

COVANTA HOLDING CORPORATION FINANCE COMMITTEE CHARTER

The Finance Committee of the Board of Directors of Covanta Holding Corporation shall consist of a minimum of three Directors. Members of the Finance Committee shall be appointed annually by the Board of Directors upon the recommendation of the Nominating and Governance Committee and may be removed or replaced by the Board of Directors in its discretion.

The purpose of the Finance Committee shall be to assist the Board of Directors in its oversight of the Corporation's consideration of new commitments and transactions that are either material to the Corporations' financial condition or prospects, or that are otherwise not contemplated by the Corporation's annual budget or business/financial plan approved by the Board of Directors.

In furtherance of this purpose, the Finance Committee shall have the following authority and responsibilities:

1. To discuss with management any proposed transactions which are not in the ordinary course of business, or which are otherwise, because of their size or character, of significance to the Corporation (in each case, a "Proposed Transaction"), including:

- investments (regardless of the form of consideration);
- business combinations, acquisitions, divestitures, joint ventures or partnerships;
- commitments to sell goods and services;
- offerings of the Corporation's securities;
- financial commitments such as loans or other forms of indebtedness, financial guarantees and derivatives transactions; and
- all kinds of expenditures or commitments not included in or contemplated by the Corporation's annual budget or business/financial plan approved by the Board of Directors.

2. To discuss with management all financial statement implications, risk, strategic, market, regulatory or other considerations relevant to a Proposed Transaction.

3. To establish and revise as it determines to be necessary or advisable, authorization policies which establish clear guidelines for circumstances when the Board of Directors and/or Finance Committee approval is required for Proposed Transactions to be entered into by the Corporation or its subsidiaries..

4. To establish and revise policies as it determines to be necessary or advisable, policies with respect to the issuance of dividends on the Corporation's stock.

5. To establish and revise policies as it determines to be necessary or advisable, policies with respect to the foreign currency and credit management activities of the Corporation.

6. To approve and recommend for ratification by the Board of Directors any Proposed Transaction in an amount exceeding \$50 million, or such other amount approved by the Board of Directors, as well as any Proposed Transaction involving the issuance of the Corporation's equity securities.

The Finance Committee shall have authority to retain such outside counsel, experts and other advisors as the Finance Committee may deem appropriate in its sole discretion. The Finance Committee shall have sole authority to approve and receive funding for related fees and retention terms.

The Finance Committee shall report its recommendations to the Board of Directors after each Finance Committee meeting and shall conduct and present to the Board of Directors an annual performance evaluation of the Finance Committee. The Finance Committee shall review at least annually the adequacy of this Charter and internal control procedures and recommend any proposed changes to the Board of Directors for approval.

The Finance Committee may adopt such additional procedures, consistent with this Charter, as the Finance Committee deems appropriate.

This Finance Committee Charter will be made available on the Corporation's website at www.covantaholding.com.