Merck & Co., Inc. Shareholder Litigation
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IMPORTANT PAPERS ENCLOSED

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IN RE MERCK & CO., INC. SHAREHOLDER LITIGATION	SUPERIOR COURT OF NEW JERSEY CHANCERY DIVISION HUNTERDON COUNTY Consolidated Docket No. HNT-C-14008-09

NOTICE OF PENDENCY OF CLASS ACTION,
PROPOSED SETTLEMENT OF CLASS ACTION,
SETTLEMENT HEARING AND RIGHT TO APPEAR

TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF MERCK & CO., INC. (NYSE: MRK) COMMON STOCK AT ANY TIME FROM MARCH 8, 2009 THROUGH AND INCLUDING NOVEMBER 3, 2009

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS LAWSUIT. IF THE COURT APPROVES THE PROPOSED SETTLEMENT OF THIS LAWSUIT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS, REASONABLENESS AND ADEQUACY OF THE PROPOSED SETTLEMENT AND RELATED MATTERS, AND FROM PURSUING THE SETTLED CLAIMS (AS DEFINED HEREIN).

IF YOU HELD SHARES OF MERCK & CO., INC. COMMON STOCK FOR THE BENEFIT OF OTHERS, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH BENEFICIAL OWNERS.

I. THE PURPOSE OF THIS NOTICE

The purpose of this Notice is to inform you of the above-captioned consolidated action (the "Action") pending in the Superior Court of New Jersey, Chancery Division, Hunterdon County (the "Court"), and a proposed settlement (the "Settlement") of the Action. This Notice also informs you of the Court's preliminary certification of a Class (as defined below) for purposes of the Settlement, and of your right to participate in a hearing to be held on June 29, 2010, at 10:30 a.m. at the Somerset County Courthouse, 20 North Bridge Street, Somerville, New Jersey 08876-1262 (the "Settlement Hearing") to determine (1) whether the Court should approve the Settlement as fair, reasonable, adequate and in the best interests of the Class; (2) whether to enter judgment dismissing the Action with prejudice and on the merits, and extinguishing and releasing all Settled Claims (as defined below) such that no Plaintiff or member of the Class could sue on such claims again; (3) whether the Class should be permanently certified and whether Plaintiffs (as defined below) and their counsel have adequately represented the Class; (4) if the Court approves the Settlement, whether the Court should grant the application of Plaintiffs' counsel for an award of attorneys' fees and reimbursement of expenses; and (5) to consider such other matters as may properly come before the Court.

The Court has determined that the Action shall be preliminarily maintained as a class action under New Jersey Court Rules, R. 4:32, on behalf of a non-opt-out class consisting of all persons and entities who bought or held shares of Merck & Co., Inc. ("Merck" or the "Company") common stock (other than Defendants (as defined below) and any person, firm, trust, corporation or other entity who is an affiliate of the Defendants as the term "affiliate" is defined in the Securities and Exchange Act of 1934 and SEC Rule 12b-2 promulgated thereunder) at any time during the period from March 8, 2009 (the date of the announcement by Merck and Schering-Plough Corporation ("Schering-Plough") that their respective boards of directors unanimously approved an agreement and plan of merger under which the two companies will be combined (the "Transaction")), through and including November 3, 2009, the date of consummation of the Transaction (the "Class").

At the Settlement Hearing, the Court will consider, among other things, whether the Class should be finally certified pursuant to New Jersey Court Rules, R. 4:32-1(a), (b)(1) and (b)(2).

This Notice describes the rights you may have under the Settlement and what steps you may, but are not required to, take in relation to the Settlement.

If the Court approves the Settlement, the parties to the Action will ask the Court to enter an Order and Final Judgment dismissing the Action with prejudice on the merits.

* * * * *

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

II. BACKGROUND OF THE LAWSUIT

On March 9, 2009, Schering-Plough and Merck announced the Transaction.

Under the terms of the Transaction, Schering-Plough, which would continue as the surviving public corporation, would be renamed Merck & Co., Inc. ("New Merck"), Merck would become a wholly-owned subsidiary of New Merck, Schering-Plough shareholders would receive $10.50 in cash and 0.5767 of a share of New Merck common stock for each share of Schering-Plough common stock they held, and Merck shareholders would receive one share of common stock of New Merck for each share of Merck common stock they held.

On March 10, 2009, Plaintiff Vivian Golombuski filed a class action complaint in the Superior Court of New Jersey, Chancery Division, Union County, Docket No. UNN-C-38-09 (the "*Golombuski* Action"), on behalf of holders of Merck common stock naming as Defendants Schering-Plough, Merck, and the Merck Board of Directors, consisting of Richard T. Clark, Leslie A. Brun, Thomas H. Glocer, Steven F. Goldstone, William B. Harrison, Jr., Harry R. Jacobson, William N. Kelley, Rochelle B. Lazarus, Carlos E. Represas, Thomas E. Shenk, Anne M. Tatlock, Samuel O. Their, Wendell P. Weeks and Peter C. Wendell (the "Director Defendants," and, together with Schering-Plough and Merck, "Defendants").

