

Principles of Corporate Governance of PharmaNet Development Group, Inc.

As amended and approved by the Board of Directors Of PharmaNet Development Group, Inc. on August 24, 2006 and October 24, 2007.

1. Purpose and Nature

The following Principles of Corporate Governance ("Principles") were originally adopted by the Board of Directors ("Board") of PharmaNet Development Group, Inc. ("PDGI") on February 19, 2004 and later amended on August 24, 2006 and October 24, 2007. These Principles together with PDGI's Certificate of Incorporation and Bylaws, and the charters of our Board's committees provide the overall framework for the corporate governance of PDGI. The Board believes that these Principles will enhance our ability to achieve PDGI's goals and to increase stockholder value.

2. Role of the Board and Management

The Board is the ultimate decision-making body of PDGI except with respect to those matters reserved by law to our Audit Committee or to our stockholders. The Board is responsible for the oversight of PDGI's business as it is conducted through its officers, managers, and employees, under the direction of our Chief Executive Officer ("CEO"). The Board also elects PDGI's executive officers, and also acts an advisor and counselor to them, and ultimately monitors and evaluates the performance of the CEO and the other members of PDGI's management. Both the Board and management recognize that stockholders' short-term and long-term interests are advanced by responsibly providing stewardship of PDGI's business and addressing the concerns of its stockholders.

3. Functions of the Board

The Board reviews reports by management on PDGI's performance and its plans and prospects during its regularly scheduled meetings and any special meetings. Directors are expected to prepare for, attend, and participate in, all scheduled Board and applicable committee meetings. Our Chairman of the Board and Chairman of our Audit Committee have additional roles in monitoring our management's performance and in implementing the role of our board as the watchdog for our stockholders.

In addition to its general oversight of management, the Board also performs a number of functions either on its own or through its various committees where appropriate, these responsibilities include:

- (i) selecting, evaluating, and approving, through the Compensation Committee, the compensation of, PDGI's officers;
- (ii) reviewing succession planning for the CEO and other executive officers;
- (iii) reviewing, evaluating, approving, and overseeing certain fundamental financial and business strategies and certain major corporate actions;
- (iv) reviewing the financial statements and other information contained in PDGI's filings and reports with the Securities and Exchange Commission ("SEC");

(v) retaining, through the Audit Committee, the independent accountants for the annual audit and retention of PDGI's auditors or other firms for non-audit services in accordance with the Sarbanes-Oxley Act of 2002 and the rules of the SEC;

(vi) authorizing sales of securities, including stock options, except where the Board has delegated the power to issue options to management in limited circumstances;

(vii) reviewing and approving, as appropriate, the long-term strategic and business plans of PDGI, and overseeing the execution thereof, and evaluating the results of such plans;

(vii) nominating directors through the Nominating and Corporate Governance Committee, reviewing the structure and operation of the Board and its committees, evaluate the independence of non-employee directors and creating and overseeing the execution of effective corporate governance policies and procedures; and

(ix) assessing major risks facing PDGI, and reviewing proposed strategies for their potential mitigation.

4. Board Membership

(i) The Board shall consist of a majority of independent directors; as such term is defined under applicable SEC and NASDAQ Stock Market rules.

(ii) Chairman. Since October 24, 2007, Mr. Peter G. Tombros, has served as our Chairman of the Board.

(iii) Director Candidate Criteria. In selecting director nominees, our Nominating and Corporate Governance Committee, and ultimately the Board, will assess, among other relevant attributes, the independence, character, business and financial experience, including familiarity with generally accepted accounting principles, scientific expertise, and familiarity with national and international issues affecting the services, bioanalytical, pharmaceutical drug development, clinical research and testing, industries. PDGI's director nominees should also possess the highest personal and professional ethical standards and be committed to representing both the short-term and the long-term interests of PDGI's stockholders.

(iv) Board Compensation. The Board, through its Compensation Committee, reviews, or requests management or outside consultants to review appropriate compensation policies for the directors serving on the Board and its committees. This review may consider board compensation practices of comparable public companies, contributions of time and effort to service on Board committees, service as committee chairs, and other relevant factors.

(v) Changes in Principal Position or Responsibility. Any director who experiences a material change in his or her principal employment or professional position will discuss such change with the Board and offer to resign from the Board. The Board will review such change in circumstances and the offer of resignation, and may by majority vote either accept or reject the offer of resignation depending on what it believes to be in the best interest of PDGI.

(vi) Membership on Other Boards. Directors are permitted to sit on the boards of no more than six public companies, including PDGI, at any one time. Each director is expected to ensure that other existing and future commitments do not materially interfere with his or her service as a director of PDGI and must be willing to devote sufficient time to effectively carry out his or her duties and responsibilities as a director of PDGI.

(vii) Term Limits and Retirement. Membership on the Board is not subject to term limits. We believe that term limits could be a disadvantage and cause us to lose the contribution of qualified

and experienced directors, who have been able to develop, over a period of time, increasing knowledge and insight into PDGI, its business, and its operations.

5. Board Meetings and Agenda

(i) Frequency of Board Meetings. A minimum of four regular meetings of the Board are held each year. Additional meetings are held as needed and are called in accordance with our Bylaws. At least one meeting per year may be an extended meeting focusing on long-range strategies and business planning.

