jill McConnell	2,500	*
Mark Morais	3,417	*
R. Andrew Eckert	—	*
Betty Larson	—	*
Edward Pesicka	—	*
Dr. Amrit Ray	—	*
David. Smith	—	*
Peter Neupert	10,996	*
Directors and Named Executive Officers as a group	16,913	*

Principal Stockholders:

BlackRock, Inc. 55 East 52nd Street New York, NY 10055	11,474,507(1)	13.00%
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, PA 19355	10,450,115(2)	11.79%

* less than 1%

(1) As reported on Schedule 13G/A filed with the SEC on February 10, 2023, on behalf of BlackRock, Inc. ("BlackRock") in connection with BlackRock's ownership of Labcorp's common stock. BlackRock is a parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G) of the Exchange Act with beneficial ownership of the above listed shares. BlackRock has sole voting power with respect to 10,738,664 shares of Labcorp's common stock and sole dispositive power of 11,474,507 shares of Labcorp's common stock.

(2) As reported on Schedule 13G/A filed with the SEC on February 9, 2023, on behalf of The Vanguard Group, Inc. ("Vanguard") in connection with Vanguard's ownership of Labcorp's common stock. Vanguard is a registered investment advisor with beneficial ownership of the above listed shares. Vanguard has shared voting power with respect to 127,036 shares of Labcorp's common stock, sole dispositive power with respect to 10,082,018 shares of Labcorp's common stock, and shared dispositive power with respect to 368,097 shares of Labcorp's common stock.

DESCRIPTION OF CERTAIN INDEBTEDNESS AND OTHER FINANCING

In connection with the spinoff, we expect to incur indebtedness in an aggregate principal amount of approximately $1,640 million, which we expect to consist of borrowings under senior secured term loan facilities and senior secured notes. We also expect to enter into a $450 million senior secured revolving credit facility, which we do not expect to borrow under prior to the spinoff, and an accounts receivable purchase program ("ARPP"), which we also do not expect to take advantage of, other than in a testing capacity, prior to the spinoff. The ARPP establishes a receivables purchase facility that provides for up to approximately $80 million in funding based on the availability of certain eligible receivables and the satisfaction of certain conditions.

We expect to use the proceeds from these debt and other financing transactions to make an expected $1,605 million cash distribution to Labcorp as partial consideration for the assets that will be contributed to us in connection with the spinoff. After giving effect to such payment and approximately $35 million of associated fees and expenses incurred in connection with the entry into the above, we expect to begin operations as an independent company with a cash balance of approximately $120 million. The cash benefit to Labcorp of the dividend offset by the operating cash at spin is expected to be $1,485 million.

Our capital structure remains under review and will be finalized prior to the spinoff. Once finalized, disclosure regarding our capital structure will be provided in a current report on Form 8-K prior to the consummation of the spinoff. See "Capitalization," "Unaudited Pro Forma Combined Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity, Capital Resources and Financial Position" and "Description of Certain Indebtedness and Other Financing." For more information about risks related to our capital structure see "Risk Factors—We may not be able to access the capital and credit markets on terms that are favorable to us, or at all" and "Risk Factors—The terms and conditions of our expected new senior secured term loan facilities, senior secured revolving credit facility, the indenture governing our senior secured notes and the agreement governing the ARPP have not been finalized."

DESCRIPTION OF CAPITAL STOCK

Our certificate of incorporation and amended and restated bylaws will be amended and restated prior to the completion of the spinoff (our certificate of incorporation, as amended and restated (the "Amended and Restated Certificate of Incorporation"), and our amended and restated bylaws, as further amended and restated (the "Amended and Restated Bylaws")). The following is a summary of the material terms of our capital stock that will be contained in the Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws. The summaries and descriptions below do not purport to be complete statements of the relevant provisions of the Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws to be in effect at the time of the spinoff, which you must read for complete information on our capital stock as of the time of the spinoff. The Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, each in a form expected to be in effect at the time of the spinoff, will be included as exhibits to our registration statement on Form 10, of which this information statement forms a part. The summaries and descriptions below do not purport to be complete statements of the DGCL.

General

Our authorized capital stock consists of 265,000,000 shares of common stock, par value $0.001 per share; 30,000,000 shares of preferred stock, par value $0.001 per share.

Dividends on Capital Stock

Our board of directors may declare and pay dividends on our common stock out of funds legally available for that purpose, subject to the rights of holders of preferred stock.

Preferred Stock

At the direction of our board of directors, without any action by the holders of our common stock, we may issue one or more series of preferred stock from time to time. Our board of directors can determine: the number of shares of any series of preferred stock and the designation to distinguish the shares of such series from the shares of all other series; the voting powers, if any, and whether such voting powers are full or limited in such series; the redemption provisions, if any, applicable to such series, including the redemption price or prices to be paid; whether dividends, if any, will be cumulative or noncumulative, the dividend rate of such series, and the dates and preferences of dividends on such series; the rights of such series upon the voluntary or involuntary dissolution of, or upon any distribution of the assets of, the Company; the provisions, if any, pursuant to which the shares of such series are convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock, or any other security, of the Company or any other corporation or other entity, and the rates or other determinants of conversion or exchange applicable thereto; the right, if any, to subscribe for or to purchase any securities of the Company or any other corporation or other entity; the provisions, if any, of a sinking fund applicable to such series; and any other relative, participating, optional, or other special powers, preferences or rights and qualifications, limitations, or restrictions.

Common Stock

The holders of our common stock are entitled to one vote for each share held. Upon liquidation, the holders of our common stock are entitled to share ratably in the assets available for distribution to stockholders after satisfaction of any liquidation preferences of any outstanding preferred stock. The issuance of any shares of any series of preferred stock in future financings, acquisitions, or otherwise may result in dilution of voting power and relative equity interest of the holders of shares of our common stock and will subject our common stock to the prior dividend and liquidation rights of the outstanding shares of the series of preferred stock.

Our common stock has no conversion rights nor are there any redemption or sinking fund provisions with respect to the common stock. Holders of our common stock have no pre-emptive right to subscribe for or purchase any additional stock or securities of Fortrea.

Provisions of Our Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws, and Delaware Law That May Have an Anti-Takeover Effect

Certain provisions of our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, and Delaware law described in this section may be deemed to have anti-takeover effects. These provisions may discourage or make more difficult an attempt by a stockholder or other entity to acquire control of Fortrea. These provisions may also make more difficult an attempt by a stockholder or other entity to remove management. Specifically, our governing documents will:

- authorize the issuance of "blank check" preferred stock that could be issued by our board of directors to thwart a takeover attempt;
- until the annual meeting of stockholders to be held in 2028, provide for the division of our board of directors into three classes serving staggered three-year terms, with one class being elected each year, which may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us because it generally makes it more difficult for stockholders to replace a majority of our board of directors;
- not permit cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- provide that vacancies on our board of directors, including newly-created directorships, may be filled only by a majority vote of directors then in office;
- prohibit stockholders from nominating director candidates for inclusion in proxy material;
- prohibit stockholders from calling special meetings of stockholders;
- prohibit stockholder action by written consent, thereby requiring all actions to be taken at a meeting of the stockholders;
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- until the annual meeting of stockholders to be held in 2028, require the approval of holders of at least seventy-five percent (75%) of the outstanding shares of our common stock, voting together as a single class, to amend certain provisions of our Amended and Restated Bylaws and certain provisions of our Amended and Restated Certificate of Incorporation.

We are governed by the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the time that the person became an interested stockholder, unless:

- prior to the time that the person became an interested stockholder the corporation's board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the stockholder owned at least 85% of the outstanding voting stock of the corporation at the time the transaction commenced, excluding, for the purpose of determining the number of shares outstanding, those shares owned by the corporation's officers and directors and by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the time the business combination is approved by the corporation's board of directors and authorized at an annual or special meeting of its stockholders, and not by written consent, by the

affirmative vote of at least 66 2/3% of the corporation's outstanding voting stock that is not owned by the interested stockholder.

A "business combination" includes mergers, asset sales, or other transactions resulting in a financial benefit to the stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years did own) 15% or more of the corporation's voting stock.

The board believes that the foregoing provisions in our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws will protect our stockholders against potential self-interested actions of short-term investors, promote the establishment of long-term strategies and goals, and help to prevent abrupt changes in corporate policies based on short-term objectives and the special interests of a select group of stockholders who might have an agenda contrary to the interests of all stockholders.

Market Listing

We have applied to list our common stock on NASDAQ under the symbol "FTRE."

Transfer Agent, Distribution Agent, and Registrar

American Stock Transfer & Trust Company is currently expected to be the transfer agent, distribution agent, and registrar for our common stock. Our stockholders can contact the transfer agent, distribution agent, and registrar at:

By Mail, Overnight Courier or Hand-Delivery to:
American Stock Transfer & Trust Company
Shareholder Services
6201 Fifteenth Avenue
Brooklyn, NY 11219

By Phone or Email:
Telephone: (800) 937-5449
Outside the U.S., Canada and Puerto Rico: +1 (718) 921-8137
Email: help@astfinancial.com

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Fortrea is incorporated under the laws of the state of Delaware.

Section 145(a) of the DGCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit, or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful.

Section 145(b) of the DGCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

Section 145(c) of the DGCL provides that to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in subsections (a) and (b) of Section 145 of the DGCL, or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 145(e) of the DGCL provides that expenses, including attorneys' fees, incurred by an officer or director of the corporation in defending any civil, criminal, administrative or investigative action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in Section 145 of the DGCL. Such expenses, including attorneys' fees, incurred by former directors and officers or other persons serving at the request of the corporation as directors, officers, employees, or agents of another corporation, partnership, joint venture, trust, or other enterprise may be so paid upon such terms and conditions, if any, as the corporation deems appropriate.

Section 145(g) of the DGCL specifically allows a Delaware corporation to purchase liability insurance on behalf of its directors and officers and to insure against potential liability of such directors and officers regardless of whether the corporation would have the power to indemnify such directors and officers under Section 145 of the DGCL.

Section 102(b)(7) of the DGCL permits a Delaware corporation to include a provision in its certificate of incorporation eliminating or limiting the personal liability of directors or officers to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer. This provision, however, may not eliminate or limit the liability of (i) a director or officer for any breach of the director's or officer's duty of loyalty to the corporation or its stockholders; (ii) a director or officer for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) a director under Section 174 of the DGCL; (iv) a

director or officer for any transaction from which the director or officer derived an improper personal benefit; or (v) an officer in any action by or in the right of the corporation.

Fortrea's Amended and Restated Certificate of Incorporation will contain a provision permitted under the DGCL relating to the liability of directors and officers. This provision eliminates a director's or officer's personal liability to Fortrea to the fullest extent permitted by the DGCL for monetary damages resulting from a breach of fiduciary duty, except in circumstances involving:

- any breach of the director's or officer's duty of loyalty;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law;
- a director under Section 174 of the DGCL (unlawful dividends);
- any transaction from which the director or officer derives an improper personal benefit; or
- an officer in any action by or in the right of the corporation.

The principal effect of the limitation on liability provision is that a stockholder is unable to prosecute an action for monetary damages against a director or officer unless the stockholder can demonstrate a basis for liability for which indemnification is not available under the DGCL. These provisions, however, should not limit or eliminate Fortrea's rights or any stockholder's rights to seek non-monetary relief, such as an injunction or rescission, in the event of a breach of director's fiduciary duty. These provisions do not alter a director's or officer's liability under federal securities laws. The inclusion of this provision in Fortrea's Amended and Restated Certificate of Incorporation may discourage or deter stockholders or management from bringing a lawsuit against directors or officers for a breach of their fiduciary duties, even though such an action, if successful, might otherwise have benefited Fortrea and its stockholders.

The Amended and Restated Certificate of Incorporation will require Fortrea to indemnify and advance expenses to its directors and officers to the fullest extent permitted by the DGCL and other applicable law, except in certain cases of a proceeding instituted by the director or officer without the approval of our board of directors. The Amended and Restated Certificate of Incorporation will provide that Fortrea is required to indemnify its directors and officers, to the fullest extent permitted by law, for all judgments, fines, settlements, legal fees, and other expenses incurred in connection with threatened, pending, or completed legal proceedings because of the director's or officer's positions with Fortrea or another entity that the director or officer serves at our request, subject to various conditions, and to advance funds to the directors and officers to enable them to defend against such proceedings.

It is anticipated that Fortrea will obtain directors' and officers' liability insurance which insures against certain liabilities that its directors and officers and its subsidiaries, may, in such capacities, incur.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form 10 under the Exchange Act relating to shares of our common stock, including those being distributed in the spinoff. This information statement is a part of that registration statement but does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information relating to us and our common stock, reference is made to the registration statement, including its exhibits and schedules. Statements made in this information statement relating to any contract or other document are not necessarily complete and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. You may review a copy of the registration statement, including its exhibits and schedules on the SEC's website at *http://www.sec.gov*.

As a result of the spinoff, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, we will file periodic reports, proxy statements, and other information with the SEC. Those periodic reports, proxy statements, and other information will be available at the SEC's website at *http://www.sec.gov*.

We intend to furnish holders of our common stock with annual reports containing financial statements prepared in accordance with GAAP and audited and reported on, with an opinion expressed, by an independent registered public accounting firm.

We plan to make available free of charge on our website, www.fortrea.com, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports as soon as reasonably practicable after we electronically file or furnish such materials to the SEC. Furthermore, all of these documents will be provided free of charge to any stockholders requesting a copy by writing to: Fortrea Holdings Inc., 8 Moore Drive, Durham, North Carolina 27709, Attention: Hima Inguva, (877) 495-0816. We will use our website as a channel for routine distribution of important information, including news releases, analyst presentations, and financial information. In addition, our website allows investors and other interested persons to sign up to automatically receive e-mail alerts when we post news releases and financial information on our website.

The information on our website is not, and shall not be deemed to be, a part of this information statement or incorporated into any other filings we make with the SEC.

No person is authorized to give any information or to make any representations with respect to the matters described in this information statement other than those contained in this information statement or in the documents incorporated by reference in this information statement and, if given or made, such information or representation must not be relied upon as having been authorized by us or Labcorp. Neither the delivery of this information statement nor consummation of the spinoff shall, under any circumstances, create any implication that there has been no change in our affairs or those of Labcorp since the date of this information statement, or that the information in this information statement is correct as of any time after its date.

CHANGE IN LABCORP'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

On October 13, 2022, the Audit Committee of the Labcorp Board (the "Labcorp Audit Committee") engaged PricewaterhouseCoopers LLP ("PwC") as our independent registered public accounting firm for the fiscal year ending December 31, 2020 ("fiscal 2020"). Also, on October 13, 2022, the Labcorp Audit Committee engaged Deloitte & Touche LLP ("Deloitte") as our independent registered public accounting firm for the fiscal years ending December 31, 2021 and December 31, 2022, respectively.

The Labcorp Audit Committee dismissed PwC as our independent registered public accounting firm effective at the time of the initial confidential submission of the registration statement on Form 10 of which this information statement is a part, on February 13, 2023. PwC's report on our combined financial statements for fiscal 2020 did not contain any adverse opinion or a disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope, or accounting principles.

During the fiscal years ended December 31, 2022 and December 31 2021, and in the subsequent interim period through February 13, 2023, (i) there were no disagreements with PwC (within the meaning of Item 304(a)(1)(iv) of Regulation S-K) on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure that if not resolved to PwC's satisfaction, would have caused PwC to make reference thereto in its reports; and (ii) there were no "reportable events" (as defined by Item 304(a)(1)(v) of Regulation S-K).