On March 10, 2009, Plaintiff Alan R. Kahn filed a class action complaint in the Superior Court of New Jersey, Chancery Division, Hunterdon County, Docket No. C-14008-09 (the "*Kahn* Action"), on behalf of holders of Merck common stock naming the same Defendants.

The complaints filed by Plaintiffs Vivian Golombuski and Alan R. Kahn ("Plaintiffs") allege that the Director Defendants, aided and abetted by Schering-Plough, breached their fiduciary duty to Merck shareholders in agreeing to the Transaction, among other things, because the Transaction was allegedly financially unfair to Merck shareholders and failed to address properly any potential impact of the Transaction on Schering-Plough's joint venture relating to Remicade and golimumab (the "Remicade Joint Venture").

A Consent Order consolidating the *Golombuski* Action and the *Kahn* Action in the Superior Court of New Jersey, Chancery Division, Hunterdon County, under the Docket No. HNT-C-14008-09 (the "Action") was entered by Judge Yolanda Cicconne on April 21, 2009.

On May 20, 2009, Merck and Schering-Plough filed with the United States Securities and Exchange Commission ("SEC") a preliminary joint proxy statement/prospectus of Schering-Plough and Merck (the "Preliminary Joint Proxy/Prospectus") in order to solicit shareholder approval of the Transaction.

On June 4, 2009, Plaintiffs filed a Consolidated Class Action Complaint (the "Consolidated Complaint") amending the breach of fiduciary duty allegations contained in the initial complaints and also including additional allegations that the Preliminary Joint Proxy/Prospectus was materially misleading and failed to disclose material information regarding, among other things, the valuation work of Merck's financial advisor, J.P. Morgan Securities Inc. ("J.P. Morgan"), with respect to the Remicade Joint Venture.

Following discussions between counsel for the parties regarding Plaintiffs' intention to seek injunctive relief with respect to the Transaction and Plaintiffs' demands for discovery in connection therewith, Merck produced certain documents to counsel for Plaintiffs ("Plaintiffs' Counsel") and their valuation expert regarding, among other things, the financial information presented to the Director Defendants by J.P. Morgan in connection with the Transaction.

On June 11, 2009, Plaintiffs' Counsel, Plaintiffs' valuation expert, Defendants' counsel, and a representative from J.P. Morgan held a meeting to discuss J.P. Morgan's valuation work concerning documents that were produced and disclosures made in the Preliminary Joint Proxy/Prospectus.

Following arm's-length negotiations between Plaintiffs' Counsel and counsel for Merck, on June 16, 2009, Merck and Schering-Plough filed with the SEC an amended preliminary joint proxy statement/prospectus (the "Amended Preliminary Joint Proxy/Prospectus"), which included additional disclosures relating to certain of the alleged materially misleading statements and omissions asserted by Plaintiffs in the Consolidated Complaint.

On June 24, 2009, Merck and Schering-Plough filed with the SEC a second amended preliminary joint proxy statement/prospectus (the "Second Amended Preliminary Joint Proxy/Prospectus"), which included further additional

disclosures relating to certain of the alleged materially misleading statements and omissions by Plaintiffs in the Consolidated Complaint.

Following further arm's-length negotiations between Plaintiffs' Counsel and counsel for Merck, on June 25, 2009, Schering-Plough and Merck filed with the SEC a definitive joint proxy statement/prospectus (the "Definitive Joint Proxy/Prospectus").

On or about June 29, 2009, Schering-Plough and Merck first mailed the Definitive Joint Proxy/Prospectus to Schering-Plough's and Merck's respective shareholders.

Following lengthy arm's-length negotiations, counsel for the parties entered into a Memorandum of Understanding ("MOU"), dated July 22, 2009, setting forth their agreement in principle to settle the claims in the Action (the "Claims"), subject to, among other things, further investigation and discovery by Plaintiffs to confirm the fairness of the settlement on the terms set forth in the Stipulation of Settlement (the "Stipulation").

The Transaction was consummated pursuant to its terms on November 3, 2009.

