

AUDIT COMMITTEE CHARTER

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Merck & Co., Inc. (the “Company”) is comprised solely of independent directors and is appointed annually by the Board.

The Chairperson of the Committee or, if not present, the senior independent Director present shall preside at all meetings of the Committee and provide an oral report to the Board on each meeting. The Committee shall hold a minimum of eight meetings annually. The Company shall provide the Committee with adequate staff support and resources to discharge its responsibilities. The Committee may engage independent legal counsel and other advisors as the Committee deems advisable to carry out its responsibilities. The Company must provide for appropriate funding, as determined by the Committee, for payment of: (i) compensation to any independent public accountants for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (ii) compensation to any advisors employed by the Committee; and (iii) ordinary administrative expenses of the Committee that are necessary in carrying out its duties.

The Committee shall meet privately with the internal auditors and the independent public accountants at least quarterly and whenever else the Committee deems advisable. The Committee shall ensure that the independent public accountants are ultimately accountable to the Committee and the Board. The Committee’s performance shall be evaluated annually by the Committee.

The Committee shall designate its Secretary. Minutes of each meeting will be prepared by the Secretary and submitted to Committee members for approval at the next meeting.

MEMBERSHIP REQUIREMENTS

The Committee must be comprised of at least three directors, each of whom is independent and “financially literate,” and at least one of whom is an “audit committee financial expert,” as such terms are defined in applicable New York Stock Exchange (NYSE) and Securities and Exchange Commission (SEC) rules and regulations.

Committee members may not simultaneously serve on the audit committee of more than three public companies, including the Company, unless the Board determines that such simultaneous service does not impair efficacy of Board service.

PURPOSE

Assist in the Board oversight of:

- The integrity of the Company’s financial statements.
- The Company’s compliance with legal and regulatory requirements.
- The independent public accountants’ qualifications and independence.
- The performance of the Company’s internal audit function and the independent public accountants.

- The accounting and financial reporting processes and system of internal controls over financial reporting of the Company and its audits.
- The Enterprise Risk Management Process.

DUTIES AND RESPONSIBILITIES

The Company's management is responsible for preparing the Company's financial statements and the independent public accountants are responsible for auditing these financial statements. The Committee is responsible for overseeing the conduct of these activities by the Company's management and the independent public accountants, and the integrity of the Company's financial statements. The Committee is also responsible for providing the Report of the Audit Committee that SEC rules require to be included in the Company's annual proxy statement.

In carrying out its oversight responsibilities, the Committee shall perform the following functions:

1. Appoint, evaluate, and retain the Company's independent public accountants. Maintain direct responsibility for termination, compensation and oversight of the Company's independent public accountants (including the resolution of disagreements between management and the independent public accountants regarding financial reporting). Recommend ratification of the appointment to the shareholders. The Company's independent public accountants shall report directly to the Committee.
2. Review the scope of the annual audit, and all services to be provided by the independent public accountants during the year. Pre-approve audit and non-audit services (permitted under current laws and regulations) provided to the Company by the independent public accountants. The chair of the Audit Committee may pre-approve any incremental services to be provided by the independent public accountants, provided that decision is presented to the full Audit Committee at the next scheduled meeting.
3. Oversee the Company's accounting, financial reporting process, internal controls and audits. Consult with management, the internal auditors and the independent public accountants on matters related to the annual audit plan, audit procedures applied, audit and non-audit fees, status of federal tax returns and related reserves, the published financial statements, the accounting principles applied, any material changes thereto and the effects of regulatory developments or changes in accounting standards. Meet with the independent public accountants and internal auditors to discuss the results of their examinations. Annually review and discuss management's evaluation of the adequacy of disclosure controls and internal controls over financial reporting, including the attestation of such evaluation by the independent public accountants. Recommend to the Board of Directors that the audited financial statements be included in the Company's SEC filing (Annual Report on Form 10-K).
4. Review at least annually a report of the independent public accountants describing: their internal quality control procedures; any material issues raised by the most recent internal quality review or peer review, of the independent public accountant, or any inquiry or investigation by governmental or professional authorities within the preceding five years related to the independent audits carried out by the firm, and any steps taken to deal with any such issues; and all relationships between the independent public accountants and the Company. After reviewing the foregoing report and the independent public accountants' work, the Committee shall evaluate the independent public accountants' qualifications, performance and independence, including a review and evaluation of the lead partner of the independent public accountants.

5. Receive and review any other reports from the independent public accountants that are required under Generally Accepted Auditing Standards, other standards governing the independent public accountants or by the federal securities laws or NYSE.
6. Review and discuss the annual audited financial statements and quarterly unaudited statements, including Management's Discussion and Analysis, with management and the independent public accountants.
7. Discuss with management earnings press releases and financial information and earnings guidance provided to analysts and rating agencies. Review for compliance with regulations governing the use of non-Generally Accepted Accounting Principles financial measures and related disclosure requirements.
8. Engage independent legal, accounting and other advisors, as the Committee determines necessary to carry out its duties, and obtain appropriate funding from the Company, as determined by the Committee, for compensating such advisors.
9. Periodically review the Enterprise Risk Management process to ensure it is robust and functioning effectively.
10. At least annually, meet with the Chief Information Officer regarding the company's information technology. Review the Company's cybersecurity risk management program.
11. Approve the scope of the internal audit plan for the current year and review the summary of results.
12. Review and concur on the appointment, replacement or dismissal of the head of internal audit. Review annually with the CFO, the performance of the head of internal audit.
13. Review and approve the internal audit charter.
14. Meet separately with management, the chief compliance officer, internal auditors and independent public accountants on a periodic basis.
15. Review with the independent public accountants any audit issues and management's response.
16. Set clear policies for the Company's hiring of employees or former employees of the independent public accountants.
17. Review any significant issues concerning litigation and contingencies with management, counsel and the independent public accountants.
18. Monitor compliance with the Foreign Corrupt Practices Act, the Company's policies on ethical business practices, and its related party transaction policy and report on the same to the Board.

19. Review annually the entry by the Company into over-the-counter derivative transactions that are exempt from clearing and from trading on a swap execution facility under the Commodity Exchange Act in accordance with the Commodity Futures Trading Commission, and otherwise review and consider the reliance by the Company on any applicable exemptions from requirements that would otherwise apply to the Company's derivatives trading under the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law.
20. Report regularly its activities to the Board in such manner and at such times as it deems appropriate. The Committee shall review with the Board any issues that arise with respect to the quality or integrity of Merck's financial statements, compliance with regulatory requirements, and the performance and independence of the independent auditors or the performance of the internal auditors.
21. Establish procedures for the receipt, retention and treatment, on a confidential basis, of complaints received by the Company, including the Board and the Audit Committee, regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submissions by employees of concerns regarding questionable accounting, auditing, or other matters.
22. The Committee shall be responsible for any other matter expressly delegated to the Committee by the Board of Directors from time to time.
23. Review and reassess the adequacy of the Committee charter annually and make changes as appropriate.
24. Review and evaluate the performance of the Committee and its members annually.

QUORUM

For the transaction of business at any meeting of the Committee, a majority of the Committee shall constitute a quorum.