We provided PwC with a copy of the foregoing disclosures and requested that PwC provide a letter addressed to the SEC stating whether it agrees with such disclosures. A copy of PwC's letter is filed as Exhibit 16.1 to the registration statement on Form 10 of which this information statement is a part.

During the fiscal years ended December 31, 2021 and 2020, and the subsequent interim period through October 13, 2022, neither we nor anyone on our behalf consulted Deloitte regarding (i) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, and neither a written report nor oral advice was provided to us that Deloitte concluded was an important factor considered by us in reaching a decision as to any accounting, auditing, or financial reporting issue; (ii) any matter that was the subject of a disagreement within the meaning of Item 304(a)(1)(iv) of Regulation S-K and the related instructions; or (iii) any reportable event within the meaning of Item 304(a)(1)(v) of Regulation S-K.

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES
INDEX TO COMBINED FINANCIAL STATEMENTS

Index to Unaudited Condensed Combined Financial Statements

Index to Audited Combined Financial Statements

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
CONDENSED COMBINED BALANCE SHEETS
(In Millions)
(unaudited)

	March 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 120.2	$ 112.0
Accounts receivable and unbilled services, net	996.6	1,022.2
Prepaid expenses and other	126.0	112.7
Total current assets	1,242.8	1,246.9
Property, plant and equipment, net	180.4	164.9
Goodwill, net	2,009.8	1,997.3
Intangible assets, net	812.3	823.3
Deferred income taxes	1.2	1.2
Other assets, net	60.8	54.3
Total assets	$ 4,307.3	$ 4,287.9
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 102.6	$ 81.5
Accrued expenses and other current liabilities	271.1	322.7
Unearned revenue	258.0	271.5
Short-term operating lease liabilities	23.9	23.3
Total current liabilities	655.6	699.0
Operating lease liabilities	43.3	40.1
Deferred income taxes and other tax liabilities	180.6	184.5
Other liabilities	22.3	21.7
Total liabilities	901.8	945.3
Commitments and contingent liabilities (Note 4)		
Equity		
Net parent investment	3,662.6	3,618.6
Accumulated other comprehensive loss	(257.1)	(276.0)
Total equity	3,405.5	3,342.6
Total liabilities and equity	$ 4,307.3	$ 4,287.9

The accompanying notes are an integral part of these unaudited condensed combined financial statements.

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
CONDENSED COMBINED STATEMENTS OF OPERATIONS
(In Millions)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
Revenues	$ 764.2	$ 779.0
Costs and expenses:		
Direct costs, exclusive of depreciation and amortization (including costs incurred from related parties of $21.7 and $20.2 during the three months ended March 31, 2023 and 2022, respectively)	636.2	638.1
Selling, general and administrative expenses, exclusive of depreciation and amortization	78.0	75.0
Depreciation and amortization	22.8	23.6
Restructuring and other charges	1.2	9.6
Total costs and expenses	738.2	746.3
Operating income	26.0	32.7
Other income (expense):		
Foreign exchange gain (loss)	(5.5)	4.3
Other, net	0.6	0.5
Income before income taxes	21.1	37.5
Provision for income taxes	3.7	5.0
Net income	$ 17.4	$ 32.5

The accompanying notes are an integral part of these unaudited condensed combined financial statements.

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
CONDENSED COMBINED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In Millions)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
Net income	$ 17.4	$ 32.5
Foreign currency translation adjustments	18.9	(34.6)
Comprehensive income (loss)	$ 36.3	$ (2.1)

The accompanying notes are an integral part of these unaudited condensed combined financial statements.

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
CONDENSED COMBINED STATEMENTS OF CHANGES IN EQUITY
(In Millions)
(unaudited)

	Parent Company Investment	Accumulated Other Comprehensive Loss	Total Equity
	Three Months Ended March 31, 2023		
Balance at December 31, 2022	$ 3,618.6	$ (276.0)	$ 3,342.6
Net income	17.4	—	17.4
Other comprehensive income, net of tax	—	18.9	18.9
Net transfers from Parent	26.6	—	26.6
Balance at March 31, 2023	$ 3,662.6	$ (257.1)	$ 3,405.5
	Three Months Ended March 31, 2022		
Balance at December 31, 2021	$ 3,409.0	$ (148.4)	$ 3,260.6
Net income	32.5	—	32.5
Other comprehensive loss, net of tax	—	(34.6)	(34.6)
Net transfers from Parent	88.6	—	88.6
Balance at March 31, 2022	$ 3,530.1	$ (183.0)	$ 3,347.1

The accompanying notes are an integral part of these unaudited condensed combined financial statements.

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
CONDENSED COMBINED STATEMENTS OF CASH FLOWS
(In millions)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 17.4	$ 32.5
Adjustments to reconcile net earnings to net cash provided by (used for) operating activities:		
Depreciation and amortization	22.8	23.6
Stock compensation	6.7	6.2
Operating lease right-of-use asset expense	7.8	6.8
Goodwill and other asset impairments	—	—
Deferred income taxes	(3.7)	(5.0)
Other, net	0.8	2.4
Change in assets and liabilities (net of effects of acquisitions):	—	—
(Increase) decrease in accounts receivable and unbilled services	26.8	(21.9)
Increase in prepaid expenses and other	(18.6)	(18.2)
Increase in accounts payable	20.9	1.6
Decrease in deferred revenue	(13.9)	(2.5)
Decrease in accrued expenses and other	(63.6)	(86.1)
Net cash provided by (used for) operating activities	3.4	(60.6)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(16.2)	(11.4)
Proceeds from sale of assets	—	0.3
Net cash used for investing activities	(16.2)	(11.1)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net transfers from Parent	19.9	82.4
Net cash provided by financing activities	19.9	82.4
Effect of exchange rate changes on cash and cash equivalents	1.1	(0.8)
Net increase in cash and cash equivalents	8.2	9.9
Cash and cash equivalents at beginning of period	112.0	94.6
Cash and cash equivalents at end of period	$ 120.2	$ 104.5

The accompanying notes are an integral part of these unaudited condensed combined financial statements.

1. BASIS OF FINANCIAL STATEMENT PREPARATION

Background

On July 28, 2022, Laboratory Corporation of America Holdings ("Labcorp" or "Parent") announced that its Board of Directors had authorized Labcorp to pursue a spinoff of its wholly owned Clinical Development and Commercialization Services business ("CDCS" the "Business", the "Company") to Labcorp's shareholders. The planned spinoff will result in two independent, publicly traded companies.

Labcorp is targeting completion of the planned spinoff in mid-2023. The spinoff will be subject to the satisfaction of certain customary conditions, including, among others, the receipt of final approval by Labcorp's Board of Directors, the receipt of appropriate assurances regarding the generally tax-free nature of the spinoff for U.S. federal income tax purposes and effectiveness of any required filings with the Securities and Exchange Commission.

The CDCS business will be transferred to Fortrea Holdings Inc. ("Fortrea"), a Delaware corporation incorporated on January 31, 2023, and its shares will be distributed to Labcorp stockholders. Fortrea is currently a wholly owned subsidiary of Labcorp. It has not commenced operations and does not have, nor will have, more than nominal assets or liabilities or any commitments and contingencies prior to the expected transfer of the CDCS business to Fortrea. Labcorp will complete the internal restructuring, which will result in Fortrea becoming the parent company of the Labcorp operations comprising, and the entities that will conduct, the CDCS business.

Description of Business

CDCS is a leading global contract research organization ("CRO") providing comprehensive phase I through IV biopharmaceutical product and medical device services, patient access solutions and other enabling services to pharmaceutical, biotechnology, and medical device customers. The Company offers these services using comprehensive full service, functional service and hybrid delivery models. CDCS also provides software applications that support clinical trials with site, study, subject and clinical supply management solutions.

The Company manages its business in two reportable segments - Clinical Services and Enabling Services. The Clinical Services segment, provides services across the clinical pharmacology, clinical development and other clinical service spectrum utilizing enabling services and technology through multiple delivery models. The Enabling Services segment provides technology solutions directly to customers that streamlines complex randomization and optimizes the trial drug supply process, while minimizing operational costs and supporting timely and accurate patient dosing. For further financial information about these, see *Note 8, Business Segment Information* to the Combined Financial Statements.

The Company maintains primary office locations in five countries worldwide including the US, UK, China, India and Singapore with field operations in other jurisdictions and supports clinical trial activity in more than 90 countries.

Basis of Financial Statement Presentation

The Company has historically existed and functioned as part of the consolidated business of Labcorp. These condensed combined financial statements reflect the historical financial position, results of operations and cash flows of the Company, for the periods presented, prepared on a "carve-out" basis and have been derived from the consolidated financial statements and accounting records of Labcorp using the historical results of operations and historical basis of assets and liabilities of the Company and reflect Labcorp's net investment in the Company. The Company's condensed combined financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The condensed combined financial statements do not necessarily reflect what the financial position, results of operations, and cash flows would have been had it operated as a standalone company during the periods presented.

The accompanying condensed combined financial statements of the Company are unaudited. In the opinion of management, all adjustments necessary for a fair statement of results of operations, cash flows, and financial

position have been made. Except as otherwise disclosed, all such adjustments are of a normal recurring nature. Interim results are not necessarily indicative of results for a full year. The year-end condensed combined balance sheet data was derived from audited financial statements but does not include all disclosures required by generally accepted accounting principles. The condensed combined financial statements and notes are presented in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") and do not contain certain information included in the Company's fiscal year 2022 annual report. Therefore, these interim statements should be read in conjunction with the combined financial statements and notes thereto contained in the Company's annual audited combined financial statements.

The condensed combined statements of operations include all revenues and costs directly attributable to our business. The condensed combined statements of operations also include costs for certain centralized functions and programs provided and administered by Labcorp that are allocated to the Company. These centralized functions and programs include, but are not limited to legal, tax, treasury, risk management, sales expenses, information technology, human resources, finance, supply chain, executive leadership and stock-based compensation.

These expenses were allocated to the Company based on direct usage when identifiable or, when not directly identifiable, on the basis of proportional net revenues or headcount or other reasonable driver, as applicable. The Company considers the basis on which the expenses have been allocated to reasonably reflect the utilization of services provided to, or the benefit received by, the Company during the periods presented. However, the allocations may not reflect the expenses the Company would have incurred as an independent company for the periods presented. Actual costs that may have been incurred if the Company had been a standalone company would depend on a number of factors, including the organizational structure, whether functions were outsourced or performed by employees, and strategic decisions made in areas such as information technology and infrastructure. For a period following the spinoff, however, some of these functions will continue to be provided by Labcorp under one or more planned transition services agreements.

Labcorp utilizes a centralized approach to cash management and financing of its operations. The cash and cash equivalents held by Labcorp at the corporate level are not specifically identifiable to the Company and therefore have not been reflected in the Company's condensed combined balance sheets. Cash and cash equivalents in the condensed combined balance sheets represent cash and cash equivalents held by the Company. Cash transfers between Labcorp and the Company are accounted for through net parent investment.

The condensed combined financial statements include certain assets and liabilities that have historically been held at the Labcorp corporate level but are specifically identifiable or otherwise attributable to the Company. Labcorp's third-party long-term debt and the related interest expense have not been allocated to the Company for any of the periods presented because the Company was not the legal obligor of such debt.

A net parent investment is shown in lieu of common stock and retained earnings accounts in the condensed combined financial statements. The total net effect of the settlement of the transactions between the Company and Labcorp, exclusive of those historically settled in cash, is reflected in the condensed combined statements of cash flows in cash flows from financing activities as net transfers (to) from parent company and in the condensed combined balance sheets as net parent investment.

All intercompany transactions within the Company have been eliminated. All transactions between the Company and Labcorp have been included in these condensed combined financial statements. Transactions between the Company and Labcorp are considered to be effectively settled at the time the transactions are recorded and included as a component of net parent investment in the Condensed Combined Balance Sheet and net transfers to parent in the Condensed Combined Statement of Cash Flows. The Company anticipates that the net parent investment will be settled at the time of the spinoff. Refer to *Note 6, Related Party Transactions*, for further information.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable and unbilled services.

The Company maintains cash and cash equivalents with various major financial institutions. These financial institutions are generally highly rated and geographically dispersed. The Company evaluates the relative credit standing of these financial institutions, and has not sustained credit losses from instruments held at financial institutions.

Substantially all of the Company's accounts receivable and unbilled services are with companies in the pharmaceutical, biotechnology and medical device industries. As of March 31, 2023, one pharmaceutical company accounted for approximately 12.5% of the Company's combined gross accounts receivable and unbilled services. As of December 31, 2022, a separate pharmaceutical company accounted for approximately 10.5% of the Company's combined gross accounts receivable and unbilled services. Additionally, for the three months ended March 31, 2023 and 2022, no customer accounted for more than 10% of revenues. Concentrations of credit risk are mitigated due to the number of the Company's customers, as well as their dispersion across many different geographic regions. Additionally, the Company applies assumptions and judgments, including historical collection experience and reasonable and supportable forecasts, for assessing collectability and determining allowances for doubtful accounts.

Subsequent Events

The Company evaluated subsequent events for matters that may require recognition or disclosure through May 15, 2023, the date of issuance.

2. REVENUES

The Company provides end-to-end clinical development services predominantly to pharmaceutical, biotechnology and medical device companies worldwide. The Company's revenue by segment and geography for the three months ended March 31, 2023 and 2022 is as follows:

	Three Months Ended March 31, 2023				Three Months Ended March 31, 2022			
	Europe	North America	Other	Total	Europe	North America	Other	Total
Clinical Services	$ 196.0	$ 351.9	$ 144.2	$ 692.1	$ 222.4	$ 338.4	$ 146.4	$ 707.2
Enabling Services	—	72.0	0.1	72.1	—	71.3	0.5	71.8
Total	$ 196.0	$ 423.9	$ 144.3	$ 764.2	$ 222.4	$ 409.7	$ 146.9	$ 779.0

Contract Costs

The following table provides information about contract asset balances:

	March 31, 2023	December 31, 2022
Sales commission assets	$ 18.8	$ 18.6
Deferred contract costs	14.1	14.8
Total	$ 32.9	$ 33.4

Amortization related to sales commission assets for the three months ended March 31, 2023 and 2022 was $4.5 and $3.4, respectively. Amortization related to deferred contract costs for the three months ended March 31, 2023 and 2022 was $2.4 and $3.1, respectively. The Company applies the practical expedient to not recognize the effect of financing in its contracts with customers, when the difference in timing of payment and performance is one year or less.

Accounts Receivable, Unbilled Services and Unearned Revenue

The following table provides information about accounts receivables, unbilled services, and unearned revenue from contracts with customers:

	March 31, 2023	December 31, 2022
Accounts receivable	$ 467.2	$ 449.2
Unbilled services	550.2	585.7
Less: allowance for credit losses	(20.8)	(12.7)
Total	$ 996.6	$ 1,022.2
Unearned revenue	$ 258.0	$ 271.5

Revenue recognized during the period, that was included in the unearned revenue balance at the beginning of the period, was $112.8 and $128.2 for the three months ended March 31, 2023 and 2022, respectively.

Credit Loss Rollforward

The Company estimates future expected losses on accounts receivable and unbilled services over the remaining collection period of the instrument.