III. SUMMARY OF THE SETTLEMENT TERMS

In consideration for the full settlement and release of all Settled Claims (as defined below), Defendants disclosed additional information in the Definitive Joint Proxy/Prospectus that Plaintiffs had asserted in the Consolidated Class Action Complaint should have been disclosed to Merck's shareholders in connection with the vote on the Transaction, as follows:

Revised description of the selected public market multiples analysis (new/changed text underlined):

Selected public market multiples: J.P. Morgan performed a selected public market multiples financial analysis on Schering-Plough's constituent businesses to analyze the entire company on a segment-by-segment basis using certain trading multiples and Wall Street equity research, in each case as selected by J.P. Morgan based on its judgment. J.P. Morgan analyzed Schering-Plough's pharmaceutical, consumer and animal health businesses. J.P. Morgan reviewed publicly available information for the following public companies and calculated the multiples set forth below:

Segment/Company	**Metric/Multiple**
Consumer	***2009E P/E***
Procter & Gamble	10.9x
Colgate Palmolive	13.0x
Reckitt-Benckiser	13.4x
Kimberly Clark	10.6x
Henkel	9.2x
Clorox	12.1x
Church & Dwight	14.4x
Energizer	6.8x
Alberto Culver	15.1x
Animal Health	***2009E Firm Value/ EBITDA***
Virbac S.A.	9.1x
Vetoquinol	5.0x
Pharmaceutical	***2009E P/E***
Johnson & Johnson	10.7x
Abbott	12.7x
Pfizer	7.0x
Wyeth	10.4x
Eli Lilly	6.9x
Bristol-Myers Squibb	9.7x
Roche	12.1x
GlaxoSmithKline	8.1
Novartis	8.1x
Sanofi-Aventis	6.3x
AstraZeneca	5.6x

Based on the constituent multiples described above, J.P. Morgan calculated implied values for each of Schering-Plough's business segments by applying P/E multiples ranging from 8.0x to 10.0x to the 2009 estimated earnings for Schering-Plough's pharmaceutical business, P/E multiples ranging from 11.0x to 13.0x to the 2009 estimated earnings for Schering-Plough's consumer business and firm value/EBITDA multiples ranging from 8.0x to 10.0x to the 2009 estimated EBITDA for Schering-Plough's animal health business. Based ~~on the selected public market analysis described above~~ on the foregoing, J.P. Morgan calculated an implied per share equity range for Schering-Plough of $15.30 to $19.00.

Revised description of the selected precedent transactions analysis (new/changed text underlined):

Based on various judgments concerning the relative comparability of each of the selected transactions to the proposed transaction, J.P. Morgan did not rely solely on the quantitative results of the selected transaction analysis in developing a reference range or otherwise applying its analysis. J.P. Morgan observed that, if the multiples for the three most recent transactions referred to above were applied to ~~the transaction~~ Schering-Plough, the resulting range of implied equity values for Schering-Plough common stock would be $21.40 to $50.45. J.P. Morgan noted that the implied value of the proposed cash and stock consideration to be received by holders of Schering-Plough common stock of $23.61 was within this range. J.P. Morgan also compared the dollar premium (based on (i) trading prices 1 day and 1 month prior to announcement and (ii) the 1 month average trading price prior to announcement) in each of the above noted transactions to the announced synergies for such transaction and observed multiples of 3.9x to 12.9x. J.P. Morgan noted that the range of multiples of the dollar premium to be received by Schering-Plough shareholders relative to announced synergies in the transaction was 1.8x to 3.0x.

Revised description of the discounted cash flow analysis (new/changed text underlined):

Discounted cash flow analysis: J.P. Morgan calculated ranges of implied equity value per share for Schering-Plough common stock by performing a discounted cash flow, or "DCF," analysis. The discounted cash flow analysis assumed a valuation date of October 1, 2009.

J.P. Morgan performed its DCF analysis of Schering-Plough based primarily on two sets of assumptions: (1) a set of assumptions provided by Merck management relating to Schering-Plough's business, referred to as "Merck's Schering-Plough base case"; and (2) a set of assumptions provided by Merck which reflect Merck's Schering-Plough base case plus the synergies, referred to as "Merck's Schering-Plough base case with synergies." For references purposes, J.P Morgan also considered: (1) a set of assumptions provided by Schering-Plough relating to Schering-Plough's business, referred to as the "Schering-Plough management case"; and (2) a set of assumptions based on publicly available Wall Street research relating to Schering-Plough's business, referred to as the "Schering-Plough street case."

A discounted cash flow analysis is a traditional method of evaluating an asset by estimating the future cash flows of an asset and taking into consideration the time value of money with respect to those future cash flows by calculating the "present value" of the estimated future cash flows of the asset. "Present value" refers to the current value of one or more future cash payments, or "cash flows," from an asset and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macro-economic assumptions, estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors. Another financial term utilized below is "terminal value," which refers to the value of all future cash flows from an asset at a particular point in time.

In arriving at the estimated equity values per share of Schering-Plough common stock using the DCF analysis, J.P. Morgan calculated terminal values for each of Schering-Plough's business segments as of December 31, 2018 by applying a terminal value growth rate of ~~negative (10)% to~~ 2.0% (except for Schering-Plough's *Remicade*/golimumab and *Vytorin*/*Zetia* businesses), added synergies and applied a range of discount rates of 7% to 10% depending on the business.

