

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

**Management Planning and Development Committee Charter**  
Adopted March 3, 2004

**Purpose**

The Management Planning and Development Committee is created by the Board of Directors of the Company to:

- oversee the Company’s compensation and benefits policies generally;
- evaluate the performance of designated senior executives, including the CEO, and review the Company’s management succession plan;
- in consultation with the other independent directors of the Company, oversee and set compensation for the Company’s CEO;
- oversee and set compensation for the Company’s designated senior executives;
- review and recommend to the Board compensation (including stock option grants and other equity-based compensation) for the Company’s directors; and
- prepare the report on executive compensation that the Securities and Exchange Commission rules require to be included in the Company’s annual proxy statement.

**Membership**

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

**Responsibilities**

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

*Compensation Policies*

- The Management Planning and Development Committee shall review and approve the Company’s compensation and benefits policies generally (subject, if applicable, to

shareholder ratification), including reviewing and approving any incentive-compensation plans and equity-based plans of the Company. In reviewing such compensation and benefits policies, the Management Planning and Development Committee may consider the recruitment, development, promotion, retention and compensation of senior executives and other employees of the Company and any other factors that it deems appropriate. The Management Planning and Development Committee shall report the results of such review and any action it takes with respect to the Company's compensation and benefits policies to the Board.

#### *Executive Compensation*

- The Management Planning and Development Committee shall review and approve for each of the designated senior executives of the Company, and in consultation with the other independent directors of the Company, shall review and approve for the CEO, his or her (i) annual base salary level, (ii) annual incentive compensation, (iii) long-term incentive compensation, (iv) employment, severance and change-in-control agreements, if any, and (v) any other compensation, ongoing perquisites or special benefit items. In so reviewing and approving executive compensation, the Management Planning and Development Committee shall, among other things:
  - identify corporate goals and objectives relevant to executive compensation;
  - in consultation with the other independent directors of the Company, evaluate the CEO's performance in light of such goals and objectives and set the CEO's compensation based on such evaluation and such other factors as the Management Planning and Development Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation);
  - evaluate each designated senior executive's performance in light of such goals and objectives and set each designated senior executive's compensation based on such evaluation and such other factors as the Management Planning and Development Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation);
  - in consultation with the other independent directors of the Company, determine any long-term incentive component of the CEO's compensation based on awards given to the CEO in past years, the Company's performance, shareholder return and the value of similar incentive awards relative to such targets at comparable companies and such other factors as the Management Planning and Development Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation); and
  - determine any long-term incentive component of each designated senior executive's compensation based on awards given to such executive in past years, the Company's performance, shareholder return and the value of similar incentive awards relative to such targets at comparable companies and such other factors as the Management Planning and Development Committee deems appropriate and in

the best interests of the Company (including the cost to the Company of such compensation).

- The Management Planning and Development Committee may delegate to one or more officers of the Company the authority to make grants and awards of stock rights or options to any non-Section 16 officer of the Company under such of the Company's incentive-compensation or other equity-based plans as the Management Planning and Development Committee deems appropriate and in accordance with the terms of such plans.
- The Management Planning and Development Committee shall present its evaluation of the performance of the senior management of the Company to the full Board.

#### *Director Compensation*

- The Management Planning and Development Committee shall review and recommend to the Board compensation (including stock option grants and other equity-based compensation) for the Company's directors. In so reviewing and approving director compensation, the Committee shall:
  - identify corporate goals and objectives relevant to director compensation;
  - evaluate the performance of the Board in light of such goals and objectives and set director compensation based on such evaluation and such other factors as the Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation); and
  - recommend any long-term incentive component of director compensation based on the awards given to directors in past years, the Company's performance, shareholder return and the value of similar incentive awards relative to such targets at comparable companies and such other factors as the Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation).

Changes in Board compensation, if any, should come at the recommendation of the Management Planning and Development Committee, but with full discussion and concurrence by the Board.

#### *Management Succession*

- The Management Planning and Development Committee shall, in consultation with the Company's CEO, periodically review the Company's management succession planning for executive officer positions including: policies for CEO selection and succession in the event of the incapacitation, retirement or removal of the CEO; evaluations of, and development plans for, any potential successors to the CEO and executive officers generally; and development and succession plans for high potential employees.

*Diversity*

The Management Planning and Development Committee shall periodically review the Company's efforts to promote diversity in its workforce.

*Disclosure*

- The Management Planning and Development Committee shall prepare the report on executive compensation that the Securities and Exchange Commission rules require to be included in the Company's annual proxy statement.

*Reporting to the Board*

- The Management Planning and Development Committee shall report to the Board periodically. This report shall include a review of any recommendations or issues that arise with respect to Company compensation and benefits policies, executive compensation, management succession planning and any other matters that the Management Planning and Development Committee deems appropriate or is requested to be included by the Board.
- At least annually, the Management Planning and Development Committee shall evaluate its own performance and report to the Board on such evaluation.
- The Management Planning and Development Committee shall periodically review and assess the adequacy of this charter and recommend any proposed changes to the Nominating and Corporate Governance Committee.

**Authority**

The Management Planning and Development Committee has the sole authority to retain and terminate any compensation consultant assisting the Management Planning and Development Committee in the evaluation of director, CEO or senior executive compensation, including sole authority to approve all such compensation consultant's fees and other retention terms.

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

The Management Planning and Development Committee may delegate its authority hereunder relating to employees other than executive officers and directors, to the extent it deems appropriate and consistent with law and customary practice, and may otherwise fully delegate authority relating to matters it deems to be ministerial.

**Procedures**

The Management Planning and Development Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. The Chairman of the Management Planning and Development 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. No senior executive should attend that portion of any meeting where such executive's performance or compensation is discussed, unless specifically invited by the Management Planning and Development Committee.