The rollforward for the allowance for credit losses for the three months ended March 31, 2023 is as follows:

	Accounts Receivable
Allowance for credit losses as of December 31, 2022	$ 12.7
Credit loss expense	8.9
Write-offs	(0.8)
Foreign currency impact	—
Allowance for credit losses as of March 31, 2023	$ 20.8

Performance Obligations Under Long-Term Contracts

Long-term contracts at the Company consist primarily of fully managed clinical studies. The amount of existing performance obligations under such long-term contracts unsatisfied as of March 31, 2023 was $4,720.0. The Company expects to recognize approximately 30% of the existing performance obligations as of March 31, 2023 as revenue over the following 12 months, and the remaining balance thereafter. The Company's long-term contracts generally range from 1 to 8 years.

The Company applies the practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less. Revenue of $(10.9) and $30.9 was recognized during the three months ended March 31, 2023 and 2022, respectively, from performance obligations that were partially satisfied in a previous period. For the three months ended March 31, 2023, such amounts were primarily related to changes in estimates and to a much lesser extent changes in scope. For the three months ended March 31, 2022, such amounts were primarily related to changes in scope and to a much lesser extent, changes in estimates.

3. GOODWILL AND INTANGIBLE ASSETS

The Company's goodwill and intangible assets are primarily the result of the original acquisitions of the CDCS business by Labcorp and were allocated to the CDCS business using a relative fair value approach. Subsequent acquisitions of businesses were allocated to the CDCS business based on the inclusion of the business activities using valuations at the time of acquisition.

The changes in the carrying amount of goodwill (net of impairment) for the three months ended March 31, 2023 and 2022 are as follows:

	Clinical Services		Enabling Services		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Balance as of December 31	$ 1,707.4	$ 1,791.0	$ 289.9	$ 289.9	$ 1,997.3	$ 2,080.9
Goodwill acquired during the period	—	—	—	—	—	—
Foreign currency impact and other adjustments to goodwill	12.5	(22.5)	—	—	12.5	(22.5)
Balance as of March 31	$ 1,719.9	$ 1,768.5	$ 289.9	$ 289.9	$ 2,009.8	$ 2,058.4

The Company assesses goodwill for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable. The Company recognizes an impairment charge for the amount by which the reporting unit's carrying amount exceeds its fair value.

Although the Company believes that the current assumptions and estimates used in its goodwill analysis are reasonable, supportable, and appropriate, continued efforts to maintain or improve the performance of these businesses could be impacted by unfavorable or unforeseen changes which could impact the existing assumptions used in the impairment analysis. Various factors could reasonably be expected to unfavorably impact existing assumptions: primarily delays in new customer bookings and the related delay in revenue from new customers, increases in customer termination activity or increases in operating costs. In addition, the ongoing nature of the COVID-19 pandemic, inflation, and changes to macroeconomic growth trends may unfavorably impact existing assumptions. Accordingly, there can be no assurance that the estimates and assumptions made for the purposes of the goodwill impairment analysis will prove to be accurate predictions of future performance.

The components of identifiable intangible assets are as follows:

	March 31, 2023			December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 1,198.7	$ (394.1)	$ 804.6	$ 1,191.1	$ (376.7)	$ 814.4
Technology	53.7	(48.5)	5.2	53.7	(47.8)	5.9
Non-compete agreements	6.5	(4.1)	2.4	6.5	(3.7)	2.8
Land use rights	6.8	(6.7)	0.1	6.8	(6.6)	0.2
Total	$ 1,265.7	$ (453.4)	$ 812.3	$ 1,258.1	$ (434.8)	$ 823.3

Amortization of intangible assets was $15.9 and $16.9 for the three months ended March 31, 2023 and 2022, respectively. Amortization expense of intangible assets is estimated to be $47.8 for the remainder of 2023, $63.4 in 2024, $60.5 in 2025, $59.6 in 2026, $59.6 in 2027, and $521.4 thereafter.

4. COMMITMENTS AND CONTINGENT LIABILITIES

The Company is involved from time to time in various claims and legal actions arising in the ordinary course of business. These matters may include commercial and contract disputes, employee-related matters, and professional liability claims. In accordance with FASB ASC 450 “Contingencies,” the Company establishes reserves for claims and legal actions when those matters present loss contingencies that are both probable and estimable. When loss contingencies are not both probable and estimable, the Company does not establish reserves. The Company does not believe that any liabilities related to such claims and legal actions will have a material effect on its financial condition, results of operations or cash flows.

The Company believes that it is in compliance in all material respects with all statutes, regulations, and other requirements applicable to its drug development support services. The drug development industry is, however, subject to extensive regulation, and the courts have not interpreted many of the applicable statutes and regulations. Therefore, the applicable statutes and regulations could be interpreted or applied by a prosecutorial, regulatory, or judicial authority in a manner that would adversely affect the Company. Potential sanctions for violation of these statutes and regulations include significant civil and criminal penalties, fines, the loss of various licenses, certificates and authorizations, and/or additional liabilities from third-party claims.

Labcorp obtains insurance coverage for certain catastrophic exposures as well as those risks required to be insured by law or contract. The Company is covered by those policies but is responsible for the uninsured portion of losses related primarily to general, professional and vehicle liability, certain medical costs and workers' compensation. The self-insured retentions are on a per-occurrence basis without any aggregate annual limit. Provisions for losses expected under these programs are recorded based upon the Company's estimates of the aggregated liability of claims incurred.

5. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of accumulated other comprehensive income (loss) are as follows:

	Foreign Currency Translation Adjustments	Net Benefit Plan Adjustments	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2022	$ (267.2)	$ (8.8)	$ (276.0)
Current year adjustments	18.9	—	18.9
Tax effect of adjustments	—	—	—
Balance at March 31, 2023	$ (248.3)	$ (8.8)	$ (257.1)
Balance at December 31, 2021	$ (140.2)	$ (8.2)	$ (148.4)
Current year adjustments	(34.6)	—	(34.6)
Tax effect of adjustments	—	—	—
Balance at March 31, 2022	$ (174.8)	$ (8.2)	$ (183.0)

6. RELATED PARTY TRANSACTIONS

The condensed combined financial statements have been prepared on a standalone basis and are derived from the condensed consolidated financial statements and accounting records of Labcorp. The following discussion summarizes activity between the Company and Labcorp.

Allocation of General Corporate and Other Expenses

The condensed combined statements of operations include expenses for certain centralized functions and other programs provided and administered by Labcorp that are charged directly to the Company. In addition, for purposes of preparing these condensed combined financial statements on a carve-out basis, a portion of Labcorp’s total corporate expenses has been allocated to the Company. See *Note 1, Basis Of Financial Statement Preparation*, for a discussion of the methodology used to allocate corporate-related costs for purposes of preparing these financial statements on a carve-out basis.

The following table is a summary of corporate and other allocations for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
Direct costs, exclusive of depreciation and amortization	$ 41.2	$ 41.5
Selling, general and administrative expenses, exclusive of depreciation and amortization	49.7	53.7
Restructuring and other charges	0.1	0.6
Foreign exchange gain (loss)	(1.0)	1.0
Corporate and other allocations	$ 90.0	$ 96.8

Included in the aforementioned amounts are $73.4 and $75.7 related to costs for certain centralized functions and programs provided and administered by Labcorp that are charged directly to the Company for the three months ended March 31, 2023 and 2022, respectively. In addition, a portion of Labcorp's total corporate expenses have been allocated to the Company for services from Labcorp. These costs were $16.6 and $21.1 for the three months ended March 31, 2023 and 2022, respectively. The allocations of foreign exchange gain (loss) represent the allocation of the results of hedging activities performed by Labcorp on behalf of the Company.

The Company has arrangements with third parties where the services are subcontracted to Labcorp (and its affiliates that are not part of the planned transaction). The Company's direct costs include items purchased from Labcorp totaling $21.7 and $20.2 for the three months ended March 31, 2023 and 2022, respectively. These purchases were primarily comprised of central lab pass-thru costs of $21.3 and $19.7 for the three months ended March 31, 2023 and 2022, respectively.

Hedging Activities

The Company does not enter into any derivative contracts with external counterparties. However, Labcorp enters into foreign currency forward contracts with external counterparties to hedge certain foreign currency transactions with exposure predominantly to the Euro and British Pound. These contracts do not qualify for hedge accounting and the changes in fair value are recorded directly to earnings. Earnings related to these contracts were included in the condensed combined statements of operations as part of corporate allocations.

Net Transfers To and From Labcorp

Net transfers to and from Labcorp are included within net parent investment on the condensed combined statements of changes in equity. The components of the transfers to and from Labcorp during the three months ended March 31, 2023 and 2022 were as follows:

	Three Months Ended March 31,	
	2023	2022
General financing activities	$ (63.4)	$ (8.2)
Corporate allocations	83.3	90.6
Stock compensation expense	6.7	6.2
Total net transfers (to) from parent	$ 26.6	$ 88.6

7. SUPPLEMENTAL CASH FLOW INFORMATION

	Three Months Ended March 31,	
	2023	2022
Supplemental schedule of cash flow information:		
Cash paid during period for:		
Interest	$ —	$ 0.1
Income taxes, net of refunds	4.6	6.5
Disclosure of non-cash investing activities:		
Change in accrued property, plant and equipment	(0.1)	0.1

8. BUSINESS SEGMENT INFORMATION

The following tables are a summary of segment information for the three months ended March 31, 2023 and 2022. The segment information is based upon the way the management of the Company organizes segments within an enterprise for making operating decisions and assessing performance. Financial information is reported on the basis that it is used internally by the chief operating decision maker (“CODM”) for evaluating segment performance and deciding how to allocate resources to segments. The Fortrea chief executive officer has been identified as the CODM.

The CODM allocates resources and assesses performance based on the underlying CDCS businesses which determines the Company's operating segments. The Company reports its business in two reportable segments, Clinical Services, which runs Phase I through Phase III clinical trials, commercialization services and post-launch support (Phase IV clinical trials), and Enabling Services, which provides software applications to support clinical trials. When determining the reportable segments, the Company aggregated operating segments based on their similar economic and operating characteristics. The CODM evaluates performance using Revenue and Segment operating income. Segment asset information is not presented because it is not used by the CODM at the segment level.

Through the spinoff date, the condensed combined statements of operations include costs for certain centralized functions and programs provided and administered by Labcorp that are charged directly to the Company. These centralized functions and programs include, but are not limited to legal, tax, treasury, risk management, sales expenses, information technology, human resources, finance, supply chain, executive leadership and stock-based compensation. These additional allocations were reported as “corporate and other allocations” in the table below.

Operating income (loss) of each segment represents revenues less directly identifiable expenses to arrive at operating income for the segment.

	Three Months Ended March 31,	
	2023	2022
Revenues		
Clinical Services	$ 692.1	$ 707.2
Enabling Services	72.1	71.8
Total revenues	$ 764.2	$ 779.0
Operating Income		
Clinical Services	$ 58.5	$ 75.3
Enabling Services	2.4	4.7
Segment operating income:	60.9	80.0
Corporate costs not allocated to segments	(17.8)	(20.8)
Amortization	(15.9)	(16.9)
Goodwill and other asset impairments	—	—
Restructuring and other charges	(1.2)	(9.6)
Total operating income (loss)	$ 26.0	$ 32.7

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Laboratory Corporation of America Holdings

Opinion on the Financial Statements

We have audited the accompanying combined balance sheets of Clinical Development and Commercialization Services Business (the "Company"), a business of Laboratory Corporation of America Holdings ("Labcorp"), as of December 31, 2022 and 2021, the related combined statements of operations, comprehensive income (loss), changes in equity, and cash flows for each of the two years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and 2021, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Emphasis of a Matter

As disclosed in Note 2 to the financial statements, the accompanying financial statements were derived from the consolidated financial statements and accounting records of Laboratory Corporation of America Holdings. These financial statements reflect the historical financial position, results of operations and cash flows of the Company for the periods presented as the Company was historically managed within Laboratory Corporation of America Holdings. The financial statements may not be indicative of the Company's future performance and do not necessarily reflect what the results of operations, financial position and cash flows would have been had it operated as an independent company during the periods presented. Our opinion is not modified with respect to this matter.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition for Full-Service Clinical Trial Contracts— Refer to Notes 2 and 3 to the financial statements

Critical Audit Matter Description

The Company provides Phase I through Phase IV clinical development services to pharmaceutical, biotechnology, and medical device companies worldwide. A majority of the Company's revenues are earned under contracts that are long term in nature, ranging in duration from a few months to many years. The majority of the Company's contracts contain a single performance obligation, as the Company provides a significant service of integrating all promises in the contract and the promises are highly interdependent and interrelated with one another.

Fixed-price contracts are typically recognized as revenue over time based on a proportional-performance basis, using either input or output methods that are specific to the service provided. When using an input method, revenue is recognized by dividing the actual costs incurred by the total estimated contract costs expected to complete the contract and multiplying that percentage by the total contract value. Contract costs principally include direct labor and reimbursable out-of-pocket costs. The estimate of total costs expected to complete the contract requires significant judgment and estimates are based on various assumptions of events that often span several years. These estimates are reviewed periodically, and any adjustments are recognized on a cumulative catch-up basis in the period they become known.

Given the judgments necessary to recognize revenue for fixed-price contracts that use an input method based on estimated total costs, auditing such estimates required extensive audit effort due to the complexity of these contracts and a high degree of auditor judgment when performing audit procedures and evaluating the results of those procedures.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management's estimates of costs for purposes of revenue recognition for full-service contracts which use an input method based on estimated total contract costs included the following, among others:

- We tested the effectiveness of controls over fixed-price contract revenue, including those over the estimates of total costs related to the performance obligation.
- We selected a sample of long-term contracts and performed the following:
  - Evaluated whether the contracts were appropriately accounted for by management based on the terms and conditions of each contract, including whether over time revenue recognition was appropriate.
  - Compared the transaction prices to the consideration expected to be received based on current rights and obligations under the contracts and any contract modifications that were agreed upon with the customers.
  - Evaluated management's identification of distinct performance obligations, including assessing whether the underlying services were highly interdependent or highly interrelated.
  - Tested the accuracy and completeness of the total contract costs incurred to date for the performance obligation.
  - Evaluated the estimates of total contract cost for the performance obligation by:
    - Comparing costs incurred to date to the costs management estimated to be incurred to date.
    - Assessing management's ability to achieve the estimates of total contract costs by performing corroborating inquiries with the Company's project managers and project financial analysts and comparing the estimates to management's work plans and cost estimates.

- Comparing management's estimates for the selected contracts to historical experience and original budgets, when applicable.

◦ Tested the mathematical accuracy of management's calculation of revenue for the performance obligation.

- We evaluated management's ability to accurately estimate total contract costs and revenue by comparing actual costs to management's historical estimates for performance obligations that have been fulfilled.

Income Taxes — Application of Separate Return Method – Refer to Notes 2 and 11 to the financial statements

Critical Audit Matter Description

The Company is included in U.S. federal and certain state, local and foreign income tax return filings of Laboratory Corporation of America Holdings. For purposes of these financial statements, the Company's income tax provision is determined on a separate return basis as if the Company was a stand-alone entity, based on management's interpretation of the tax regulations and rulings in numerous taxing jurisdictions. When calculating the income tax provision, management made certain estimates and assumptions when identifying and measuring deferred tax assets and liabilities and uncertain tax positions.