Based on the assumptions set forth above, this analysis implied for Schering-Plough common stock ranges of $19.15 to $21.80, $38.45 to $45.05, $25.20 to $27.80 and $20.65 to $23.25 per share for Merck's Schering-Plough base case, Merck's Schering-Plough base case with synergies, the Schering-Plough management case and the Schering-Plough street case, respectively. The range of discount rates used by J.P. Morgan in its analysis was estimated using traditional investment banking methodology, including the analysis of selected publicly traded companies engaged in businesses that J.P. Morgan deemed relevant to Schering-Plough's businesses. These publicly traded companies were analyzed to determine the appropriate beta (an estimate of systematic risk) and target debt/total capital ratio to use in calculating the ranges of discount rates described above.

Revised description of J.P. Morgan's analysis regarding *Remicade* (new/changed text underlined):

Value creation analysis: J.P. Morgan also performed an illustrative value creation analysis with respect to Merck using a DCF analysis, an analysis of public trading values and a selected public multiples analysis. In performing the DCF analysis, J.P. Morgan compared (1) the Merck management case with respect to Merck's business to the Schering-Plough management case with respect to Schering-Plough's business and (2) the Merck management case with respect to Merck's business to Merck's Schering-Plough base case with respect to Schering-Plough's business, yielding an implied equity value increase to Merck shareholders of $14.1 billion and $6.8 billion, respectively. J.P. Morgan also performed this DCF analysis using the same cases but excluding the financial effects of *Remicade* and golimumab and yielded an implied equity value increase to Merck shareholders of $9.4 billion and $3.0 billion, respectively. J.P. Morgan also analyzed the current market capitalizations of Merck and Schering-Plough and observed an implied equity value increase to Merck shareholders of $6.7 billion. Lastly, J.P. Morgan analyzed each of Merck and Schering-Plough's constituent businesses to analyze each respective company on a segment-by-segment basis using certain trading multiples and Wall Street equity research, as described above under "Standalone Valuation of Schering-Plough — Selected public market multiples." This analysis yielded an implied equity value increase to Merck shareholders of $5.7 billion.

Revised disclosure amount and timing of fees paid to J.P. Morgan (new/changed text underlined):

J.P. Morgan was selected by Merck as its exclusive financial advisor based on J.P. Morgan's qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions and its familiarity with Merck. Merck has agreed to pay J.P. Morgan ~~a fee~~ $45 million for its services as financial advisor, ~~a portion~~ $5 million of which was ~~payable upon~~ paid after public announcement of the proposed transaction and ~~a substantial portion~~ the remainder of which will become payable only if the Merck merger is consummated. In addition, Merck has agreed to reimburse J.P. Morgan for its expenses incurred in connection with its services, including the fees and disbursements of counsel, and will indemnify J.P. Morgan for certain liabilities.

Revised disclosure amount and timing of fees paid to Goldman Sachs (new/changed text underlined):

The board of directors of Schering-Plough engaged Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the transaction described in this joint proxy statement/prospectus. Pursuant to the terms of this engagement letter, Schering-Plough has agreed to pay Goldman Sachs a ~~customary transaction fee, a substantial portion~~ transaction fee of up to $33.33 million, $10 million of which was payable upon the announcement of the transaction and $23.33 million of which is contingent upon consummation of the transaction. In addition, Schering-Plough has agreed to reimburse Goldman Sachs for its expenses, including attorneys' fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

Revised disclosure amount and timing of fees paid to Morgan Stanley (new/changed text underlined):

Under the terms of its engagement letter, Morgan Stanley provided Schering-Plough with financial advisory services in connection with the transaction for which it will be paid ~~a customary fee, a portion~~ $22 million, $7 million of which became payable upon public announcement of the transaction and ~~a substantial portion~~ $15 million of which is contingent upon, and will become payable upon, completion of the transaction. Schering-Plough has also agreed to reimburse Morgan Stanley for its expenses incurred in performing its services. In addition, Schering-Plough has agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, related to or arising out of Morgan Stanley's engagement.

Additional disclosure regarding arbitration with Centocor over Remicade distribution agreement
(new/changed text underlined):

A subsidiary of Schering-Plough is a party to a Distribution Agreement with Centocor, a wholly owned subsidiary of Johnson & Johnson, under which the Schering-Plough subsidiary has rights to distribute and commercialize the rheumatoid arthritis treatment *Remicade* and golimumab, a next-generation treatment, in certain territories.

Under Section 8.2(c) of the Distribution Agreement, "If either party is acquired by a third party or otherwise comes under Control (as defined in Section 1.4 [of the Distribution Agreement]) of a third party, it will promptly notify the other party not subject to such change of control. The party not subject to such change of control will have the right, however not later than thirty (30) days from such notification, to notify in writing the party subject to the change of Control of the termination of the Agreement taking effect immediately. As used herein 'Change of Control' shall mean (i) any merger, reorganization, consolidation or combination in which a party to this Agreement is not the surviving corporation; or (ii) any 'person' (within the meaning of Section 13(d) and Section 14(d)(2) of the Securities Exchange Act of 1934), excluding a party's Affiliates, is or becomes the beneficial owner, directly or indirectly, of securities of the party representing more than fifty percent (50%) of either (A) the then-outstanding shares of common stock of the party or (B) the combined voting power of the party's then-outstanding voting securities; or (iii) if individuals who as of the Effective Date [April 3, 1998] constitute the Board of Directors of the party (the 'Incumbent Board') cease for any reason to constitute at least a majority of the Board of Directors of the party; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the party's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board; or (iv) approval by the shareholders of a party of a complete liquidation or the complete dissolution of such party."

