

**CVS CORPORATION**  
A Delaware corporation  
(the “Company”)

**Nominating and Corporate Governance Committee Charter**  
Adopted March 3, 2004

**Purpose**

The Nominating and Corporate Governance Committee (the “Committee”) is created by the Board of Directors of the Company to:

- identify individuals qualified to become Board members, and recommend to the Board director nominees for election at the next annual or special meeting of shareholders at which directors are to be elected or to fill any vacancies or newly created directorships that may occur between such meetings;
- recommend directors for appointment to Board committees;
- make recommendations to the Board as to determinations of director independence;
- evaluate Board performance; and
- develop and recommend to the Board the Corporate Governance Guidelines of the Company and oversee compliance with such Guidelines.

**Membership**

The Committee shall consist of at least three members, comprised solely of independent directors meeting the independence requirements of the New York Stock Exchange. In consultation with the Chairman of the Board, the Board shall recommend nominees for appointment to the Committee annually and as vacancies or newly created positions occur. Committee members shall be appointed by the Board and may be removed by the Board at any time. The Committee shall recommend to the Board, and the Board shall designate, the Chairman of the Committee.

**Responsibilities**

In addition to any other responsibilities that may be assigned from time to time by the Board, the Committee is responsible for the following matters.

*Board/Committee Nominees*

- The Committee shall oversee searches for and identify qualified individuals for membership on the Company’s Board.
- The Committee shall recommend to the Board criteria for Board and Board committee membership, including as to director independence, and shall recommend individuals for membership on the Company’s Board and its committees. In making its recommendations for Board and committee membership, the Committee shall:

- review candidates' qualifications for membership on the Board or a committee of the Board (including making a specific determination as to the independence of each candidate) based on the criteria approved by the Board (including those criteria set forth in Annex A) and taking into account the enhanced independence, financial literacy and financial expertise standards that may be required under law or New York Stock Exchange rules for Audit Committee membership purposes;
- in evaluating current directors for re-nomination to the Board or re-appointment to any Board committees, assess the performance of such directors;
- periodically review the composition of the Board and its committees in light of the current challenges and needs of the Board, the Company and each committee, and determine whether it may be appropriate to add or remove individuals after considering issues of judgment, diversity, age, skills, background and experience;
- seek input from the Chairman of the Board;
- consider rotation of committee members and committee Chairmen; and
- consider any other factors that are set forth in the Company's Corporate Governance Guidelines or are deemed appropriate by the Committee or the Board.

#### *Evaluating the Board and Its Committees*

- At least annually, the Committee shall lead the Board in a self-evaluation to determine whether it and its committees are functioning effectively. The Committee shall oversee the evaluation process and report on such process and the results of the evaluations, including any recommendations for proposed changes, to the Board.
- At least annually, the Committee shall review the evaluations prepared by each Board committee of such committee's performance and consider any recommendations for proposed changes to the Board.
- The Committee shall periodically review the size and responsibilities of the Board and its committees and recommend any proposed changes to the Board.

#### *Corporate Governance Matters*

- The Committee shall develop and recommend to the Board the Corporate Governance Guidelines for the Company. At least annually, the Committee shall review and reassess the adequacy of such Corporate Governance Guidelines and recommend any proposed changes to the Board.
- The Committee shall be responsible for any tasks assigned to it in the Company's Corporate Governance Guidelines.
- The Committee shall oversee compliance with the Company's Corporate Governance Guidelines and report on such compliance to the Board. The Committee shall also review and consider any requests for waivers of the Company's Corporate Governance

Guidelines for the Company's directors, executive officers and other senior financial officers, and shall make a recommendation to the Board with respect to such request for a waiver.

- The Committee shall evaluate the possibility that directors' independence may be compromised or impaired for Board or committee purposes if director compensation exceeds customary levels, if the Company makes substantial charitable contributions to an organization with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director (which consulting contracts or other indirect forms of compensation are expressly prohibited for Audit Committee members).

#### *Director Orientation and Continuing Education*

- The Committee shall oversee the Company's orientation and continuing education program for directors.

#### *Reporting to the Board*

- The Committee shall report to the Board periodically. This report shall include a review of any recommendations or issues that arise with respect to Board or committee nominees or membership, Board performance, corporate governance or any other matters that the Committee deems appropriate or is requested to be included by the Board.
- At least annually, the Committee shall evaluate its own performance and report to the Board on such evaluation.
- The Committee shall periodically review and assess the adequacy of this charter and recommend any proposed changes to the Board for approval.

#### **Authority**

The Committee has authority to retain and terminate any search firm assisting the Committee in identifying director candidates, including authority to approve all such search firm's fees and other retention terms. Other departments or groups (including management) may retain their own search firms and/or compensation consultants on behalf of the Company without Committee approval.

The Committee may delegate its authority to subcommittees or the Chair of the Committee when it deems appropriate and in the best interests of the Company.

#### **Procedures**

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. The Chair of the Committee, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this charter.

**CVS Nominating and Corporate Governance Committee  
Director Qualification Criteria**

In recognition of the fact that the selection of qualified directors is complex and crucial to the long-term success of the Company, the Nominating and Corporate Governance Committee has established the following guidelines for the identification and evaluation of candidates for membership on the Company's Board of Directors.

Candidates should be distinguished individuals who are prominent in their fields or otherwise possess exemplary qualities that will enable them to effectively function as directors of the Company. While the Nominating and Corporate Governance Committee does not believe it appropriate at this time to establish any specific minimum qualifications for candidates, the Nominating and Corporate Governance Committee shall focus on the following qualities in identifying and evaluating candidates for Board membership:

- Background, experience and skills
- Character, reputation and personal integrity
- Judgment
- Independence
- Diversity
- Commitment to the Company and service on the Board
- Any other factor or factors that the Nominating and Corporate Governance Committee may determine to be relevant and appropriate

Recognizing that the overall composition of the Board is essential to the effective functioning of the Board, the Nominating and Corporate Governance Committee shall make these determinations in the context of the existing composition of the Board so as to achieve an appropriate mix of backgrounds, skills, diversity and qualities.

In making its determinations, the Nominating and Corporate Governance Committee shall take into account all applicable legal, regulatory and stock exchange requirements concerning the composition of the Board and its committees.

The Nominating and Corporate Governance Committee shall review these guidelines from time to time as appropriate (and in any event at least annually) and modify them as it deems appropriate.