How the Critical Audit Matter Was Addressed in the Audit

With the assistance of our income tax specialists, our audit procedures related to management's application of the separate return basis included the following, among others:

- We evaluated the completeness of the Company's identification of deferred tax assets and liabilities by:
  - Comparing the deferred tax assets and liabilities to those historically identified and accounted for by Laboratory Corporation of America Holdings.
  - Analyzing the deferred tax assets and liabilities attributed to the allocation of assets and liabilities historically held by Laboratory Corporation of America Holdings, as applicable.
- We selected a sample of book to tax differences and tested the accuracy, completeness, and classification of each selection.
- We evaluated management's computations supporting the U.S. federal income tax provision.
- We developed an expectation of the foreign income tax provision by jurisdiction and compared it to the recorded balances.
- We evaluated management's significant judgments regarding the identification and measurement of uncertain tax positions by analyzing uncertain tax positions of Laboratory Corporation of America Holdings and determining which positions were attributable to the separate operations of the Company.

/s/ Deloitte & Touche LLP

Raleigh, North Carolina

May 15, 2023
We have served as the Company's auditor since 2022.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Laboratory Corporation of America Holdings

Opinion on the Financial Statements

We have audited the combined statements of operations, of comprehensive income (loss), of changes in equity and of cash flows of the Clinical Development and Commercialization Services Business (the "Company"), a business of Laboratory Corporation of America Holdings, for the year ended December 31, 2020, including the related notes (collectively referred to as the "combined financial statements"). In our opinion, the combined financial statements present fairly, in all material respects, the results of operations and cash flows of the Company for the year ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's combined financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of these combined financial statements in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the combined financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the combined financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP

Florham Park, New Jersey

February 13, 2023, except for the change in composition of reportable segments discussed in Note 18, as to which the date is May 15, 2023

We served as the Company's auditor from 2022 to 2023.

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
COMBINED BALANCE SHEETS
(In Millions)

	December 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 112.0	$ 94.6
Accounts receivable and unbilled services, net	1,022.2	927.0
Prepaid expenses and other	112.7	95.9
Total current assets	1,246.9	1,117.5
Property, plant and equipment, net	164.9	162.6
Goodwill, net	1,997.3	2,080.9
Intangible assets, net	823.3	935.5
Deferred income taxes	1.2	1.4
Other assets, net	54.3	70.8
Total assets	$ 4,287.9	$ 4,368.7
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 81.5	$ 60.5
Accrued expenses and other current liabilities	322.7	435.2
Unearned revenue	271.5	307.0
Short-term operating lease liabilities	23.3	24.0
Total current liabilities	699.0	826.7
Operating lease liabilities	40.1	53.2
Deferred income taxes and other tax liabilities	184.5	210.3
Other liabilities	21.7	17.9
Total liabilities	945.3	1,108.1
Commitments and contingent liabilities (Note 13)		
Equity:		
Net parent investment	3,618.6	3,409.0
Accumulated other comprehensive loss	(276.0)	(148.4)
Total equity	3,342.6	3,260.6
Total liabilities and equity	$ 4,287.9	$ 4,368.7

The accompanying notes are an integral part of these combined financial statements.

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
COMBINED STATEMENTS OF OPERATIONS
(In Millions)

	Years Ended December 31,		
	2022	2021	2020
Revenues	$ 3,096.1	$ 3,057.5	$ 2,580.3
Costs and expenses:			
Direct costs, exclusive of depreciation and amortization (including costs incurred from related parties of $87.1, $70.1 and $54.7 during the years ended December 31, 2022, 2021 and 2020, respectively. Note 16)	2,447.4	2,453.1	2,091.2
Selling, general and administrative expenses, exclusive of depreciation and amortization	279.8	303.1	267.6
Depreciation and amortization	92.7	166.3	119.0
Goodwill and other asset impairments	9.8	—	405.7
Restructuring and other charges	30.5	20.7	11.0
Total costs and expenses	2,860.2	2,943.2	2,894.5
Operating income (loss)	235.9	114.3	(314.2)
Other income (expense):			
Foreign exchange gain (loss)	(0.9)	20.2	(18.8)
Other, net	2.0	1.9	0.8
Income (loss) before income taxes	237.0	136.4	(332.2)
Provision for income taxes	44.1	38.4	27.0
Net income (loss)	$ 192.9	$ 98.0	$ (359.2)

The accompanying notes are an integral part of these combined financial statements.

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
COMBINED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In Millions)

	Years Ended December 31,		
	2022	2021	2020
Net income (loss)	$ 192.9	$ 98.0	$ (359.2)
Foreign currency translation adjustments	(127.0)	(32.3)	51.1
Net benefit plan adjustments	(0.6)	5.7	(6.0)
Other comprehensive income (loss) before tax	(127.6)	(26.6)	45.1
(Provision) benefit for income tax related to items of comprehensive income	—	(1.4)	1.1
Other comprehensive income (loss), net of tax	(127.6)	(28.0)	46.2
Comprehensive income (loss)	$ 65.3	$ 70.0	$ (313.0)

The accompanying notes are an integral part of these combined financial statements.

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
COMBINED STATEMENTS OF CHANGES IN EQUITY
(In Millions)

	Net Parent Investment	Accumulated Other Comprehensive Loss	Total Equity
Balance at December 31, 2019	$ 3,779.9	$ (166.6)	$ 3,613.3
Adoption of credit loss accounting standard	1.3	—	1.3
Net loss	(359.2)	—	(359.2)
Other comprehensive income (loss), net of tax	—	46.2	46.2
Net transfers to Parent	(10.0)	—	(10.0)
Balance at December 31, 2020	3,412.0	(120.4)	3,291.6
Net income	98.0	—	98.0
Other comprehensive income (loss), net of tax	—	(28.0)	(28.0)
Net transfers to Parent	(101.0)	—	(101.0)
Balance at December 31, 2021	3,409.0	(148.4)	3,260.6
Net income	192.9	—	192.9
Other comprehensive income (loss), net of tax	—	(127.6)	(127.6)
Net transfers to Parent	16.7	—	16.7
Balance at December 31, 2022	$ 3,618.6	$ (276.0)	$ 3,342.6

The accompanying notes are an integral part of these combined financial statements.

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
COMBINED STATEMENTS OF CASH FLOWS
(In Millions)

	Years Ended December 31,		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 192.9	$ 98.0	$ (359.2)
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	92.7	166.3	119.0
Stock compensation	25.4	27.5	23.1
Operating lease right-of-use asset expense	24.9	32.5	37.4
Goodwill and other asset impairment	9.8	—	405.7
Deferred income taxes	(16.5)	(30.2)	(40.3)
Other, net	4.1	2.9	6.3
Change in assets and liabilities (net of effects of acquisitions):			
Increase in accounts receivable and unbilled services	(105.0)	(187.6)	(22.6)
Increase in prepaid expenses and other	(12.2)	(25.7)	(10.8)
Increase (decrease) in accounts payable	22.4	(6.2)	(2.1)
Increase (decrease) in deferred revenue	(32.5)	39.6	(3.6)
Increase (decrease) in accrued expenses and other	(118.5)	52.7	48.0
Net cash provided by operating activities	87.5	169.8	200.9
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(54.4)	(26.5)	(24.0)
Proceeds from sale of assets	0.4	0.3	0.3
Acquisition of businesses, net of cash acquired	—	—	(137.5)
Net cash used for investing activities	(54.0)	(26.2)	(161.2)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net transfers to Parent	(8.7)	(128.5)	(33.1)
Net cash used for financing activities	(8.7)	(128.5)	(33.1)
Effect of exchange rate changes on cash and cash equivalents	(7.4)	(0.8)	0.5
Net increase in cash and cash equivalents	17.4	14.3	7.1
Cash and cash equivalents at beginning of period	94.6	80.3	73.2
Cash and cash equivalents at end of period	$ 112.0	$ 94.6	$ 80.3

The accompanying notes are an integral part of these combined financial statements.

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
NOTES TO COMBINED FINANCIAL STATEMENTS
(In Millions unless stated otherwise)

1. BUSINESS

Background

On July 28, 2022, Laboratory Corporation of America Holdings ("Labcorp" or "Parent") announced that its Board of Directors had authorized Labcorp to pursue a spinoff of its wholly owned Clinical Development and Commercialization Services business ("CDCS", the "Business", the "Company") to Labcorp's shareholders. The planned spinoff will result in two independent, publicly traded companies.

Labcorp is targeting completion of the planned spinoff in the second half of 2023. The spinoff will be subject to the satisfaction of certain customary conditions, including, among others, the receipt of final approval by Labcorp's Board of Directors, the receipt of appropriate assurances regarding the generally tax-free nature of the spinoff for U.S. federal income tax purposes and effectiveness of any required filings with the Securities and Exchange Commission.

The CDCS business will be transferred to Fortrea Holdings Inc. ("Fortrea"), a Delaware corporation incorporated on January 31, 2023, and its shares will be distributed to Labcorp stockholders. Fortrea is currently a wholly owned subsidiary of Labcorp. It has not commenced operations and does not have, nor will have, more than nominal assets or liabilities or any commitments and contingencies prior to the expected transfer of the CDCS business to Fortrea. Labcorp will complete the internal restructuring, which will result in Fortrea becoming the parent company of the Labcorp operations comprising, and the entities that will conduct, the CDCS business.

Description of Business

CDCS is a leading global contract research organization ("CRO") providing comprehensive phase I through IV biopharmaceutical product and medical device services, patient access solutions and other enabling services to pharmaceutical, biotechnology, and medical device customers. The Company offers these services using comprehensive full service, functional service and hybrid delivery models. CDCS also provides software applications that support clinical trials with site, study, subject and clinical supply management solutions.

The Company manages its business in two reportable segments - Clinical Services and Enabling Services. The Clinical Services segment, provides services across the clinical pharmacology and clinical development spectrum. The Enabling Services segment provides patient access and technology solutions to customers. For further financial information about these, see *Note 18, Business Segment Information* to the Combined Financial Statements.

The Company maintains primary office locations in five countries worldwide including the US, UK, China, India and Singapore with field operations in other jurisdictions and supports clinical trial activity in more than 90 countries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statement Presentation

The Company has historically existed and functioned as part of the consolidated business of Labcorp. These combined financial statements reflect the historical financial position, results of operations and cash flows of the Company, for the periods presented, prepared on a "carve-out" basis and have been derived from the consolidated financial statements and accounting records of Labcorp using the historical results of operations and historical basis of assets and liabilities of the Company and reflect Labcorp's net investment in the Company. The Company's combined financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The combined financial statements do not necessarily reflect what the financial position, results of operations, and cash flows would have been had it operated as a standalone company during the periods presented.

The combined statements of operations include all revenues and costs directly attributable to our business. The combined statements of operations also include costs for certain centralized functions and programs provided and administered by Labcorp that are allocated to the Company. These centralized functions and programs include, but

are not limited to legal, tax, treasury, risk management, sales expenses, information technology, human resources, finance, supply chain, executive leadership and stock-based compensation.

These expenses were allocated to the Company based on direct usage when identifiable or, when not directly identifiable, on the basis of proportional net revenues or headcount or other reasonable driver, as applicable. The Company considers the basis on which the expenses have been allocated to reasonably reflect the utilization of services provided to, or the benefit received by, the Company during the periods presented. However, the allocations may not reflect the expenses the Company would have incurred as an independent company for the periods presented. Actual costs that may have been incurred if the Company had been a standalone company would depend on a number of factors, including the organizational structure, whether functions were outsourced or performed by employees, and strategic decisions made in areas such as information technology and infrastructure. For a period following the spinoff, however, some of these functions will continue to be provided by Labcorp under one or more planned transition services agreements.

Labcorp utilizes a centralized approach to cash management and financing of its operations. The cash and cash equivalents held by Labcorp at the corporate level are not specifically identifiable to the Company and therefore have not been reflected in the Company's combined balance sheets. Cash and cash equivalents in the combined balance sheets represent cash and cash equivalents held by the Company. Cash transfers between Labcorp and the Company are accounted for through net parent investment.

The combined financial statements include certain assets and liabilities that have historically been held at the Labcorp corporate level but are specifically identifiable or otherwise attributable to the Company. Labcorp's third-party long-term debt and the related interest expense have not been allocated to the Company for any of the periods presented because the Company was not the legal obligor of such debt.

A net parent investment is shown in lieu of common stock and retained earnings accounts in the combined financial statements. The total net effect of the settlement of the transactions between the Company and Labcorp, exclusive of those historically settled in cash, is reflected in the combined statements of cash flows in cash flows from financing activities as net transfers (to) from parent and in the combined balance sheets as net parent investment.

All intercompany transactions within the Company have been eliminated. All transactions between the Company and Labcorp have been included in these combined financial statements. Transactions between the Company and Labcorp are considered to be effectively settled at the time the transactions are recorded and included as a component of net parent investment in the Combined Balance Sheet and net transfers to parent in the Combined Statement of Cash Flows. The Company anticipates that the net parent investment will be settled at the time of the spinoff. Refer to *Note 16, Related Party Transactions*, for further information.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Significant estimates include revenue estimates, deferred tax assets, fair value of goodwill, amortization lives for acquired intangible assets, and the fair values of assets acquired and liabilities assumed in business combinations. Actual results could differ from those estimates.

The extent to which the COVID-19 pandemic has and will continue to impact the Company's business and financial results depend on numerous evolving factors including, but not limited to: the magnitude and duration of the COVID-19 pandemic, the impact to worldwide macroeconomic conditions including interest rates, employment rates and health insurance coverage, the speed of the anticipated recovery, and governmental and business reactions to the pandemic. The Company assessed certain accounting matters that generally require consideration of forecasted financial information in context with the information reasonably available to the Company and the unknown future impacts of COVID-19 as of December 31, 2021, and through the date of this report. The accounting matters assessed included, but were not limited to, the Company's credit losses and the carrying value of goodwill

and other long-lived assets. The Company's future assessment of the magnitude and duration of COVID-19, as well as other factors, could impact the Company's combined financial statements in future reporting periods.

Recognition of Revenues

The Company provides phase I through phase IV clinical development services to pharmaceutical, biotechnology, and medical device companies worldwide. A majority of the Company's revenues are earned under contracts that are long term in nature, ranging in duration from a few months to many years. The majority of the Company's contracts contain a single performance obligation, as the Company provides a significant service of integrating all promises in the contract and the promises are highly interdependent and interrelated with one another. For contracts that include multiple performance obligations, the Company allocates the contract value to the goods and services based on a customer price list, if available. If a price list is not available, the Company will estimate the transaction price using either market prices or an "expected cost plus margin" approach. The total contract value is estimated at the beginning of the contract, and is equal to the amount expected to be billed to the customer. Other payments and billing adjustments may also factor into the calculation of total contract value, such as the reimbursement of out-of-pocket costs and volume-based rebates. These contracts generally take the form of fixed-price, fee-for-service or software-as-a-service arrangements subject to pricing adjustments based on changes in scope.

Fixed-price contracts are typically recognized as revenue over time based on a proportional-performance basis, using either input or output methods that are specific to the service provided. In an output method, revenue is determined by dividing the actual units of output achieved by the total units of output required under the contract and multiplying that percentage by the total contract value. When using an input method, revenue is recognized by dividing the actual costs incurred by the total estimated cost expected to complete the contract, and multiplying that percentage by the total contract value. Contract costs principally include direct labor and reimbursable out-of-pocket costs. The estimate of total costs expected to complete the contract requires significant judgment and estimates are based on various assumptions of events that often span several years. These estimates are reviewed periodically and any adjustments are recognized on a cumulative catch-up basis in the period they become known.