Section 1.4 of the Distribution Agreement defines "Control" to mean "the ability of any entity (the 'Controlling' entity), directly or indirectly, through ownership of securities, by agreement or by any other method, to direct the manner in which more than fifty percent (50%) of the outstanding voting rights of any other entity (the 'Controlled' entity), whether or not represented by securities, shall be cast, or the right to receive over fifty percent (50%) of the profits or earnings of, or to otherwise control the management decisions of, such other entity (also a 'Controlled' entity)."

On May 27, 2009, Centocor delivered to Schering-Plough a notice initiating an arbitration proceeding to resolve whether, as a result of the proposed merger between Schering-Plough and Merck, Centocor is permitted to terminate the Distribution Agreement and related agreements. As part of the arbitration process, Centocor will likely take the position that it has the right to terminate the Distribution Agreement on the grounds that, in the proposed merger between Schering-Plough and Merck, Schering-Plough and the Schering-Plough subsidiary party to the Distribution Agreement are (i) being "acquired by a third party or otherwise come[ing] under 'Control' (as defined in Section 1.4) of a third party" and/or (ii) undergoing a "Change of Control" (as defined in Section 8.2(c)). Merck and Schering-Plough believe that the proposed merger will not entitle Centocor to terminate the Distribution Agreement because the merger is not a "Change of Control" as defined by Section 8.2(c). Merck and Schering-Plough also believe that neither Schering-Plough nor the Schering-Plough subsidiary party will be "acquired" by Merck or will "otherwise come under Control" of Merck.

The arbitration process involves a number of steps, including the selection of an independent arbitrator, information exchanges and hearings, before a final decision will be reached. The arbitration proceeding is expected to take place over the next 9 to 12 months and could continue after the merger has closed. Schering-Plough and Merck are fully prepared to arbitrate the matter and to vigorously defend Schering-Plough's rights (and after the proposed merger has closed, the combined company's rights) under the Distribution Agreement.

Although Schering-Plough and Merck are confident that the arbitrator will determine that Centocor does not have the right to terminate the Distribution Agreement, there is a risk of an unfavorable outcome. If the arbitrator were to conclude that Centocor is permitted to terminate the Distribution Agreement as a result of the merger and Centocor in fact terminates the Distribution Agreement following the merger, the combined company would not be able to distribute *Remicade*, which generated sales for Schering-Plough of approximately $2.1 billion in 2008, and would not have the right to commercialize and distribute golimumab in the future. In addition, due to the uncertainty surrounding the outcome of the arbitration, the parties may choose to settle the dispute under mutually agreeable terms but any agreement reached with Centocor to resolve the dispute under the Distribution Agreement may result in the terms of the Distribution Agreement being modified in a manner that may reduce the benefits of the Distribution Agreement to the combined company.

However, in spite of these factors:

● Any change or termination of the Distribution Agreement with Centocor is excluded by the merger agreement from the definition of "material adverse effect" both with respect to Merck and Schering-Plough and is excluded from the definition of "material adverse effect" in the credit agreements for the credit facilities entered into in connection with financing the merger.

● The estimated annual cost savings of $3.5 billion expected to be realized from the transaction annually after 2011 is not dependent on the retention of the rights to distribute *Remicade* and golimumab, although the loss of these rights would reduce the amount of sales expected to be generated by the combined company.

● The anticipated continued payment by the combined company of the current Merck dividend of $1.52 per share annually is not conditioned on the retention of the rights to distribute *Remicade* and golimumab.

Defendants acknowledge that the litigation of the claims asserted in the Action was the sole factor in Defendants' decision to make the additional disclosures, except that the litigation of the claims asserted in the Action was a contributing factor with respect to the disclosure of the fees paid to Merck's and Schering-Plough's financial advisors and the additional disclosures relating to Remicade and golimumab.

The full terms of the Settlement are set forth in the Stipulation (see Section XIII, below).

