LSEG STREETEVENTS

EDITED TRANSCRIPT

MRK.N - Merck & Co Inc Annual Shareholders Meeting

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OVERVIEW:

Company Summary

LSEG DATA & ANALYTICS

CORPORATE PARTICIPANTS

Robert Davis *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

Dean Li *Merck & Co., Inc. - Executive Vice President, President - Merck Research Laboratories*

Kelly Grez *Merck & Co., Inc. - Corporate Secretary*

CONFERENCE CALL PARTICIPANTS

Isaac Willour *Bahnsen Family Trust - Shareholder*

Camille Kiefel *William Cunningham - Shareholder*

Lydia Kuykendal *Mercy Investment Services - Shareholder*

PRESENTATION

Operator

Good morning and welcome to the 2026 Annual Meeting of Shareholders of Merck & Co., Inc., Rahway, New Jersey, U.S.A. We do not anticipate any technical difficulties today, but in the event we lose audio or webcast connection and are unable to convey any updates, we request you wait 10 minutes for resolution. Please refer to the Investor Relations section of the Company's website for updates.

At this time, I would like to introduce our Company's Chairman, Chief Executive Officer and President, Robert M. Davis.

Robert Davis - *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

Good morning and thank you for joining us. I hope you're doing well. I'm pleased to welcome you to our 2026 Annual Meeting of Shareholders and to call this meeting to order. This marks my fifth Annual Meeting as Chief Executive Officer. And I'm honored to be with you today to speak about our Company and our progress.

Today's meeting is being conducted in a virtual format that allows us to provide a consistent experience for all shareholders. On behalf of everyone at our Company, including my Executive Team and our Board of Directors -- we're grateful for your interest and ongoing investment.

I'd now like to acknowledge our independent Director nominees, who are attending today's meeting virtually. Our Board consists of experienced and qualified leaders who bring the variety of perspectives, skills and expertise needed to oversee the successful execution of our Company strategy. Prior to the business portion of this meeting, I'll provide an update on our significant progress over the last year. Then, Dr. Dean Li, President of the Research Laboratories, will review some of the key milestones in our pipeline.

Also joining us today are other members of our Company's Executive Team, including our Executive Vice President and General Counsel, Jennifer Zachary. Our Corporate Secretary, Kelly Grez, has informed me that we have a quorum. Mark Bode and Bridgette Arata are also attending this meeting representing PricewaterhouseCoopers LLP, our independent registered public accounting firm for 2026, subject to shareholder ratification at this meeting.

Please note that today's agenda, the Rules of Conduct for the meeting, our 2026 Proxy Statement and 2025 Annual Report on Form 10-K are available in the materials section of the virtual meeting website. In addition, pursuant to New Jersey law, a list of all shareholders of record entitled to vote at this meeting is available for shareholders to view.

In 2025, our team was united and inspired by our purpose to use the power of leading-edge science to save and improve lives. We've made substantial progress that delivered meaningful outcomes and reinforced our financial and operational strength. We've also made significant

strides transforming our business. Through disciplined execution, we've launched new products, advanced important clinical programs, and expanded our pipeline and portfolio through strategic business development.

In addition, we've evolved our operating structure to enable further commercial success. We've organized our Human Health business into two business units -- Oncology and Specialty, Pharma & Infectious Diseases. This structure will help us sustain long-term leadership in oncology while also simultaneously allowing us to build leading positions in our other therapeutic areas.

Momentum is building as we execute on our strategy. In 2025, sales increased to $65 billion, reflecting 2% top-line growth, excluding foreign exchange. Non-GAAP EPS was $8.98, which included charges of $0.20 per share related to certain business development transactions.

As a result of our progress last year, we now have increased visibility into a potential commercial opportunity of over $70 billion by the mid-2030s from over 20 potential growth drivers alone -- $20 billion more than we projected one year ago thanks in part to our business development efforts. This increase is also supported by our diverse and expansive late-stage pipeline, with approximately 80 ongoing Phase 3 studies across multiple therapeutic areas and modalities.

Each of the 20-plus potential new growth drivers holds the promise of advancing patient care and almost all have blockbuster potential. The majority of the $70 billion-plus commercial opportunity stems from 10 of these new growth drivers. Of these, three have been approved and are making meaningful impact for patients -- WINREVAIR, OHTUVAYRE and ENFLONSIA.