Fee-for-service contracts are typically priced based on transaction volume or time and materials. For volume-based contracts the contract value is entirely variable and revenue is recognized as the specific product or service is completed. For services billed based on time and materials, revenue is recognized using the right to invoice practical expedient.

Software as a service ("SaaS") arrangements represent a single promise to provide continuous access to a hosted software platform. As each day of providing access to the platform is substantially the same, and the customer simultaneously receives and consumes the benefits as access is provided, the Company recognizes revenue using an output method based on time elapsed, which is on a straight-line basis over the course of the contracted SaaS hosting period.

Contracts are often modified to account for changes in contract specifications and requirements. Generally, when contract modifications create new performance obligations, the modification is considered to be a separate contract and revenue is recognized prospectively. When contract modifications change existing performance obligations, the impact on the existing transaction price and measure of progress for the performance obligation to which it relates is generally recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

Most contracts are terminable with or without cause by the customer, either immediately or upon notice. These contracts often require payment to the Company of expenses to wind-down the study or project, fees earned to date and, in some cases, a termination fee or a payment to the Company of some portion of the fees or profits that could have been earned by the Company under the contract if it had not been terminated early. Termination fees are included in revenues when services are performed and realization is assured.

Contract costs

The Company incurs sales commissions in the process of obtaining contracts with customers, which are recoverable through the service fees in the contract. Sales commissions that are payable upon contract award are recognized as assets and amortized over the expected contract term, along with related payroll tax expense. The amortization of commission expense is based on the weighted average contract duration for all commissionable awards in the respective business in which the commission expense is paid, which approximates the period over which goods and services are transferred to the customer. The amortization period of sales commissions ranges from approximately 1-5 years, depending on the business. For businesses that enter primarily short-term contracts, the Company applies the practical expedient which allows costs to obtain a contract to be expensed when incurred if the amortization period of the assets that would otherwise have been recognized is one year or less. Amortization of assets from sales commissions is included in selling, general, and administrative expense.

The Company incurs costs to fulfill contracts with customers, which are recoverable through the service fees in the contract. Contract fulfillment costs include software implementation costs and setup costs for certain services. These costs are recognized as assets and amortized to direct costs over the expected term of the contract to which the implementation relates, which is the period over which services are expected to be provided to the customer. This period typically ranges from 2-5 years.

Accounts Receivable, Unbilled Services and Unearned Revenue

Differences in the timing of revenue recognition and associated billing and cash collections result in recording accounts receivable, unbilled services and unearned revenue in the combined balance sheet. Payments received in advance of services being provided are contract liabilities recognized as unearned revenue. Revenue recognized in advance of billing is recognized as unbilled services and the majority of the Company's unbilled services represent unbilled receivables. Once a customer is invoiced, the contract asset is reduced for the amount billed, and a corresponding accounts receivable is recognized. All contract assets are billable to customers within one year from the respective balance sheet date.

Reimbursable Out-of-Pocket Expenses

The Company pays on behalf of its customers certain out-of-pocket costs for which it is reimbursed at cost, without mark-up or profit. Out-of-pocket costs paid by the Company are reflected in direct costs, while the reimbursements received are reflected in revenues in the combined statements of operations.

Costs and Expenses

Direct costs include direct labor and related benefit charges, reimbursable out-of-pocket expenses, other direct costs, and an allocation of facility charges and information technology costs. Selling, general and administrative expenses consist primarily of administrative payroll and related benefit charges, advertising and promotional expenses, administrative travel and an allocation of facility charges and information technology costs.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable and unbilled services.

The Company maintains cash and cash equivalents with various major financial institutions. These financial institutions are generally highly rated and geographically dispersed. The Company evaluates the relative credit standing of these financial institutions, and has not sustained credit losses from instruments held at financial institutions.

Substantially all of the Company’s accounts receivable and unbilled services are with companies in the pharmaceutical, biotechnology and medical device industries. As of December 31, 2022, one pharmaceutical company accounted for approximately 10.5% of the Company's combined gross accounts receivable and unbilled services. As of December 31, 2021, no customer accounted for more than 10% of gross accounts receivable and unbilled services. Additionally, for the years ended December 31, 2022, 2021, and 2020, no customer accounted for

more than 10% of revenues. Concentrations of credit risk are mitigated due to the number of the Company's customers, as well as their dispersion across many different geographic regions. Additionally, the Company applies assumptions and judgments, including historical collection experience and reasonable and supportable forecasts, for assessing collectability and determining allowances for doubtful accounts.

Stock Compensation Plans

Certain employees participate in the stock compensation plans sponsored by Labcorp. Labcorp's stock compensation awards consist of stock options and restricted stock awards and are based on Labcorp's common shares. Compensation expense for all stock-based employee grants are recognized based on the fair value of Labcorp`s shares on the date of grant. Stock-based compensation expense is recognized net of an estimated forfeiture rate on a straight-line basis over the requisite service period of the award. The combined statements of operations also include an allocation of Labcorp's corporate and shared employee stock-based compensation expenses. See *Note 12, Stock Compensation Plans*, for additional information.

Cash Equivalents

Cash and cash equivalents consist of highly liquid instruments, such as commercial paper, time deposits, and other money market instruments, which have maturities when purchased of three months or less.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation and amortization expense is computed on all classes of assets based on their estimated useful lives, as indicated below, using the straight-line method.

	Years		
Buildings and building improvements	10	-	35
Machinery and equipment	3	-	10
Furniture and fixtures	5	-	10
Software	3	-	10

Leasehold improvements are amortized over the shorter of their estimated useful lives or the term of the related leases. Expenditures for repairs and maintenance are charged to operations as incurred. Retirements, sales and other disposals of assets are recorded by removing the cost and accumulated depreciation from the related accounts with any resulting gain or loss reflected in the combined statements of operations.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. If the carrying value is no longer recoverable based upon the undiscounted future cash flows of the asset, the amount of the impairment is the difference between the carrying amount and the fair value of the asset.

Capitalized Software Costs

The Company capitalizes purchased software that is ready for service and capitalizes software development costs incurred on significant projects starting from the time that the preliminary project stage is completed and the Company commits to funding a project until the project is substantially complete and the software is ready for its intended use. Capitalized costs include direct material and service costs and payroll and payroll-related costs. Other computer software maintenance costs related to software development are expensed as incurred. Capitalized software costs are amortized using the straight-line method over the estimated useful life of the underlying system ranging from three to ten years, generally five years. Amortization begins once the underlying system is substantially complete and ready for its intended use.

Goodwill

The Company assesses goodwill for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable. The annual impairment test for goodwill includes an option to perform a qualitative assessment of whether it is more likely than not that a reporting

unit's fair value is less than its carrying value. Reporting units are businesses with discrete financial information that is available and reviewed by management. If the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company performs the quantitative goodwill impairment test. The Company may also choose to bypass the qualitative assessment for any reporting unit in its goodwill assessment and proceed directly to performing the quantitative assessment. The Company recognizes an impairment charge for the amount by which the reporting unit's carrying amount exceeds its fair value.

In the qualitative assessment, the Company considers relevant events and circumstances for each reporting unit, including (i) current year results, (ii) financial performance versus management's annual and five-year strategic plans, (iii) changes in the reporting unit carrying value since prior year, (iv) industry and market conditions in which the reporting unit operates, (v) macroeconomic conditions, including discount rate changes, and (vi) changes in products or services offered by the reporting unit. If applicable, performance in recent years is compared to forecasts included in prior quantitative valuations. Based on the results of the qualitative assessment, if the Company concludes that it is not more likely than not that the fair value of the reporting unit is less than its carrying values of the reporting unit, then no quantitative assessment is performed.

The quantitative assessment includes the estimation of the fair value of each reporting unit as compared to the carrying value of the reporting unit. The Company estimates the fair value of a reporting unit using both income-based and market-based valuation methods. The income-based approach is based on the reporting unit's forecasted future cash flows that are discounted to the present value using the reporting unit's weighted average cost of capital. For the market-based approach, the Company utilizes a number of factors such as operating results, business plans, market multiples, and present value techniques. Based upon the range of estimated values developed from the income and market-based methods, the Company determines the estimated fair value for the reporting unit. If the estimated fair value of the reporting unit exceeds the carrying value, the goodwill is not impaired and no further review is required.

Goodwill is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Recoverability of assets to be held and used is determined by the Company at the level for which there are identifiable cash flows, by comparison of the carrying amount of the assets to future undiscounted net cash flows before interest expense and income taxes expected to be generated by the assets. Impairment, if any, is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets (based on market prices in an active market or on discounted cash flows). Assets to be disposed of are reported at the lower of the carrying amount or fair value.

Intangible Assets

Intangible assets are amortized on a straight-line basis over the expected periods to be benefited, as set forth in the table below.

	Years		
Customer relationships	9	-	25
Technology	2	-	13
Non-compete agreements	3	-	5
Trade names	1	-	7

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. If the carrying value is no longer recoverable based upon the undiscounted future cash flows of the asset, the amount of the impairment is the difference between the carrying amount and the fair value of the asset.

Leases

All leases with a lease term greater than 12 months, regardless of lease type classification, are recorded as an obligation on the balance sheet with a corresponding right-of-use asset. Leases are reflected as liabilities on the commencement date of the lease based on the present value of the lease payments to be made over the lease term. Right-of-use assets are valued at the initial measurement of the lease liability, plus any initial direct costs or rent

prepayments, minus lease incentives and any deferred lease payments. The classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease.

A certain number of these leases contain rent escalation clauses either fixed or adjusted periodically for inflation or market rates that are factored into the Company's determination of lease payments. As most of the Company's leases do not provide an implicit rate, the Company estimates an incremental borrowing rate based on the credit quality of the Company and by comparing interest rates available in the market for similar debt financing, and adjusting this amount based on the impact of collateral over the term of each lease. The Company uses this rate to discount payments to present value. Some operating leases contain renewal options, some of which also include options to early terminate the leases. The exercise of these options is at the Company's discretion and the Company evaluates each renewal option to determine if it is reasonably possible to be exercised and should be included in the accounting lease term. See *Note 7, Leases*, to the Combined Financial Statements.

Income Taxes

During the periods presented in the combined financial statements, the operations of the Company were included in the consolidated U.S. federal and certain state and local and foreign income tax returns filed by Labcorp. The income tax provision in these combined financial statements was calculated using the separate return basis, as if the Company was a separate taxpayer. The provision for income taxes is determined using the asset and liability approach. Under this approach, deferred income taxes represent the expected future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities. The Company records a valuation allowance to reduce its deferred tax assets when uncertainty regarding their realizability exists. The Company recognizes and measures its uncertain tax positions based on the rules under Accounting Standards Codification (“ASC”) 740, “Income Taxes”. Interest and penalties related to these unrecognized tax benefits are reported in income tax expense.

Fair Value of Financial Instruments

Fair value measurements for financial assets and liabilities are determined based on the assumptions that a market participant would use in pricing an asset or liability. A three-tiered fair value hierarchy draws distinctions between market participant assumptions based on (i) observable inputs such as quoted prices in active markets (Level 1), (ii) inputs other than quoted prices in active markets that are observable either directly or indirectly (Level 2), and (iii) unobservable inputs that require the Company to use present value and other valuation techniques in the determination of fair value (Level 3).

The carrying amounts of cash and cash equivalents, accounts receivable, income taxes receivable, and accounts payable are considered to be representative of their respective fair values due to their short-term nature.

Foreign Currencies

For subsidiaries outside of the U.S. that operate in a local currency environment, income and expense items are translated to U.S. dollars at the monthly average rates of exchange prevailing during the period, assets and liabilities are translated at period-end exchange rates and equity accounts are translated at historical exchange rates. Translation adjustments are accumulated in a separate component of equity in the combined balance sheets and are included in the determination of comprehensive income in the combined statements of comprehensive earnings and combined statements of changes in equity. Transaction gains and losses are included in the determination of net income in the combined statements of operations.

Recently Adopted Guidance

In June 2016, the FASB issued a new accounting standard intended to provide financial statement users with more decision-useful information about expected credit losses and other commitments to extend credit held by the reporting entity. The standard replaces the incurred loss impairment methodology in current generally accepted accounting principles (GAAP) with one that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Company adopted this standard

(In Millions unless stated otherwise)

effective January 1, 2020. The adoption of this standard resulted in recording an additional allowance for credit losses of $1.3 million as of January 1, 2020.

In August 2018, the FASB issued a new accounting standard to reduce, modify, and add to the disclosure requirements on fair value measurements. The Company adopted this standard effective January 1, 2020. The adoption of this standard did not have a material impact on the combined financial statements.

In August 2018, the FASB issued a new accounting standard to align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The Company adopted this standard effective January 1, 2020. The adoption of this standard did not have a material impact on the combined financial statements.

In August 2018, the FASB issued a new accounting standard to modify the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. The Company adopted this standard effective January 1, 2020. The adoption of this standard did not have a material impact on the combined financial statements.

In October 2021, the FASB issued a new accounting standard to improve the accounting for acquired revenue contracts with customers in a business combination. The Company early adopted this standard effective January 1, 2022. The adoption of this standard did not have a material impact on the combined financial statements.

Subsequent Events

These combined financial statements were derived from the financial statements of Laboratory Corporation of America Holdings, which issued its annual financial statements for the fiscal year ended December 31, 2022 on February 28, 2023. Accordingly, the Company has evaluated transactions for consideration as recognized subsequent events in these financial statements through the date of February 28, 2023. Additionally, the Company has evaluated transactions that occurred through April 5, 2023, the date these financial statements were available for issuance, for the purposes of unrecognized subsequent events.

3. REVENUES

The Company provides end-to-end clinical development services predominantly to pharmaceutical, biotechnology and medical device companies worldwide.

The Company’s revenue by segment and geography for the years ended December 31, 2022, 2021 and 2020 is as follows:

	Year Ended December 31, 2022			
	Europe	North America	Other	Total
Clinical Services	$ 841.9	$ 1,403.9	$ 579.6	$ 2,825.4
Enabling Services	—	268.6	2.1	270.7
Total	$ 841.9	$ 1,672.5	$ 581.7	$ 3,096.1

	Year Ended December 31, 2021			
	Europe	North America	Other	Total
Clinical Services	$ 868.4	$ 1,357.6	$ 537.5	$ 2,763.5
Enabling Services	—	292.0	2.0	294.0
Total	$ 868.4	$ 1,649.6	$ 539.5	$ 3,057.5

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
NOTES TO COMBINED FINANCIAL STATEMENTS
(In Millions unless stated otherwise)

	Year Ended December 31, 2020			
	Europe	North America	Other	Total
Clinical Services	$ 775.4	$ 1,121.3	$ 394.5	$ 2,291.2
Enabling Services	4.4	278.9	5.8	289.1
Total	$ 779.8	$ 1,400.2	$ 400.3	$ 2,580.3

Contract costs

The following table provides information about contract asset balances:

	December 31, 2022	December 31, 2021
Sales commission assets	$ 18.6	$ 19.5
Deferred contract costs	14.8	14.2
Total	$ 33.4	$ 33.7

Amortization related to sales commission assets for the years ended December 31, 2022, 2021 and 2020, was $13.4, $11.4 and $9.2, respectively. Amortization related to deferred contract costs for the years ended December 31, 2022, 2021 and 2020, was $12.4, $13.5 and $10.1, respectively. The Company applies the practical expedient to not recognize the effect of financing in its contracts with customers, when the difference in timing of payment and performance is one year or less.