IV. RELEASES

The Stipulation provides that, if the Court approves the Settlement, and in consideration of the benefits provided by the Settlement, the Action shall be dismissed on the merits with prejudice as to all Defendants and against Plaintiffs and all members of the Class, without costs, except as provided in the Stipulation, and Plaintiffs (individually, for themselves, and representatively, for all members of the Class, including Class members' present or past heirs, executors, estates, administrators, predecessors, successors, assigns, parents, subsidiaries, associates, affiliates, employers, employees, agents, consultants, insurers, directors, managing directors, officers, partners, principals, members, attorneys, accountants, financial, legal and other advisors, investment bankers, underwriters, lenders, and any other representatives of any of these persons and entities (the "Releasing Parties")) completely, voluntarily, knowingly, unconditionally and forever, release, discharge, and dismiss with prejudice on the merits any and all claims, demands, actions or causes of action, rights, liabilities, damages, losses, obligations, judgments, suits, matters and issues of any kind or nature whatsoever, whether known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, that have been or could have been asserted in the Action or in any court, tribunal or proceeding (including class, derivative, individual or other claims, whether state, federal or foreign, common law, statutory or regulatory, including, without limitation, claims under the federal securities laws), whether individual or class, legal or equitable, against any and all Defendants in the Action, all directors of Merck (whether or not named as a Defendant in the Action), all directors of Schering-Plough, SP Merger Subsidiary One, Inc. (formerly Blue, Inc.) and SP Merger Subsidiary Two, Inc. (formerly Purple, Inc.) and/or any of their families, parent entities, associates affiliates or subsidiaries and each and all of their respective past or present officers, directors, executives, partners, shareholders, representatives, employees, attorneys, financial or investment advisors, consultants, accountants, auditors, investment bankers, commercial bankers, engineers, insurers, advisors or agents, heirs, executors, trustees, general or limited partners or partnerships, personal representatives, estates, administrators, predecessors, successors, assigns and any other representatives of any of these persons or entities (collectively, the "Released Persons"), which Plaintiffs or any member of the Class ever had, now has, or hereafter can, shall or may have by reason of, arising out of, relating to or in connection with the allegations, facts, events, transactions, acts, occurrences, statements, representations, misrepresentations, omissions or any other matter, thing or cause whatsoever, or any series thereof, embraced, involved, set forth or otherwise related to the Claims, the Transaction, the negotiation or consideration of the Transaction or any agreements or disclosures relating thereto, the Merger Agreement, or any preliminary or definitive joint proxy statement/prospectus filed or distributed to shareholders in connection with the Transaction (including without limitation the Preliminary Joint Proxy/Prospectus, Amended Preliminary Joint Proxy/Prospectus, Second Amended Preliminary Joint Proxy/Prospectus and Definitive Joint Proxy/Prospectus), including without limitation any disclosures, non-disclosures or public statements made in connection with any of the foregoing (collectively, the "Settled Claims"); provided, however, that the Settled Claims shall not include claims to enforce the Stipulation and/or the Settlement.

The releases extend to claims that Plaintiffs, for themselves and on behalf of the Class, do not know or suspect to exist at the time of the release, which if known, might have affected the decision to enter into this release or to object or not to object to the Settlement. Plaintiffs and each member of the Class shall be deemed to waive, and shall waive and relinquish to the fullest extent permitted by law, any and all provisions, rights and benefits conferred by any law of the United States or any state or territory of the United States, or principle of common law, or any other law, which governs or

limits a person's release of unknown claims; further that (i) Plaintiffs, for themselves and on behalf of the Class, shall be deemed to waive, and shall waive and relinquish, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR;

(ii) Plaintiffs, for themselves and on behalf of the Class, also shall be deemed to waive any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, or any other law, which is similar, comparable or equivalent to Section 1542 of the California Civil Code; and (iii) Plaintiffs, for themselves and on behalf of the Class, acknowledge that members of the Class may discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this release, but that it is their intention, as Plaintiffs, for themselves and on behalf of the Class, to fully, finally and forever settle and release any and all claims released hereby, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery or existence of such additional or different facts.

The Stipulation also provides that, if the Court approves the Settlement, Defendants and the Released Persons completely, voluntarily, knowingly, unconditionally and forever, shall release Plaintiffs, the Class, and Plaintiffs' Counsel from all claims arising out of the commencement, prosecution, settlement or resolution of the Claims; provided, however, that the Released Persons shall retain the right to enforce the Stipulation and/or the Settlement.

V. REASONS FOR THE SETTLEMENT

Plaintiffs, through their counsel, have conducted a thorough investigation of the claims and allegations asserted in the Action, as well as the underlying events and transactions relevant to the Action and the law applicable thereto. In connection with their investigation, Plaintiffs' Counsel and their valuation expert have reviewed and analyzed internal, non-public documents produced by Defendants and Plaintiffs' Counsel have also taken the deposition of Jeff Stute (co-head of North American Mergers and Acquisitions at J.P. Morgan). In agreeing to the Settlement, Plaintiffs and Plaintiffs' Counsel have considered: (1) the benefits to the members of the Class (as hereinafter defined) from consummation of the Transaction on the terms agreed to in the Settlement; (2) the facts developed during discovery in the litigation and the law applicable thereto; (3) the attendant risks of continued litigation and the uncertainty of the outcome of the Action; and (4) the desirability of permitting the Settlement to be consummated according to its terms. The Plaintiffs and Plaintiffs' Counsel have concluded that the terms and conditions of the Settlement are fair, reasonable and adequate and that it is in the best interests of Plaintiffs and the members of the Class to settle the Action as set forth in the Stipulation.