For the remaining programs, we anticipate key updates over the next 12 to 18 months, representing important potential catalysts for the development and clinical outlook. As a result, we expect a significant majority of the $70 billion-plus commercial opportunity to be meaningfully clinically de-risked by the end of 2027.

Last year, we made significant progress across our pipeline and portfolio. In Oncology, we reinforced our commitment to delivering innovative new treatment options for patients with cancer. We were pleased the FDA approved KEYTRUDA QLEX, which enables subcutaneous administration of the medicine in KEYTRUDA to patients across all solid tumor indications.

We were also pleased that the European Commission approved the subcutaneous route of administration for KEYTRUDA across all adult indications in Europe. This innovation provides an important new option that we believe reinforces KEYTRUDA's foundational role in the treatment of certain cancers.

Our oncology pipeline includes more than 60 ongoing Phase 3 studies of 16 assets, and we anticipate several clinical milestones this year. We're advancing one of the industry's largest antibody-drug conjugate or ADC portfolios. This includes sac-TMT, an investigational TROP2-directed ADC, which recently demonstrated positive results in certain patients with advanced or recurrent endometrial carcinoma.

The results were based on TroFuse-005, the first Phase 3 study readout in a broad clinical development program consisting of 17 Phase 3 trials, assessing sac-TMT for numerous types of cancer. The FDA awarded sac-TMT a priority review voucher under the Commissioner's National Priority Voucher pilot program, or CNPV.

Last month, we announced that the FDA accepted and granted priority review of the Biologics License Application for I-DXd, our potentially first-in-class B7-H3 ADC for certain adult patients with extensive stage small cell lung cancer, which we are developing as part of our collaboration with Daiichi Sankyo. The PDUFA action date for I-DXd is in October of this year. I-DXd has the potential to meaningfully impact patients with small cell lung cancer, an area with critical unmet need as well as other cancers, including prostate.

Cardiometabolic and respiratory diseases are another area where we have a long history of tackling serious global health challenges. We shared positive results from three Phase 3 trials for enlicitide, our investigational oral PCSK9 inhibitor for the treatment of adults with high LDL cholesterol.

These results underscore enlicitide's potential to be the first approved oral PCSK9 option to help address the cardiovascular epidemic. Enlicitide was also awarded a CNPV. Meanwhile, WINREVAIR is having a positive impact for adults with pulmonary arterial hypertension with continued growth in new patient starts and total prescriptions. In two years on the market, over ten thousand patients have started treatment with WINREVAIR.

Vaccines are one of the most powerful public health tools, and we remain committed to the prevention of infectious diseases. We're seeing robust uptake following the U.S. launch of our adult pneumococcal vaccine, CAPVAXIVE, alongside ongoing global approvals. We also launched ENFLONSIA in the United States, which is the first and only RSV preventative option administered to infants during their first RSV season without the need for weight-based dosing.

We recently received approval for ENFLONSIA in Europe as well. Additionally, GARDASIL and GARDASIL 9 remain important products for preventing certain HPV-related cancers. We're proud of the role our vaccines play in supporting public health.

In HIV, last month, the FDA approved IDVYNSO as a new treatment option for certain adults with virologically suppressed HIV-1, reflecting our ongoing commitment to innovation to address the evolving needs of people living with HIV. We believe islatravir has the potential to be a novel anchor medicine for new daily and weekly treatment options. We expect additional data readouts later this year. In addition, we initiated Phase 3 trials for MK-8527, our investigational, once-monthly pill for the prevention of HIV.

Finally, our Animal Health business is an important contributor to our growth, driven by a balanced portfolio of livestock and companion animal products and solutions. In 2025, we received approval in Europe for NUMELVI, a second-generation JAK inhibitor for the treatment of atopic dermatitis, followed by recent FDA approval. This is a large and growing animal health market.

In addition, last year, the FDA approved BRAVECTO QUANTUM, our once-yearly vet-only product to treat and protect dogs from fleas and ticks. We've seen positive uptake for BRAVECTO QUANTUM across more than 50 markets where it's approved. We expect our Animal Health business to double from a 2024 base by the mid-2030s, supported by a combination of growth in our in-line business in both companion animal and livestock; and the strength of our pipeline, new product launches and technology portfolio.

Business development is core to our growth strategy. In January, we completed the acquisition of Cidara Therapeutics, which brought us MK-1406. MK-1406 is a potential first-in-class long-acting antiviral to help protect high-risk individuals from influenza. It is currently in Phase 3.