Accounts Receivable, Unbilled Services and Unearned Revenue

The following table provides information about accounts receivables, unbilled services, and unearned revenue from contracts with customers:

	December 31, 2022	December 31, 2021
Accounts receivable	$ 449.2	$ 422.5
Unbilled services	585.7	516.2
Less: allowance for credit losses	(12.7)	(11.7)
Total	$ 1,022.2	$ 927.0
Unearned revenue	$ 271.5	$ 307.0

Revenue recognized during the period, that was included in the unearned revenue balance at the beginning of the period, was $230.8, $208.7 and $215.0 for the years ended December 31, 2022, 2021 and 2020, respectively.

Credit Loss Rollforward

The Company estimates future expected losses on accounts receivable and unbilled services over the remaining collection period of the instrument.

(In Millions unless stated otherwise)

The rollforward for the allowance for credit losses for the years ended December 31, 2022 and 2021, is as follows:

	Accounts Receivable and Unbilled Services
Allowance for credit losses as of December 31, 2020	$ 13.4
Credit loss expense	(0.4)
Write-offs	(1.4)
Foreign currency impact	0.1
Allowance for credit losses as of December 31, 2021	$ 11.7
Credit loss expense	3.4
Write-offs	(2.4)
Allowance for credit losses as of December 31, 2022	$ 12.7

Performance Obligations Under Long-Term Contracts

Long-term contracts at the Company consist primarily of fully managed clinical studies. The amount of existing performance obligations under such long-term contracts unsatisfied as of December 31, 2022, was $5,122.1. The Company expects to recognize approximately 30% of the existing performance obligations as of December 31, 2022, as revenue over the following 12 months, and the remaining balance thereafter. The Company's long-term contracts generally range from 1 to 8 years.

The Company applies the practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less. Revenue of $72.3, $80.3 and $63.9 was recognized during the years ended December 31, 2022, 2021 and 2020, respectively, from performance obligations that were partially satisfied in a previous period; such amounts were primarily related to changes in scope and to a much lesser extent, changes in estimates.

4. BUSINESS ACQUISITIONS

During the year ended December 31, 2020, the Company acquired the below mentioned businesses and related assets for total consideration of approximately $141.6, including $137.5 in cash (net of cash acquired) and contingent consideration with a fair value of $4.1. The purchase consideration for all 2020 acquisitions has been allocated to the estimated fair market value of the net assets acquired, including approximately $55.4 in identifiable intangible assets and a residual amount of non-tax-deductible goodwill of approximately $90.4. The amortization periods for intangible assets acquired from these businesses is 10 years for technology and ranges from 9 to 19 years for customer relationships. These acquisitions were made primarily to strengthen the Company’s ability to administer decentralized clinical trial (“DCT”) services worldwide, reduce the burden of vendor management for the Company's clients, as well as to increase growth and penetration within the oncology market. The excess of the fair value of the consideration conveyed over the fair value of the net assets acquired was recorded as goodwill. The goodwill reflects the Company's expectations to utilize the acquired businesses’ workforce and established relationships and the benefits of being able to leverage operational efficiencies with favorable growth opportunities in these markets.

SnapIoT Acquisition

On October 1, 2020, the Company acquired the business of SnapIoT, Inc. (“SnapIoT”) by acquiring 100% of its voting equity interests, enabling the company to deliver the highly flexible snapClinical™ platform while simultaneously reducing vendor management burden for clients and shortening time to implementation. The transaction provided internal expertise to accelerate the DCT platform development and adoption, while supporting scalability of innovative solutions across the drug development field.

The net assets below represent the preliminary fair value estimates as of the acquisition date. During the year ended December 31, 2021, fair value valuation of assets acquired and liabilities assumed was completed and a

(In Millions unless stated otherwise)

measurement period adjustment was made which resulted in a reduction to intangible assets and an increase to goodwill of $6.5.

GlobalCare Acquisition

On July 15, 2020, the Company acquired the business of GlobalCare Clinical Trials, LLC ("GlobalCare") by acquiring 100% of its voting equity interests, enabling the Company to strengthen itself through increased ability to administer DCT services worldwide and provide global mobile nursing services, as well as to increase growth and penetration within the oncology market, which is a strategic growth focus for the organization.

The purchase agreement with the sellers of GlobalCare awarded them with a contingent right to an earnout payment from the Company upon the achievement of certain revenue milestones over the year ended December 31, 2020. The first earnout amount would be obtained if earnout revenue, as defined in the purchase agreement with sellers of GlobalCare, equals or exceeds $31.8 during the earnout period. The sellers are also entitled to receive the second earnout if earnout revenue equals or exceeds $36.6 during the earnout period. The contingent consideration shall not exceed $20.0 or be less than $0. The total value of the contingent earnout payment was settled in 2021 for $0 due to failure to meet the conditions of the earnout payment.

A summary of the net assets acquired in 2020 for these businesses is included below:

	Amounts acquired during year ended December 31, 2020
Accounts receivable	$ 4.7
Unbilled services	3.1
Prepaid expenses and other	0.2
Property, plant and equipment	0.1
Goodwill	90.4
Intangible assets	55.4
Total assets acquired	153.9
Accounts payable	0.9
Accrued expenses and other	5.8
Unearned revenue	1.0
Deferred tax liability	4.3
Operating lease liability	0.3
Total liabilities acquired	12.3
Net assets acquired	$ 141.6

Actual Revenue and Net Earnings and Unaudited Pro Forma Information for 2020 Acquisitions

The following table presents financial information regarding SnapIoT and GlobalCare operations included in the combined statements of operations from the date of acquisition through December 31, 2020 under the column "Actual from acquisition date in 2020." The following table also presents unaudited supplemental pro-forma information as if the acquisitions of SnapIoT and GlobalCare had occurred on January 1, 2019 under the "Pro forma" column. The pro-forma information does not necessarily reflect the results of operations that would have occurred had the Company acquired SnapIoT and GlobalCare on January 1, 2019. Cost savings are also not reflected in the unaudited pro forma amounts for the year ended December 31, 2020.

	Actual from acquisition date in 2020	Pro-forma for year ended December 31, 2020
Revenues	$ 16.8	$ 2,597.9
Net income (loss)	2.5	(359.1)

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
NOTES TO COMBINED FINANCIAL STATEMENTS
(In Millions unless stated otherwise)

5. RESTRUCTURING AND OTHER CHARGES

The Company regularly undertakes various programs aimed at increasing efficiency, utilizing lower cost locations and adapting to changes in the needs of our customers. These programs include the regular review of the number and location of our existing employees and facilities compared to the shifting needs of our customers, developments in technology and remote working, and our capabilities to utilize lower cost locations. Restructuring and other charges are not allocated to the Company's reportable segments as they are not part of the segment performance measures regularly reviewed by management.

2022 Restructuring

During 2022, the Company recorded net restructuring charges of $30.5, including impairment of facility related assets of $2.3, which are reflected within restructuring and other charges in the combined statements of operations. The charges were comprised of $16.5 in severance and other employee costs and $14.2 in lease and other facility-related costs. The charges were partially offset by the reversal of previously established liability of $0.2 in unused severance.

2021 Restructuring

During 2021, the Company recorded net restructuring charges of $20.7, including impairment of facility related assets of $2.8, which are reflected within restructuring and other charges in the combined statements of operations. The charges were comprised of $5.2 in severance and other employee costs and $16.2 in lease and other facility-related costs. The charges were partially offset by the reversal of previously established liability of $0.1 in unused severance and $0.6 in unused facility-related costs.

2020 Restructuring

During 2020, the Company recorded net restructuring charges of $11.0, including impairment of facility related assets of $3.6, which are reflected within restructuring and other charges in the combined statements of operations. The charges were comprised of $4.9 in severance and other employee costs and $7.0 in lease and other facility-related costs. The charges were partially offset by the reversal of previously established liability of $0.8 in unused severance and $0.1 in unused facility-related costs.

The Company recorded restructuring and other charges as follows:

	Years Ended December 31,		
	2022	2021	2020
Restructuring charges	$ 27.5	$ 16.1	$ 5.3
Impairment of facility related assets	2.3	2.8	3.6
Restructuring charges allocated from Parent	0.7	1.8	2.1
Total	$ 30.5	$ 20.7	$ 11.0

(In Millions unless stated otherwise)

The following represents the Business's restructuring accrual activities for the periods indicated:

	Severance and Other Employee Costs	Lease and Other Facility Costs	Total
Balance as of December 31, 2019	$ 3.0	$ 2.0	$ 5.0
Restructuring charges	3.0	3.0	6.0
Reduction of prior restructuring accruals	(0.7)	—	(0.7)
Cash payments and other adjustments	(4.7)	(2.3)	(7.0)
Balance as of December 31, 2020	0.6	2.7	3.3
Restructuring charges	3.7	13.1	16.8
Reduction of prior restructuring accruals	(0.1)	(0.6)	(0.7)
Cash payments and other adjustments	(3.6)	(12.7)	(16.3)
Balance as of December 31, 2021	0.6	2.5	3.1
Restructuring charges	15.9	11.8	27.7
Reduction of prior restructuring accruals	(0.2)	—	(0.2)
Cash payments and other adjustments	(14.4)	(9.3)	(23.7)
Balance as of December 31, 2022	$ 1.9	$ 5.0	$ 6.9
Current			$ 3.7
Non-current			3.2
			$ 6.9

The current portion of the restructuring liabilities is included in the combined balance sheets in accrued expenses and other current liabilities. The non-current portion of the restructuring liabilities is included in the combined balance sheets in other liabilities. The non-current portion of the restructuring liabilities is expected to be paid out over 4 years. Restructuring charges in the table above exclude impairments of facility related assets and restructuring charges allocated from Labcorp as those charges are not included in the restructuring liabilities.

6. PREPAID EXPENSES AND OTHER

The components of prepaid expense and other current assets are as follows:

	December 31, 2022	December 31, 2021
Research & development tax credit receivables	$ 29.2	$ 22.8
Other	83.5	73.1
Prepaid expenses & other	$ 112.7	$ 95.9

7. LEASES

The Company has operating leases for clinical facilities, general office spaces, vehicles, and office equipment. Leases have remaining lease terms of less than a year to 9 years, some of which include options to extend the leases for up to 3 years.

The components of lease expense were as follows:

	For the Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Operating lease cost	$ 24.9	$ 32.5	$ 37.4

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
NOTES TO COMBINED FINANCIAL STATEMENTS
(In Millions unless stated otherwise)

Supplemental cash flow information related to leases was as follows:

	For the Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ (28.1)	$ (30.9)	$ (34.6)
ROU assets obtained in exchange for lease obligations:			
Operating leases	$ 18.2	$ 25.6	$ 30.1

Supplemental balance sheet information related to leases was as follows:

	December 31, 2022	December 31, 2021
Operating lease ROU assets (included in Property, plant and equipment, net)	$ 50.0	$ 65.7
Short-term operating lease liabilities	23.3	24.0
Operating lease liabilities	40.1	53.2
Total operating lease liabilities	$ 63.4	$ 77.2
Weighted Average Remaining Lease Term	4.2	4.7
Weighted Average Discount Rate	3.2 %	3.0 %

Maturities of lease liabilities are as follows:

Year ended December 31, 2022	Operating Leases
2023	$ 26.1
2024	17.0
2025	11.2
2026	5.6
2027	3.1
Thereafter	9.0
Total lease payments	$ 72.0
Less imputed interest	(8.6)
Less current portion	(23.3)
Total maturities, due beyond one year	$ 40.1

There was no rent expense for short term leases with a term less than one year for the years ended December 31, 2022, 2021 and 2020.

Variable lease payment amounts that cannot be determined at the commencement of the lease, such as increases in lease payments based on changes in index rates or usage, are not included in the right-of-use assets or lease liabilities but are expensed as incurred. The Company records variable lease payments that do not depend on a rate index, primarily for purchase volume commitments, as variable cost when incurred. There were no variable payments for the years ended December 31, 2022, 2021 and 2020.

(In Millions unless stated otherwise)

8. PROPERTY, PLANT AND EQUIPMENT, NET

	December 31, 2022	December 31, 2021
Land, buildings, and building improvements	$ 14.6	$ 15.5
Machinery and equipment	74.4	72.0
Software	74.6	68.8
Leasehold improvements	30.0	31.9
Furniture and fixtures	8.6	8.7
Construction in progress	41.4	12.2
Operating lease ROU assets	50.0	65.7
	293.6	274.8
Less accumulated depreciation	(128.7)	(112.2)
	$ 164.9	$ 162.6

Depreciation expense and amortization of property, plant and equipment was $27.0, $26.3 and $23.0 for the years ended December 31, 2022, 2021 and 2020, respectively, including software amortization of $9.5, $10.5 and $11.6 for the years ended December 31, 2022, 2021 and 2020, respectively.

The Company’s property, plant and equipment, net by segment and geography as of December 31, 2022 is as follows:

	Clinical Services	Enabling Services	Total
Geographic distribution of property, plant and equipment, net:			
North America	$ 46.4	$ 29.0	$ 75.4
Europe	43.8	0.1	43.9
Other	45.6	—	45.6
Total property, plant and equipment, net	$ 135.8	$ 29.1	$ 164.9

The Company’s property, plant and equipment, net by segment and geography as of December 31, 2021 is as follows:

	Clinical Services	Enabling Services	Total
Geographic distribution of property, plant and equipment, net:			
North America	$ 45.5	$ 30.0	$ 75.5
Europe	31.6	—	31.6
Other	55.5	—	55.5
Total property, plant and equipment, net	$ 132.6	$ 30.0	$ 162.6

9. GOODWILL AND INTANGIBLE ASSETS

The Company's goodwill and intangible assets are primarily the result of the original acquisitions of the CDCS business by Labcorp and were allocated to the CDCS business using a relative fair value approach. Subsequent

(In Millions unless stated otherwise)

acquisitions of businesses were allocated to the CDCS business based on the inclusion of the business activities using valuations at the time of acquisition.

The changes in the carrying amount of goodwill (net of impairment) for the years ended December 31, 2022 and 2021 are as follows:

	Clinical Services		Enabling Services		Total	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Balance as of January 1	$ 1,791.0	$ 1,812.8	$ 289.9	$ 289.9	$ 2,080.9	$ 2,102.7
Goodwill acquired during the year	—	—	—	—	—	—
Impairment	—	—	—	—	—	—
Foreign currency impact and other adjustments to goodwill	(83.6)	(21.8)	—	—	(83.6)	(21.8)
Balance at end of year	$ 1,707.4	$ 1,791.0	$ 289.9	$ 289.9	$ 1,997.3	$ 2,080.9

During 2020, based upon the revised forecasted revenues and operating income following the declaration of the COVID-19 global pandemic, the Company concluded there was a triggering event related to one of its reporting units and updated its annual 2019 goodwill impairment testing as of March 31, 2020. The Company utilized a combination of income and market approaches to determine the fair value of the reporting unit. Management's impairment analysis for certain reporting units utilized significant judgments and assumptions related to the market comparable method analysis, such as selected market multiples, and related to cash flow projections, such as revenue and terminal growth rates, projected operating margin, and the discount rate. Based upon the results of the quantitative assessment, the Company concluded that the fair value was less than its carrying value and recorded goodwill impairment charges of $405.7. Prior to 2020, the Company had not recorded any goodwill impairments.