Defendants deny all allegations of wrongdoing, fault, liability or damage to Plaintiffs and the putative class and otherwise deny that they engaged in any wrongdoing or committed any violation of law or breach of duty and believe that they acted properly at all times, but wish to settle the litigation on the terms and conditions stated herein in order to eliminate the burden and expense of further litigation and to put the Claims to be released hereby to rest finally and forever.

All parties recognize the time, expense, distraction and burden that would be incurred by further litigation of the Action and the uncertainties inherent in such litigation and believe that the interests of the parties would best be served by settling the Action on the terms and conditions set forth herein.

VI. CLASS ACTION DETERMINATION

The Court has ordered that the Action shall be preliminarily maintained as a class action for purposes of the Settlement only. At the Settlement Hearing, the Court will consider, among other things, whether the Class should be certified permanently pursuant to New Jersey Court Rules, R. 4:32-1(a), (b)(1) and (b)(2).

If you are a Class member, you will be bound by any judgment entered in the litigation. You may not opt out of the Class. Inquiries or comments about the Settlement should be directed in writing to the attention of counsel for the Class as follows:

James S. Notis
Kelly A. Noto
GARDY & NOTIS, LLP
560 Sylvan Avenue
Englewood Cliffs, New Jersey 07632

Joseph J. DePalma
LITE DEPALMA GREENBERG, LLC
Two Gateway Center, 12th Floor
Newark, New Jersey 07102

VII. THE SETTLEMENT HEARING

The Court has scheduled the Settlement Hearing to be held on June 29, 2010, at 10:30 a.m. at the Somerset County Courthouse, 20 North Bridge Street, Somerville, New Jersey 08876-1262, to determine: (1) whether the Court should approve the Settlement as fair, reasonable, adequate and in the best interests of the Class; (2) whether to enter judgment dismissing the Action with prejudice on the merits and extinguishing and releasing all Settled Claims such that no Plaintiff or member of the Class could sue on such claims again; (3) whether the Class should be permanently certified and whether Plaintiffs and Plaintiffs' Counsel have adequately represented the Class; (4) if the Court approves the Settlement, whether the Court should grant the application of Plaintiffs' Counsel for an award of attorneys' fees and reimbursement of expenses; and (5) to consider such other matters as may properly come before the Court.

The Court has reserved the right to adjourn the Settlement Hearing or any part thereof, without further notice of any kind other than oral announcement at the Settlement Hearing or any adjournment thereof. The Court has also reserved the right to approve the Settlement with or without modification, to enter an Order and Final Judgment, and to order the payment of attorneys' fees and expenses without further notice of any kind.

VIII. YOUR RIGHT TO APPEAR AND OBJECT

Any member of the Class who objects to (1) the Settlement, (2) the class action determination, (3) the adequacy of representation of the Class, (4) the dismissal of the Action, (5) the judgments to be entered with respect to the dismissal of the Action, and/or (6) Plaintiffs' Counsel's application for an award of attorneys' fees and expenses, or who otherwise wishes to be heard, may appear in person or by their attorney at the Settlement Hearing. If you wish to do so, however, you must, not later than fifteen (15) business days prior to the Settlement Hearing (unless the Court in its discretion shall otherwise direct for good cause shown), file with the Clerk of the Court at the Somerset County Courthouse, 20 North Bridge Street, Somerville, New Jersey 08876-1262: (1) a written notice of your intention to appear, listing your name, address, telephone number, and number of shares of common stock of Merck you held during the class period; (2) a detailed statement of your objections to any matters before the Court; (3) the grounds therefor or the reasons you desire to appear and be heard; and (4) all documents or writings you desire the Court to consider. On or before the date you file such papers, you must serve them upon the following attorneys electronically or by hand or overnight mail:

James S. Notis
Kelly A. Noto
GARDY & NOTIS, LLP
560 Sylvan Avenue
Englewood Cliffs, New Jersey 07632

Dennis R. Lafiura
Paul Marino
DAY PITNEY LLP
200 Campus Drive
Florham Park, New Jersey 07932

Joseph J. DePalma
LITE DEPALMA GREENBERG, LLC
Two Gateway Center, 12th Floor
Newark, New Jersey 07102

Douglas S. Eakeley
Maureen A. Ruane
LOWENSTEIN SANDLER PC
65 Livingston Avenue
Roseland, New Jersey 07068

Any Class member who does not object to the Settlement or Plaintiffs' Counsel's application for an award of attorneys' fees and reimbursement of expenses need not do anything.

Unless the Court otherwise directs, no person or entity will be entitled to object to the Settlement, the Class Action determination, the judgment to be entered in the Action, the adequacy or representation of the Class, or the award of attorneys' fees and expenses to Plaintiffs' Counsel, or otherwise to be heard, except by serving and filing written objections as described above.