Last year, we acquired Verona Pharma, which added OHTUVAYRE, a first-in-class maintenance treatment for adults with COPD. Since 2021, we've invested more than $65 billion in business development. We are committed to pursuing additional opportunities where science and value align.

In fact, we just recently completed the acquisition of Terns Pharmaceuticals and its lead candidate, TERN-701, a novel investigational oral allosteric tyrosine kinase inhibitor being studied in certain patients with chronic myeloid leukemia. This transaction diversifies and strengthens our position in oncology as we look for opportunities to broaden our portfolio into other therapeutic areas. Going forward, business development will remain an important priority for us and a core pillar of our One Pipeline strategy.

In 2025, we built on our long-standing commitment to advance access to health, operate responsibly and implement strategies to protect the health of people, animals and the planet. Last year, our medicines and vaccines reached over 400 million people worldwide through commercial channels, clinical trials, voluntary licensing and product donations. In the U.S., we invested more than $80 billion in R&D and $12 billion in manufacturing between 2018 and 2024.

We're proud that in 2025 we committed to investing more than $70 billion over the next several years to expand domestic manufacturing and R&D -- not including investments associated with future business development -- all to drive long-term growth and strengthen the U.S. as a global leader in biopharmaceutical innovation. We continue to prioritize developing and manufacturing medicines and vaccines close to patients in the United States while maintaining our global presence and aligning our manufacturing to best serve patients worldwide.

Advancing our molecule from discovery to patients requires innovation, expertise, agility and the collective efforts of many. Our progress reflects the excellence of our global teams, and I'm grateful for their focus and commitment.

Looking to the rest of this year and into 2027, we anticipate several data readouts and regulatory milestones from important candidates across different therapeutic areas. That, combined with the progress we've made and our disciplined execution, is why I'm so confident that we're well positioned for our next chapter. Together, we're building the right foundation to create sustainable, long-term value for shareholders while delivering on our purpose for patients.

With that, I'll turn the call over to Dean to share more about our efforts in the Research Laboratories.

Dean Li - *Merck & Co., Inc. - Executive Vice President, President - Merck Research Laboratories*

Thank you, Rob. It is my pleasure to share more about our pipeline today. We have reached an important juncture with multiple opportunities that have the potential to change the practice of medicine and positively impact the lives of patients. Today, I will focus largely on those candidates with recent and upcoming milestones.

In oncology, we are evaluating a series of ADCs designed to guide and selectively deliver anticancer therapy to the tumor site. In collaboration with Daiichi Sankyo, we are developing I-DXd, a potential first-in-class therapy for the treatment of extensive-stage small cell lung cancer in certain adults with disease progression on or after platinum-based chemotherapy. The FDA has granted priority review of the Biologics License Application for I-DXd and set an action date of October 10th.

In addition, we are evaluating sac-TMT, an investigational ADC directed towards a cell surface protein called TROP-2, found on certain cancer cells. We are developing it through a collaboration with Kelun-Biotech. As Rob mentioned, we currently have 17 Phase 3 trials ongoing for sac-TMT across seven cancer types and recently announced positive results from our Phase 3 study, evaluating certain patients with advanced endometrial carcinoma, one of the only cancers increasing in both incidence and mortality worldwide. This is the first set of the results from our ongoing Phase 3 trials for sac-TMT.

In addition, we have expanded into new disease indications where there remains significant unmet need. According to the World Health Organization, an estimated 19.2 million people died from cardiovascular disease in 2022. Of those, more than 80 percent were due to atherosclerotic cardiovascular disease, or ASCVD. High levels of low-density lipoprotein-cholesterol in the blood, also known as hypercholesterolemia, is recognized as the leading cause of ASCVD. We continue to advance the development of enlicitide, which has the potential to be the first FDA-approved oral PCSK9 inhibitor for the treatment of hypercholesterolemia.

Results from three pivotal Phase 3 studies of enlicitide demonstrated statistically significant and sustained reductions in LDL-cholesterol and other markers of ASCVD and cardiovascular risk, including Lp(a) and ApoB. As Rob mentioned, enlicitide was granted a CNPV, which is intended for products that may address national health priorities, including public health crises, large unmet medical needs and onshoring of domestic manufacturing. The CNPV process for enlicitide is progressing, and we are hopeful we could get an approval in the second half of this year.