Although the Company believes that the current assumptions and estimates used in its goodwill analysis are reasonable, supportable, and appropriate, continued efforts to maintain or improve the performance of these businesses could be impacted by unfavorable or unforeseen changes which could impact the existing assumptions used in the impairment analysis. Various factors could reasonably be expected to unfavorably impact existing assumptions: primarily delays in new customer bookings and the related delay in revenue from new customers, increases in customer termination activity or increases in operating costs. In addition, the ongoing nature of the COVID-19 pandemic, inflation, and changes to macroeconomic growth trends may unfavorably impact existing assumptions. Accordingly, there can be no assurance that the estimates and assumptions made for the purposes of the goodwill impairment analysis will prove to be accurate predictions of future performance.

The components of identifiable intangible assets are as follows:

	December 31, 2022			December 31, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 1,191.1	$ (376.7)	$ 814.4	$ 1,242.8	$ (332.1)	$ 910.7
Technology	53.7	(47.8)	5.9	66.3	(46.6)	19.7
Non-compete agreements	6.5	(3.7)	2.8	6.5	(2.5)	4.0
Land use rights	6.8	(6.6)	0.2	6.9	(5.8)	1.1
Trade names	—	—	—	—	—	—
Total	$ 1,258.1	$ (434.8)	$ 823.3	$ 1,322.5	$ (387.0)	$ 935.5

As a result of the Company’s rebranding initiative, the Business reduced the estimated useful life of its trade name assets to reflect their anticipated use through December 31, 2021. This change in estimated useful life resulted in accelerated amortization of $57.6 and $14.4 for the years ended December 31, 2021 and 2020. Fully amortized

(In Millions unless stated otherwise)

intangible assets were written off during 2021. In 2022, impairment of identifiable intangible assets of $9.8 was recorded for Enabling Services for impairment of technology assets.

Amortization of intangible assets was $65.7, $140.0 and $96.0 for the years ended December 31, 2022, 2021 and 2020 respectively. Amortization expense of intangible assets is estimated to be $63.4 in 2023, $63.0 in 2024, $60.1 in 2025, $59.3 in 2026, $59.3 in 2027, and $518.2 thereafter.

10. ACCRUED EXPENSES AND OTHER

The components of accrued expenses and other current liabilities are as follows:

	December 31, 2022	December 31, 2021
Employee compensation and benefits	$ 123.0	$ 216.2
Accrued pass through expenses	133.1	148.3
Accrued taxes	39.5	40.5
Other	27.1	30.2
	$ 322.7	$ 435.2

11. INCOME TAXES

See *Note 2, Summary of Significant Accounting Policies* for a description of the Company's accounting policies and carve-out methodology on income taxes. The sources of income before taxes, classified between domestic and foreign entities are as follows:

	2022	2021	2020
Domestic	$ 114.9	$ 22.8	$ (435.9)
Foreign	122.1	113.6	103.7
Total pre-tax income	$ 237.0	$ 136.4	$ (332.2)

The provisions (benefits) for income taxes in the accompanying combined statements of operations consist of the following:

	Years Ended December 31,		
	2022	2021	2020
Current:			
Federal	$ 18.6	$ 23.9	$ 13.3
State	10.7	8.9	5.2
Foreign	31.3	35.8	48.8
	$ 60.6	$ 68.6	$ 67.3
Deferred:			
Federal	$ (8.0)	$ (27.9)	$ (22.8)
State	(5.9)	(4.7)	(5.1)
Foreign	(2.6)	2.4	(12.4)
	(16.5)	(30.2)	(40.3)
Total provision for income taxes	$ 44.1	$ 38.4	$ 27.0

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
NOTES TO COMBINED FINANCIAL STATEMENTS
(In Millions unless stated otherwise)

The effective tax rates on earnings before income taxes are reconciled to statutory U.S. income tax rates as follows:

	Years Ended December 31,		
	2022	2021	2020
Statutory U.S. rate	21.0 %	21.0 %	21.0 %
State and local income taxes, net of U.S. Federal income tax effect	1.1	1.7	0.3
Foreign earnings taxed at rates different than the statutory U.S. rate	0.7	2.3	(1.2)
Permanent non-deductible items	(1.3)	(0.1)	0.4
Goodwill impairment	—	—	(25.6)
Changes in enacted U.K. tax rates	0.3	7.0	—
Net tax on U.S. international income inclusions	(2.3)	(4.4)	0.5
Change in uncertain tax positions	0.2	—	(3.7)
R&D credit	(1.0)	—	—
Other	(0.1)	0.7	0.2
Effective rate	18.6 %	28.2 %	(8.1)%

The Tax Cuts and Jobs Act ("TCJA") includes provisions relating to global low-taxed intangible income ("GILTI").

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	December 31, 2022	December 31, 2021
Deferred tax assets:		
Employee compensation and benefits	$ 14.9	$ 27.6
Operating lease liability	4.5	7.7
Acquisition and restructuring reserves	3.1	3.3
Capitalized R&D Costs	10.2	—
Other	3.4	6.9
	36.1	45.5
Less: valuation allowance	—	—
Deferred tax assets, net of valuation allowance	$ 36.1	$ 45.5
Deferred tax liabilities:		
Right of use asset	$ (2.1)	$ (4.9)
Revenue recognition	(8.9)	(7.7)
Intangible assets	(200.1)	(232.0)
Property, plant and equipment	(8.3)	(9.8)
Total gross deferred tax liabilities	(219.4)	(254.4)
Net deferred tax liabilities	$ (183.3)	$ (208.9)

On a separate return basis, the Company has no significant tax loss carryforwards or associated valuation allowances.

Unrecognized income tax benefits which relate to the CDCS business operations were $1.4, $2.1 and $10.3 at December 31, 2022, 2021 and 2020, respectively. It is anticipated that the amount of the unrecognized income tax benefits will change within the next 12 months; however, these changes are not expected to have a significant impact on the results of operations, cash flows or the financial position of the Company.

The Company recognizes interest and penalties related to unrecognized income tax benefits in income tax expense. Accrued interest and penalties related to uncertain tax positions totaled $0.1, $2.2 and $2.0 as of December

(In Millions unless stated otherwise)

31, 2022, 2021 and 2020, respectively. During the years ended December 31, 2022, 2021 and 2020, the Company recognized $(2.2), $0.6 and $2.0, respectively, in interest and penalties expense.

The following table shows a reconciliation of the unrecognized income tax benefits, excluding interest and penalties, from uncertain tax positions for the years ended December 31, 2022, 2021 and 2020:

	2022	2021	2020
Balance as of January 1	$ 2.1	$ 10.3	$ —
Decreases related to positions taken on prior year items	—	(1.6)	—
Increases related to positions taken on prior year items	2.0	—	10.3
Increases related to positions taken on current year items	0.2	1.0	—
Settlement of uncertain tax positions with tax authorities	(3.1)	(7.6)	—
Exchange (gain) loss	0.2	—	—
Balance as of December 31	$ 1.4	$ 2.1	$ 10.3

As of December 31, 2022, 2021 and 2020, there are $(1.4), $4.3 and $12.3, respectively, of tax benefits, including interest and penalties, that, if recognized would favorably affect the effective income tax rate. The operations of the CDCS business are subject to income tax examination by taxing authorities in the jurisdictions where Labcorp files income tax returns. The CDCS business has substantially concluded all material separate state and local and foreign income tax matters through 2014 and 2012, respectively.

The Company still considers the earnings of its foreign subsidiaries to be permanently reinvested, but if repatriation were to occur the Company would be required to accrue U.S. taxes, if any, and remit applicable withholding taxes as appropriate. The Company has unremitted earnings and profits of $1,572.7, $1,450.3 and $1,390.5 that are permanently reinvested in its foreign subsidiaries as of December 31, 2022, 2021 and 2020, respectively. A determination of the amount of the unrecognized deferred tax liability related to these undistributed earnings is not practicable due to the complexity and variety of assumptions necessary based on the manner in which the undistributed earnings would be repatriated.

12. STOCK COMPENSATION PLANS

Stock Incentive Plans

Certain Company employees are covered by the Parent-sponsored stock compensation arrangements. In 2016, Labcorp shareholders approved the Laboratory Corporation of America Holdings 2016 Omnibus Incentive Plan (the Plan). Labcorp measures stock compensation cost for all equity awards at fair value on the date of grant and recognizes compensation expense over the service period for awards expected to vest. The fair value of restricted stock units is determined based on the number of shares granted and the quoted price of Labcorp’s common stock on the grant date. The grant date fair value of performance awards is based on a Monte Carlo simulated fair value for the relative (as compared to the peer companies) total shareholder return component of the performance awards. Such value is recognized as an expense over the service period, net of estimated forfeitures and Labcorp's determination of whether it is probable that the performance targets will be achieved. At the end of each reporting period, Labcorp reassesses the probability of achieving performance targets. The estimation of equity awards that will ultimately vest requires judgment and Labcorp considers many factors when estimating expected forfeitures, including types of awards, employee class, and historical experience.

The stock compensation expense has been derived from the equity awards granted by Labcorp to the Company’s employees who are specifically identified in the plans, as well as an allocation of expense related to corporate employees of Labcorp. The stock compensation is treated as a capital contribution from Labcorp in the combined financial statements. All awards granted under these stock compensation plans are based on Labcorp’s common stock and are not indicative of the results that the Company would have experienced as a separate, independent public company for the periods presented. The compensation expense is based on the fair value of stock-based awards, which is recognized as compensation expense over the requisite service period of the individual grantees, which generally equals the vesting period. The Company has not recognized a liability for these awards as they are settled by Labcorp.

(In Millions unless stated otherwise)

Restricted Stock, Restricted Stock Units and Performance Shares

Labcorp grants restricted stock, restricted stock units, and performance shares (non-vested shares) to its officers, key employees and members of the board of directors. Restricted stock and units typically vest annually in equal one-third increments beginning on the first anniversary of the grant. A performance share grant in 2019 represents a three-year award opportunity for the period 2019-2021, and if earned, vests fully (to the extent earned) in the first quarter of 2022. A performance share grant in 2020 represents a three-year award opportunity for the period of 2020-2022 and, if earned, vests fully (to the extent earned) in the first quarter of 2023. A performance share grant in 2021 represents a three-year award opportunity for the period of 2021-2023 and, if earned, vests fully (to the extent earned) in the first quarter of 2024. Performance share awards are subject to certain earnings per share, revenue, and total shareholder return targets, the achievement of which may increase or decrease the number of shares which the grantee earns and therefore receives upon vesting. Unearned restricted stock and performance share compensation is amortized to expense, when probable, over the applicable vesting periods.

	Number of Shares	Weighted-Average Grant Date Fair Value
Non-vested at January 1, 2022	0.3	$ 204.6
Granted	0.1	275.1
Vested	(0.1)	185.8
Forfeited	—	243.5
Non-vested at December 31, 2022	0.3	$ 246.6

For 2022, 2021 and 2020, total restricted stock, restricted stock unit and performance share compensation expense was $23.1, $25.1 and $21.3, respectively, including $4.6, $4.9 and $4.2 of expense related to corporate allocations. As of December 31, 2022, there was $27.3 of total unrecognized compensation cost related to non-vested restricted stock, restricted stock unit and performance share-based compensation arrangements granted under the Company's stock incentive plans. That cost is expected to be recognized over a weighted average period of 1.9 years and will be included in direct costs and selling, general and administrative expenses.

Employee Stock Purchase Plan

Under the 2016 Employee Stock Purchase Plan, substantially all of Labcorp’s U.S. employees are permitted to purchase a limited number of shares of Labcorp stock at 85% of market value. Labcorp issues shares to participating employees semi-annually in January and July of each year. Labcorp uses the Black-Scholes model to calculate the fair value of the employee’s purchase right.

All Plans

Total stock-based compensation expense and the associated income tax benefits recognized by the Company in the combined statements of operations was as follows:

	Years Ended December 31,		
	2022	2021	2020
Stock compensation expense	$ 25.4	$ 27.5	$ 23.1
Income tax benefits	$ 9.7	$ 6.5	$ 2.9

Of the total stock-based compensation expense recognized by the Company for the years ended December 31, 2022, 2021 and 2020, $20.3, $22.1 and $18.6, respectively, related directly to Company employees and $5.1, $5.4 and $4.5, respectively, related to allocations of Labcorp’s corporate and shared employee stock compensation expenses. Stock compensation expense is included in direct costs and selling, general and administrative expenses in the combined statements of operations.

(In Millions unless stated otherwise)

13. COMMITMENTS AND CONTINGENT LIABILITIES

The Company is involved from time to time in various claims and legal actions arising in the ordinary course of business. These matters may include commercial and contract disputes, employee-related matters, and professional liability claims. In accordance with FASB ASC 450 “Contingencies,” the Company establishes reserves for claims and legal actions when those matters present loss contingencies that are both probable and estimable. When loss contingencies are not both probable and estimable, the Company does not establish reserves. The Company does not believe that any liabilities related to such claims and legal actions will have a material effect on its financial condition, results of operations or cash flows.

The Company believes that it is in compliance in all material respects with all statutes, regulations, and other requirements applicable to its drug development support services. The drug development industry is, however, subject to extensive regulation, and the courts have not interpreted many of the applicable statutes and regulations. Therefore, the applicable statutes and regulations could be interpreted or applied by a prosecutorial, regulatory, or judicial authority in a manner that would adversely affect the Company. Potential sanctions for violation of these statutes and regulations include significant civil and criminal penalties, fines, the loss of various licenses, certificates and authorizations, and/or additional liabilities from third-party claims.

Labcorp obtains insurance coverage for certain catastrophic exposures as well as those risks required to be insured by law or contract. The Company is covered by those policies but is responsible for the uninsured portion of losses related primarily to general, professional and vehicle liability, certain medical costs and workers' compensation. The self-insured retentions are on a per-occurrence basis without any aggregate annual limit. Provisions for losses expected under these programs are recorded based upon the Company's estimates of the aggregated liability of claims incurred.

14. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of accumulated other comprehensive income (loss) are as follows:

	Foreign Currency Translation Adjustments	Net Benefit Plan Adjustments	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2020	$ (107.9)	$ (12.5)	$ (120.4)
Current year adjustments	(32.3)	5.7	(26.6)
Tax effect of adjustments	—	(1.4)	(1.4)
Balance at December 31, 2021	$ (140.2)	$ (8.2)	$ (148.4)
Current year adjustments	(127.0)	(0.6)	(127.6)
Tax effect of adjustments	—	—	—
Balance at December 31, 2022	$ (267.2)	$ (8.8)	$ (276.0)

15. PENSION AND POSTRETIREMENT PLANS

Defined Contribution Retirement Plans

The Company has various U.S. defined contribution retirement plans (401K Plans). Under these 401K Plans, employees can contribute a portion of their salary to the plan and the Company makes minimum non-elective contributions and matching contributions, depending on the terms of the specific plan. On January 1, 2021, all of the 401K Plans were modified to provide for 100% match of employee contributions up to 5% of their salary. In addition to the U.S. 401K plans, there are other defined contribution plans outside of the U.S., primarily in the UK, EU and Asia-Pacific regions. Total expense for all defined contribution plans for the years ended December 31, 2022, 2021 and 2020 was $54.9, $57.7 and $45.2 respectively.