Any person or entity who fails to object or otherwise request to be heard in the manner prescribed above will be deemed to have waived the right to object or otherwise request to be heard (including the right to appeal) and will be forever barred from raising such objection or request to be heard in this or any other action or proceeding.

IX. THE ORDER AND FINAL JUDGMENT OF THE COURT

If the Court determines that the Settlement, as provided for in the Stipulation, is fair, reasonable, adequate and in the best interests of the Class, the parties to the Action will ask the Court to enter an Order and Final Judgment, which will, among other things: (1) approve the Settlement and adjudge the terms of the Settlement to be fair, reasonable, adequate and in the best interests of the Class, pursuant to New Jersey Court Rules, R. 4:32-2(e); (2) authorize and direct the performance of the Settlement in accordance with its terms and conditions and reserve jurisdiction to supervise the consummation of the Settlement provided therein; (3) dismiss the Action with prejudice on the merits and release

Defendants and the other Released Persons (as defined above), from the Settled Claims (as defined above); (4) bar and enjoin Plaintiffs and all members of the Class, or any of them, from commencing, prosecuting, instigating or in any way participating in the commencement, prosecution or instigation of any action in any court or tribunal asserting any Settled Claims against any of the Released Persons; and (5) provide that the Order and Final Judgment shall not constitute any evidence or admission by any party to the Action that any acts of wrongdoing have been committed by any of the parties to the Action and should not be deemed to create any inference that there is any liability therefor.

X. THE APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

If the Court approves the Settlement, Plaintiffs' Counsel intend to ask the Court for an award of attorneys' fees (inclusive of all expenses and disbursements) in an amount not to exceed $950,000, which Merck or its successor in interest has agreed to pay. Defendants agree that they will not oppose Plaintiffs' Counsel's application made in accordance with the terms herein. Any award to Plaintiffs' Counsel of attorneys' fees and reimbursement of expenses and disbursements by the Court will be in addition to the Settlement and will not reduce or in any way affect the benefits of the Settlement.

XI. NOTICE TO PERSONS OR ENTITIES HOLDING OWNERSHIP ON BEHALF OF OTHERS

Brokerage firms, banks and/or other persons or entities who held shares of Merck common stock for the benefit of others (other than Defendants (as defined below) and any person, firm, trust, corporation or other entity who is an affiliate of the Defendants as the term "affiliate" is defined in the Securities and Exchange Act of 1934 and SEC Rule 12b-2 promulgated thereunder) at any time between March 8, 2009 and November 3, 2009 are directed to send this Notice promptly to all of their respective beneficial owners. Merck shall use reasonable efforts to give notice, or cause notice to be given, to such beneficial owners by (a) making additional copies of the Notice available to any record holder who, prior to the Settlement Hearing, requests the same for distribution to beneficial owners, or (b) mailing additional copies of the Notice to beneficial owners as reasonably requested by record holders prior to the Settlement Hearing. If additional copies of the Notice are needed for forwarding to such beneficial owners, any requests for such additional copies may be made to: Merck & Co., Inc. Shareholder Litigation, c/o The Garden City Group, Inc., P.O. Box 9532, Dublin, Ohio 43017-4832. Such brokerage firms, banks and/or other persons or entities requesting additional copies or providing a list of names and mailing addresses of beneficial owners will be reimbursed by Merck for documented, reasonable out-of-pocket expenses incurred in providing such additional copies or providing a list of names and mailing addresses of beneficial owners. All communications concerning the foregoing should be addressed to Merck & Co., Inc. Shareholder Litigation, c/o The Garden City Group, Inc., P.O. Box 9532, Dublin, Ohio 43017-4832.

XII. INJUNCTION AGAINST CERTAIN OTHER LITIGATION

The Court has entered an order barring and enjoining all members of the Class from commencing, prosecuting or instigating any action in any court or tribunal asserting any Settled Claims against any Released Persons, pending approval of the Settlement by the Court.

XIII. SCOPE OF THIS NOTICE

This Notice is not all-inclusive. The references in this Notice to the pleadings in the Action, the Stipulation, and other papers and proceedings are only summaries and do not purport to be comprehensive. For the full details of the Action, the claims that have been asserted by the parties and the terms and conditions of the Settlement, including a complete copy of the Stipulation and related Orders and proposed forms of Orders, members of the Class are referred to the Court files for the Action. You or your attorney may examine the public Court files during regular business hours of each business day at the office of the Clerk of the Superior Court, Chancery Division, at the Somerset County Courthouse, 20 North Bridge Street, Somerville, New Jersey 08876-1262. **PLEASE DO NOT CALL OR WRITE THE COURT.**

Dated: April 15, 2010

BY ORDER OF THE SUPERIOR COURT,
CHANCERY DIVISION, HUNTERDON COUNTY

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