We are advancing multiple candidates across infectious diseases, immunology and ophthalmology. In HIV, we continue to develop new options for both treatment and prevention. As Rob noted, we recently received FDA approval for IDVYNSO, the first islatravir-based regimen, our once-daily, single-tablet, two-drug combination with doravirine. IDVYNSO is the first-approved complete two-drug regimen that does not include an integrase strand transfer inhibitor, for the treatment of certain adults whose HIV has been virologically suppressed.

This marks the first of several two-drug regimens we are investigating, aimed at harnessing the antiviral properties of islatravir as an anchor therapy for new daily and weekly treatment options for adults living with HIV. In collaboration with Gilead Sciences, we expect results later this year from a Phase 3 study evaluating islatravir as part of a once-weekly oral combination treatment regimen with Gilead's lenacapavir.

Meanwhile, we are also conducting Phase 3 studies for MK-8527, an investigational once-monthly oral pill for pre-exposure prophylaxis or PrEP. This may offer a longer-acting alternative to the current daily preventative regimens with the potential to provide a discrete monthly oral option for people at risk of HIV infection.

Also, in infectious diseases, I wish to highlight our most recent late-phase addition, MK-1406, an investigational antiviral for influenza prevention from our acquisition of Cidara. We believe MK-1406 may be an effective way to protect individuals for an entire flu season, especially those at increased risk of flu complications, for example, those with compromised immunity and the elderly. It may provide a complement to existing flu vaccines.

In immunology, tulisokibart, our investigational humanized monoclonal antibody targeting TL1A, represents a potentially novel mechanism of action for Crohn's disease and ulcerative colitis. We already have Phase 3 studies underway in those areas, and last year we added Phase 2b studies in other immune-mediated diseases across rheumatology and dermatology. We are expecting Phase 3 results for ulcerative colitis this year.

Finally, in ophthalmology, we are targeting certain retinal diseases, including diabetic macular edema and neovascular age-related macular degeneration. With our candidate MK-3000, we are evaluating a novel mechanism of action designed to activate the Wnt pathway to increase blood vessel stability in the retina. We expect Phase 3 data from MK-3000 later this year. In addition, we recently initiated Phase 2/3 trials of MK-8748, an investigational bispecific Tie2 agonist/ VEGF inhibitor, for the treatment of neovascular AMD.

Taken together, these potential growth drivers -- just some of more than 20 in our portfolio and pipeline, represent not only our diverse therapeutic areas, but also our focus on biologics and other leading-edge modalities like ADCs and macrocyclic peptides. It is an exciting time for our Company, and I'm grateful for the hard work of our scientists and their unwavering commitment to improve the lives of the patients we serve.

Thank you.

Robert Davis - *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

Thank you, Dean. And now continuing with the business portion of the meeting.

I'll ask Kelly as the Secretary of the meeting to report on our quorum and other matters.

Kelly Grez - *Merck & Co., Inc. - Corporate Secretary*

Mr. Chairman, proxies have been received totaling 2,141,503,000 votes or 86.7% of the total votes entitled to be cast. This substantially exceeds the majority required for a quorum. This meeting is held pursuant to the Notice of Annual Meeting that we began mailing on April 8, 2026, to all shareholders of record as of March 27, 2026.

Robert Davis - *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

Thank you, Kelly. In accordance with the resolution of the Board dated March 24, 2026, Michael J. Barbera and Jason P. Graham, representatives of First Coast Results, Inc., were appointed as Inspectors of Election for this meeting and have executed the required oath of office.

The proposals will be presented in the order they are outlined in the 2026 Proxy Statement. We have three management proposals and three shareholder proposals. I now declare the polls officially open.

All shareholders entitled to vote at this meeting have the ability to do so online. Please remember that if you have already voted by proxy, it's not necessary to vote again. If you are a shareholder entitled to vote and have not yet voted or if you want to change your previously cast vote, you may do so via the website used to access this meeting.

After all proposals on the agenda have been presented, we will close the polls and share the preliminary report of the Inspector of Election. We will also begin our question-and-answer period at that time.

