

# **IDEXX LABORATORIES, INC.**

## **COMPENSATION COMMITTEE CHARTER**

### **I. Organization**

There shall be a Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of IDEXX Laboratories, Inc. (the “Company”). The Committee shall consist of at least three directors designated by the Board, each of whom shall be (a) an “independent director” as defined in the Company’s Corporate Governance Guidelines and applicable laws, regulations and listing standards (including NASDAQ Rule 5605(a)(2)) and (b) a non-employee director, as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or any successor regulation. In addition, in affirmatively determining the independence of any director who will serve on the Committee, the criteria set forth in NASDAQ Rule 5605(d)(2)(A) shall be considered. Committee members and the Committee Chair shall be designated by at least a majority vote of the full Board upon recommendation of the Nominating and Governance Committee. The Board may remove members of the Committee from such committee, with or without cause. Members of the Committee shall serve for terms of one year, or until their successors are duly elected and qualified.

### **II. Purpose**

The purpose of the Committee is to oversee the discharge of the responsibilities of the Board relating to compensation of the Company’s Chief Executive Officer, officers who report directly to the Chief Executive Officer, officers subject to Section 16 of the Exchange Act and any other employee of the Company or any of its subsidiaries who, due to the nature of his or her role or responsibilities, the Committee deems appropriate to include within its purview (collectively, the “executive officers”) and directors, evaluate the performance of the Chief Executive Officer, review succession planning for the Chief Executive Officer and the other Officers (as defined in the Company’s Corporate Governance Guidelines), oversee the administration of the Company’s incentive compensation and equity compensation plans, and oversee the activities of the Company’s Employee Plans Administrative Committee with respect to the administration of the Company’s benefit plans that are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

### **III. Duties and Responsibilities**

The duties and responsibilities of the Committee shall include the following, in addition to such other duties and responsibilities as may be delegated to the Committee from time to time by the Board.

1. Determine the Company’s philosophy relating to the compensation of executive officers and periodically review that philosophy.

2. Annually evaluate the Chief Executive Officer's performance against annual financial and non-financial goals and objectives established by the Board, and determine the Chief Executive Officer's salary, bonus, equity compensation and other compensation and benefits based on this evaluation. The Chief Executive Officer may not be present during voting or deliberations on his or her compensation.
3. Review and make recommendations to the Board with respect to the adoption, amendment and termination of the Company's incentive compensation plans for executive officers, equity compensation plans, and such other compensation, retirement and other employee benefit plans as the Committee or Board, as applicable, deem appropriate; where appropriate or required, recommend stockholder approval of such plans; and oversee the administration of the Company's ERISA plans by the Company's Employee Plans Administrative Committee. The Committee shall determine the authority of the Company's Employee Plans Administrative Committee and shall designate the members of such committee.
4. Oversee the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required or desired, establish compensation-related performance goals and certify that any such performance goals have been attained.
5. Monitor and assess risks associated with the Company's compensation policies and practices. In accordance with Item 402(s) of Regulation S-K, the Committee shall annually review whether such policies and practices are reasonably likely to have a material adverse effect on the Company.
6. Exercise all rights, authority and function of the Board under the Company's equity and cash incentive plans, including without limitation the authority to interpret the terms thereof and grant awards thereunder, except as otherwise provided by the Board or the terms of such plans.
7. Assess the competitiveness and appropriateness of, approve, and authorize the salaries, incentive compensation, equity compensation, terms of employment, retirement or severance benefits, change-in-control benefits, perquisites and other forms of compensation of the executive officers of the Company. The Chief Executive Officer shall recommend to the Committee annual compensation for the rest of the executive officers and the Committee may make such changes to such recommendations as it deems appropriate.
8. Review and authorize the eligibility criteria and award guidelines for compensation programs in which non-executive officer management employees participate, including incentive compensation and equity awards. The Committee may delegate to the Chief Executive Officer the authority to allocate such awards among employees other than executive officers, subject to such parameters as the Committee or the Board shall determine and to the limitations set forth in the applicable plans pursuant to which such awards are to be granted.

9. Review and approve the Company's stock ownership and retention guidelines for executive officers and directors, and annually review compliance by executive officers and directors with such guidelines. As necessary, review the Company's compensation-related policies applicable to executive officers (*e.g.*, the Company's incentive compensation recoupment or "clawback" policy, anti-pledging policy and anti-hedging policy) and make recommendations to the Board regarding amendments to any such policy.
10. The Committee may, in its sole discretion, retain or obtain the advice of compensation consultants, legal counsel or other advisors. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other advisor retained by the Committee. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation, as determined by the Committee, of any compensation consultant, legal counsel and other advisor retained by the Committee. The Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor, other than in-house legal counsel, only after taking into consideration the applicable factors affecting independence that are specified in NASDAQ Rule 5605(d)(3)(D). The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K. The Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultants, legal counsel or other advisors, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.
11. Review and discuss annually with management the Company's "Compensation Discussion and Analysis" (the "CD&A") and, if appropriate, recommend to the Board that the CD&A be included in the Company's Annual Report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C. The Committee will review the results of the advisory vote by the Company's stockholders on the Company's executive compensation program (the "say-on-pay stockholder vote"), and as necessary the frequency of the say-on-pay stockholder vote. The Committee will be authorized to make or recommend any changes to the Company's executive compensation program and practices that it deems appropriate in light of its review of the results of the most recent say-on-pay stockholder vote.
12. Prepare the annual Compensation Committee Report required by Item 407(e)(5) of Regulation S-K.
13. Review and make recommendations to the Board regarding the type and amount of compensation payable to non-employee directors of the Company for their service on the Board and on committees of the Board. For purposes of this review, the Committee will consider the compensation payable to directors of companies comparable to the Company.

14. At least annually, the Committee shall review and reassess the adequacy of this Committee's charter ("Charter") and recommend any proposed changes to the Nominating and Governance Committee.
15. Annually review succession plans for the Chief Executive Officer and the other Officers (as defined in the Company's Corporate Governance Guidelines).

IV. Process and Administration

1. The Committee shall meet during the first quarter of each year to evaluate the Chief Executive Officer's performance during the preceding year and to approve executive officer compensation, and shall meet as frequently as required to fulfill the requirements of this Charter or as circumstances require. The Committee will ask members of management or others to attend the meeting and provide pertinent information as necessary. The Committee shall be governed by the same rules regarding meetings (including meetings in person or by telephone or other similar methods of communication), notice, waiver of notice, action by written consent and quorum and voting requirements as are applicable to the Board. The Committee shall keep such records of its meetings as it shall deem appropriate, and shall report the results of its meetings regularly to the Board.
2. The Committee may form and delegate authority to one or more subcommittees, as it deems appropriate from time to time under the circumstances (including a subcommittee consisting of a single member). Any decision of a subcommittee shall be presented to the full Committee at its next scheduled meeting.
3. The Committee is empowered, without further action by the Board, to cause the Company to pay the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

*Last Updated as of July 11, 2018*