(ii) Agendas for Meetings. The Lead Director or Chairman shall provide input with respect to the preparation of the agenda for Board meetings. The Board reviews the performance and operations of PDGI at each meeting and reviews other matters pertinent to the Board's advisory and monitoring functions on a periodic basis. Any member of the Board may request that an item be included on the agenda. Meeting agendas are sent in advance of the meeting to the directors along with appropriate written information and background materials so that Board meeting time may be efficiently utilized and discussion time focused on substantive questions and issues to be addressed and resolved.

(iii) Board Presentations and Access to Information. The Board encourages PDGI's executive management to arrange presentations at Board meetings by line and functional managers and to provide other reports that will enhance the flow of meaningful business, financial, operational, and other relevant information to the Board. The Board also encourages the presentation at meetings by members of management who can provide additional insight into matters being discussed or who have executive management potential that the Chairman believes should be given exposure to the Board. Each Board member also has access to PDGI's management and other employees at, and outside of, Board meetings.

(iv) Executive Sessions. Non-employee or independent directors will meet separately without the CEO, other executive officers or employees present, periodically but at least four times per year to discuss those matters regarding PDGI as such directors consider appropriate.

(v) Access to Independent Advisors and Experts. The Board and each of its committees have the right at any time to retain and direct independent financial, legal, or other advisors, or experts, with funding provided by PDGI.

6. Board Committees

(i) Committees. It is the general policy of PDGI that most major decisions be considered by the Board as a whole. The principal exceptions are establishing the compensation of senior management and engagements of the independent auditors which we established by the Compensation Committee and the Audit Committee, respectively. The committee structure of the Board reflects this and is limited to those committees considered to be fundamental to, or required for, the operation of a public company. The current three committees of the Board are the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. From time to time the Board may establish a new committee or disband a current committee depending upon internal circumstances or external requirements.

(ii) Committee Member Selection. The Board designates the members and Chairman of each committee, endeavoring to match the committee's function and requirements for expertise with the individual skills and experience of the appointees to the committee. For each committee, members must meet applicable criteria for independence as such term is defined under the NASDAQ listing rules and other applicable rules and regulations to determine independence for such committee.

(iii) Committee Functions. The number and content of committee meetings and other matters of committee governance are determined by each committee and its Chairman in light of the authority delegated by the full Board to the committee, the committee's charter approved by the Board and the legal, regulatory, accounting, or governance standards and principles applicable to that committee's function. Management can also recommend appropriate agenda items. PDGI provides to each committee access to employees and other resources to enable committee members to carry out their responsibilities. The full authority and responsibilities of each committee is fixed by the committee's charter or by PDGI's Bylaws.

7. Ethics and Conflicts of Interest

(i) PDGI's Ethical Guidelines. The Board is committed to ethical conduct in fulfilling its responsibilities. The Board expects all directors, as well as officers and employees, to act ethical at all times and to acknowledge their adherence to the policies comprising PDGI's Ethical Guidelines, as such may be amended from time to time. The Ethical Guidelines are available for review on PDGI's website at www.pharmanet.com.

(ii) Director and CEO Conflict of Interest. Each director is required to disclose to the Board any activities or interests that result in an actual or potential conflict of interest with PDGI. The Board will determine an appropriate resolution on a case-by-case basis. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Board shall resolve any conflict of interest question involving the CEO; and the CEO shall resolve any conflict of interest issue involving any other officer of PDGI. All related party transactions, subject to certain de minimis exceptions, must be authorized by the Audit Committee.

8. Reporting Concerns to Non-Employee Directors or the Audit Committee

Any employee, stockholder or third party who has a concern about PDGI's business conduct or about its accounting, internal accounting controls, or financial or auditing matters, may communicate that concern directly to any non-employee director including the Chairman of the Audit Committee. Currently, Arnold Golieb, serves as Chairman of the Audit Committee. He may be reached by telephone at (609) 951-6751 or at AuditCommittee@pharmanet.com. Communications may also be addressed to Mr. Golieb or to any other non-employee director at c/o PharmaNet Development Group, Inc., 504 Carnegie Center, Princeton, NJ 08540. In addition, PDGI has established a whistleblower hotline with a third-party service provider, The Network, who may be contacted, effective September 15, 2006, at 1-800-528-4577 or www.tnwinc.com/webreport. Such communications may be confidential or anonymous. All such concerns will be forwarded to one or more appropriate individuals, inside or outside of PDGI, for their review. The status of all outstanding concerns addressed to a non-employee Board member or to the Chairman of the Audit Committee will be reported to all of the directors on a quarterly basis.

9. Use of these Principles and their Periodic Review

These Principles of Corporate Governance are solely intended to assist PDGI's Board of Directors carry out its duties and responsibilities. They shall not be used, or construed as, giving rise to any duties or responsibilities, or the expansion thereof, that are not otherwise already provided for by law, and they shall not give rise to any cause of action or basis for liability in connection therewith. These Principles will be subject to periodic review and may be changed or updated by the Board from time to time, as it deems appropriate.