(In Millions unless stated otherwise)

Defined Benefit Pension Plans

Company employees participate in a funded defined benefit pension plan in the United Kingdom (the "UK Plan"). The UK Plan provides benefits based on various criteria such as years of service and salary, and is closed to new entrants and the accrual of service credits is as of December 31, 2019.

Net Periodic Benefit Costs

The components of the net periodic benefit costs for the defined benefit pension plans are as follows:

	Years Ended December 31,		
	2022	2021	2020
Service cost for benefits earned	$ 0.2	$ 0.2	$ 0.2
Interest cost on benefit obligation	1.0	0.9	1.2
Expected return on plan assets	(2.2)	(2.0)	(2.0)
Net amortization and deferral	0.1	0.2	0.1
Defined-benefit plan costs	$ (0.9)	$ (0.7)	$ (0.5)

Service costs are the only component of net periodic benefit costs recorded within Operating income.

The amounts recognized in accumulated other comprehensive income(loss) are as follows:

	Years Ended December 31,		
	2022	2021	2020
Net actuarial loss in accumulated other comprehensive income(loss)	$ (0.6)	$ 4.3	$ (4.9)

Change in Projected Benefit Obligation

The change in the projected benefit obligation as of December 31, 2022 and December 31, 2021, is as follows:

	Years Ended December 31,	
	2022	2021
Balance at beginning of the year	$ 64.0	$ 70.5
Service cost	0.2	0.2
Interest cost	1.0	0.9
Actuarial (gain) loss	(24.3)	(4.3)
Benefits and administrative expenses paid	(2.0)	(2.7)
Foreign currency exchange rate changes	(6.2)	(0.6)
Balance at end of the year	$ 32.7	$ 64.0

The accumulated benefit obligation as of December 31, 2022 and December 31, 2021 was $32.7 and $64.0, respectively.

(In Millions unless stated otherwise)

Change in Fair Value of Plan Assets

The change in plan assets as of December 31, 2022 and December 31, 2021, is as follows:

	Years Ended December 31,	
	2022	2021
Balances at beginning of the year	$ 59.4	$ 58.4
Business contributions	1.9	1.1
Actual return on plan assets	(22.8)	3.2
Benefits and administrative expenses paid	(2.0)	(2.7)
Foreign currency exchange rate changes	(5.8)	(0.6)
Fair value of plan assets at end of year	$ 30.7	$ 59.4

Change in Funded Status and Reconciliation of Amounts Recorded in the Balance Sheet

The change in the funded status of the plan and a reconciliation of such funded status to the amounts reported in the combined balance sheet as of December 31, 2022 and December 31, 2021, is as follows:

	Years Ended December 31,	
	2022	2021
Funded status	$ (2.1)	$ (4.6)
Recorded as:		
Other liabilities	$ (2.1)	$ (4.6)

Assumptions

Weighted average assumptions used to determine net periodic benefit costs are as follows:

	Years Ended December 31,		
	2022	2021	2020
Discount rate	1.9 %	1.3 %	2.0 %
Salary increases	N/A	N/A	3.5 %
Expected long term rate of return	4.0 %	3.3 %	3.6 %
Cash balance interest credit rate	N/A	N/A	N/A

A one percentage point decrease or increase in the discount rate would have resulted in a respective increase or decrease in 2022 retirement plan expense of $0.3.

Weighted average assumptions used to determine net periodic benefit obligations are as follows:

	Years Ended December 31,	
	2022	2021
Discount rate	4.9 %	1.9 %
Salary increases	N/A	N/A

The discount rate is determined using the weighted-average yields on high-quality fixed income securities that have maturities consistent with the timing of benefit payments. Lower discount rates increase the size of the benefit obligation and generally increase pension expense in the following year; higher discount rates reduce the size of the benefit obligation and generally reduce subsequent-year pension expense.

The expected return on plan assets is the estimated long-term rate of return that will be earned on the investments used to fund the pension obligations. To determine this rate, the Business considers the composition of plan investments, historical returns earned, and expectations about the future. Actual asset over/under performance

(In Millions unless stated otherwise)

compared to expected returns will respectively decrease/increase unrecognized loss. The change in the unrecognized loss will change amortization cost in upcoming periods. A one percentage point increase or decrease in the expected return on plan assets would have resulted in a corresponding change in 2022 pension expense of $(0.5).

The Company evaluates other assumptions periodically, such as retirement age, mortality and turnover, and updates them as necessary to reflect the Business's actual experience and expectations for the future. Differences between actual results and assumptions utilized are recorded in Accumulated other comprehensive income each period. These differences are amortized into earnings over the remaining average future service of active participating employees or the expected life of inactive participants, as applicable.

Plan Assets

The fair values of the assets at December 31, 2022 and December 31, 2021, by asset category are as follows:

Asset Category	Level of Valuation Input	Fair Value	Investments valued using NAV per share	Total
Cash and cash equivalents	Level 1	$ 0.4	$ —	$ 0.4
Annuities	Level 3	10.0	—	10.0
Pooled investment funds		—	20.3	20.3
Total fair value		$ 10.4	$ 20.3	$ 30.7

Asset Category	Level of Valuation Input	Fair Value	Investments valued using NAV per share	Total
Cash and cash equivalents	Level 1	$ 0.3	$ —	$ 0.3
Annuities	Level 3	16.6	—	16.6
Pooled investment funds		—	42.5	42.5
Total fair value		$ 16.9	$ 42.5	$ 59.4

The fair market value of index funds and pooled investment funds are valued using the net asset value (NAV) unit price provided by the fund administrator. The NAV is based on the value of the underlying assets owned by the fund. The fair value of annuity investments is based on discounted cash flow techniques using unobservable valuation inputs such as discount rates and actuarial mortality tables.

Fair Value Measurement of Level 3 Pension Assets	Annuities
Balance at December 31, 2020	$ 6.2
Actual return on plan assets	10.4
Balance at December 31, 2021	$ 16.6
Actual return on plan assets	(6.6)
Balance at December 31, 2022	$ 10.0

Investment Policies

Plan fiduciaries of various plans set investment policies and strategies, based on consultation with professional advisors, and oversee investment allocation, which includes selecting investment managers and setting long-term strategic targets. The primary strategic investment objectives are balancing investment risk and return and monitoring the plan’s liquidity position in order to meet the near-term benefit payment and other cash needs. Target allocation percentages are established at an asset class level by plan fiduciaries. Target allocation ranges are guidelines, not limitations, and occasionally plan fiduciaries will approve allocations above or below a target range.

(In Millions unless stated otherwise)

The weighted average asset allocation of the plan assets as of December 31, 2022, by asset category is as follows:

	December 31, 2022
Equity securities	37.9 %
Debt securities	28.3 %
Annuities	32.5 %
Real estate	— %
Other	1.3 %

The weighted average target asset allocation of the plan assets is as follows:

	December 31, 2022		
Equity securities	35.0%	to	45.0%
Debt securities	30.0%	to	40.0%
Annuities	10.0%	to	20.0%
Real estate	—%	to	10.0%
Other	—%	to	5.0%

Pension Funding and Cash Flows

The Company expects to make approximately $1.8 in required contributions to its defined benefit pension plans during 2023. The Business targets funding the minimum required contributions but may make additional contributions into the pension plans in 2023, depending upon factors such as how the funded status of those plans change or to reduce the administrative costs of the plan.

The estimated benefit payments, which were used in the calculation of projected benefit obligations, are expected to be paid as follows:

2023	$	0.9
2024		1.1
2025		1.1
2026		1.2
2027		1.6
Years 2028 to 2032	$	9.1

16. RELATED PARTY TRANSACTIONS

The combined financial statements have been prepared on a standalone basis and are derived from the consolidated financial statements and accounting records of Labcorp. The following discussion summarizes activity between the Company and Labcorp.

Allocation of General Corporate and Other Expenses

The combined statements of operations include expenses for certain centralized functions and other programs provided and administered by Labcorp that are charged directly to the Company. In addition, for purposes of preparing these combined financial statements on a carve-out basis, a portion of Labcorp's total corporate expenses has been allocated to the Company. See *Note 2, Summary of Significant Accounting Policies*, for a discussion of the methodology used to allocate corporate-related costs for purposes of preparing these financial statements on a carve-out basis.

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
NOTES TO COMBINED FINANCIAL STATEMENTS
(In Millions unless stated otherwise)

The following table is a summary of corporate and other allocations for the years ended December 31, 2022, 2021 and 2020:

	Years Ended December 31,		
	2022	2021	2020
Direct costs, exclusive of depreciation and amortization	$ 166.6	$ 150.6	$ 131.6
Selling, general and administrative expenses, exclusive of depreciation and amortization	207.9	146.0	129.2
Restructuring and other charges	0.7	1.8	2.1
Foreign exchange gain (loss)	6.8	5.9	(9.1)
Corporate and other allocations	$ 382.0	$ 304.3	$ 253.8

Included in the aforementioned amounts are $286.8, $214.0 and $184.1 related to costs for certain centralized functions and programs provided and administered by Labcorp that are charged directly to the Company for the years ended December 31, 2022, 2021 and 2020, respectively. In addition, a portion of Labcorp's total corporate expenses have been allocated to the Company for services from Labcorp. These costs were $95.2, $90.3 and $69.7 for the years ended December 31, 2022, 2021 and 2020, respectively. The allocations of foreign exchange gain (loss) represent the allocation of the results of hedging activities performed by Labcorp on behalf of the Company.

The Company has arrangements with third parties where the services are subcontracted to Labcorp (and its affiliates that are not part of the planned transaction). The Company's direct costs include items purchased from Labcorp totaling $87.1, $70.1 and $54.7 in 2022, 2021 and 2020, respectively. These purchases were primarily comprised of central lab pass-thru costs of $85.2, $68.4, and $52.4 in 2022, 2021 and 2020, respectively.

Hedging Activities

The Company does not enter into any derivative contracts with external counterparties. However, Labcorp enters into foreign currency forward contracts with external counterparties to hedge certain foreign currency transactions with exposure predominantly to the Euro and British Pound. These contracts do not qualify for hedge accounting and the changes in fair value are recorded directly to earnings. Earnings related to these contracts were included in the combined statements of operations as part of corporate allocations.

Net Transfers To and From Labcorp

Net transfers to and from Labcorp are included within net parent investment on the combined statements of changes in equity. The components of the transfers to and from Labcorp in 2022, 2021 and 2020 were as follows:

	Years Ended December 31,		
	2022	2021	2020
General financing activities	$ (365.3)	$ (405.3)	$ (263.8)
Corporate allocations	356.6	276.8	230.7
Stock compensation expense	25.4	27.5	23.1
Total net transfers (to) from parent	$ 16.7	$ (101.0)	$ (10.0)

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
NOTES TO COMBINED FINANCIAL STATEMENTS
(In Millions unless stated otherwise)

17. SUPPLEMENTAL CASH FLOW INFORMATION

	Years Ended December 31,		
	2022	2021	2020
Supplemental schedule of cash flow information:			
Cash paid during period for:			
Interest	$ 0.4	$ 0.2	$ 0.1
Income taxes, net of refunds	27.0	16.1	22.2
Disclosure of non-cash investing activities:			
Change in accrued property, plant and equipment	1.8	(1.9)	(0.4)

18. BUSINESS SEGMENT INFORMATION

The following tables are a summary of segment information for the years ended December 31, 2022, 2021 and 2020. The segment information is based upon the way the management of the Company organizes segments within an enterprise for making operating decisions and assessing performance. Financial information is reported on the basis that it is used internally by the chief operating decision maker (“CODM”) for evaluating segment performance and deciding how to allocate resources to segments. The Fortrea chief executive officer has been identified as the CODM.

The CODM allocates resources and assesses performance based on the underlying CDCS businesses which determines the Company's operating segments. In March 2023, our chief executive officer evaluated how he intends to allocate resources to achieve our financial goals and review business performance. As a result of that assessment we determined that we operate through two reportable segments, Clinical Services and Enabling Services. The Clinical Services segment, provides services across the clinical pharmacology and clinical development spectrum. The Enabling Services segment provides patient access and technology solutions to customers. When determining the reportable segments, the Company aggregated two operating segments in the Clinical Services reportable segment, based on their similar economic and operating characteristics. Prior periods have been conformed to this segment reporting structure. The CODM evaluates performance using Revenue and Segment operating income. Segment asset information is not presented because it is not used by the CODM at the segment level.

The Corporate costs not allocated to segments include stock-based compensation, acquisition related costs, spin costs, COVID-19 costs, Ukraine/Russia conflict costs, retention bonuses, costs of centralized functions that are allocated from Labcorp, and other charges not deemed to relate to segment performance. Through the spinoff date, the combined statements of operations will include costs for certain centralized functions and programs provided and administered by Labcorp that are allocated to the Company. These centralized functions and programs include, but are not limited to legal, tax, treasury, risk management, sales and marketing expenses, information technology, human resources, finance, supply chain, and executive leadership.

CLINICAL DEVELOPMENT AND COMMERCIALIZATION SERVICES BUSINESS
NOTES TO COMBINED FINANCIAL STATEMENTS
(In Millions unless stated otherwise)

Operating income (loss) of each segment represents revenues less directly identifiable expenses to arrive at operating income for the segment.

	Years Ended December 31,		
	2022	2021	2020
Revenues:			
Clinical Services	$ 2,825.4	$ 2,763.5	$ 2,291.2
Enabling Services	270.7	294.0	289.1
Total revenues	$ 3,096.1	$ 3,057.5	$ 2,580.3
Operating Income:			
Clinical Services	$ 413.4	$ 339.5	$ 232.3
Enabling Services	24.4	39.0	52.1
Segment operating income	437.8	378.5	284.4
Corporate costs not allocated to segments	(95.9)	(103.5)	(85.9)
Amortization	(65.7)	(140.0)	(96.0)
Goodwill and other asset impairments	(9.8)	—	(405.7)
Restructuring and other charges	(30.5)	(20.7)	(11.0)
Total operating income (loss)	$ 235.9	$ 114.3	$ (314.2)

Important Notice Regarding the Availability of Materials

LABORATORY CORPORATION OF AMERICA HOLDINGS

You are receiving this communication because you hold securities in the company listed above. They have released informational materials that are now available for your review. **This notice provides instructions on how to access LABORATORY CORPORATION OF AMERICA HOLDINGS materials for informational purposes only.**

You may view the materials online at *www.materialnotice.com* and easily request a paper or e-mail copy (see reverse side).

V19185-P96271

Materials Available to VIEW or RECEIVE: →

How to View Online:

Visit: *www.materialnotice.com*. Have the information that is printed in the box marked by the arrow above.

How to Request and Receive a PAPER or E-MAIL Copy:

If you want to receive a paper or e-mail copy of these materials, you must request one. There is NO charge for requesting a copy. Please choose one of the following methods to make your request:

1) *BY INTERNET:*	www.materialnotice.com
2) *BY TELEPHONE:*	1-800-579-1639
3) BY *E-MAIL*:*	sendmaterial@materialnotice.com

* If requesting materials by e-mail, please send a blank e-mail with the information that is printed in the box marked by the arrow above in the subject line.

Requests, instructions and other inquiries sent to this e-mail address will NOT be forwarded to your investment advisor.

V19185-P96271

THIS PAGE WAS INTENTIONALLY LEFT BLANK