The first item of business is the election of directors. The Board's nominees for terms expiring in 2027 are Mr. Robert M. Davis, our Chairman and Chief Executive Officer and President; Mr. Douglas M. Baker, Jr.; Ms. Mary Ellen Coe; Ms. Pamela J. Craig; Mr. Thomas H. Glocer; Mr. Surendralal L. Karsanbhai; Dr. Risa J. Lavizzo-Mourey; Dr. Stephen L. Mayo; Dr. Paul B. Rothman; Ms. Patricia F. Russo; Dr. Christine E. Seidman; Mr. Inge G. Thulin; and Ms. Kathy J. Warden.

I note for the record that no nomination for director has been properly made in advance of this meeting by any shareholder of the Company.

We now turn to a proposal to approve by a non-binding advisory vote, the compensation of our Named Executive Officers. The Board of Directors recommends a vote for this proposal.

The next item of business is a proposal to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2026 as set forth in the 2026 Proxy Statement. The Board of Directors recommends a vote for this proposal.

We now come to the shareholder proposals. Each shareholder will be given three minutes to present their proposal. Shareholders should restrict their comments to the proposal before the meeting.

The first shareholder proposal is from Bahnsen Family Trust and concerns a report on DEI risks in federal contracting. If Isaac Willour or another representative for the Bahnsen Family Trust is on the line, I would now ask the operator to unmute their line to allow them to present this proposal.

Operator

Your line is now open.

Isaac Willour - *Bahnsen Family Trust - Shareholder*

Thank you, operator. My name is Isaac Willour, and I'm the Director of Corporate (technical difficulty). We trust (inaudible) risks of diversity, equity and inclusion initiatives, given Merck's status as a federal contractor.

This proposal is not aimed to pull companies, including Merck, into various political or social causes, as is so often done through shareholder resolutions. The intention of this proposal is (technical difficulty) of the Company, not by pushing more politics onto it. Inherent political nature of Merck's diversity and inclusion initiatives is clear. As per GSA data, Merck is one of America's top 50 federal contractors (technical difficulty) with approximately (inaudible) in federal contracts.

The question is, do DEI initiatives create risk for the Company? The answer appears obvious. The clear trend across corporate America is that DEI initiatives are increasingly seen as a hindrance to company growth and a frequent source of branding equipment. Furthermore, executive orders from the current administration establish clear standards for companies (technical difficulty) including cessation of representational or aspirational quotas that conflict with civil rights law.

Despite this, Merck has yet to provide some clarity around many of its DEI initiatives, including tying executive compensation in part to inclusion elements in its annual cash incentive, page 8 of this proxy.

Crucially, the Company also has yet to provide shareholders with clarity on past DEI initiatives, aimed at increasing representation of employees based on racial characteristics and diverse coaching programs for underrepresented ethnic groups.

As we explained in engagement conversations with Merck, which I will note were incredibly positive (technical difficulty) When companies that have adopted DEI commitments simply go silent about them, shareholders are often left with confusion about what DEI initiatives actually remain. Given Merck's (technical difficulty) shareholders have right to ask for clarity on this issue.

Merck does not need to be grabbing headlines on DEI initiatives. In fact, at this moment in time, the opposite is largely true. But no matter the moment, this part is true. Merck's core business in crucial areas such as biomedical research, and particularly its work safeguarding the health of America's men and women in uniform is itself a noble and commendable mission every investor and every American can and should be proud of.

That's the point of this proposal. We are asking Merck to defend and fully commit to its most potent form of inclusion, including every employee, every shareholder, every customer as part of its mission of a growing Company and a stronger, safer nation; and above all, eschewing divisive social activism [in its interactions] and prioritizing core business for the benefit of shareholders and for the betterment of the American people it serves.

Thank you very much for your time.

Robert Davis - *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

Thank you, Mr. Willour. The Board has carefully considered this shareholder proposal and recommends a vote against it.

The report sought by the proposal is unnecessary as the Company has no unlawful recruitment goals, makes merit-based employment decisions and is intentional and transparent about providing equal opportunity for all employees in order to advance our business.

Additionally, the Board and its committees oversee risk management and compliance, and the Company already makes extensive disclosures about its risk management process and regularly reports on material risks.

For more information regarding the Board's position on this proposal, please see the Board's full Statement in Opposition, which is available on page 91 of the Company's 2026 Proxy Statement.

The second shareholder proposal is from William Cunningham, and concerns a report on healthcare coverage gaps. If Ms. Camille Kiefel or another representative of Mr. Cunningham is on the line, I would now ask the operator to unmute their line to allow them to present this proposal.

Operator

Your line is now open.

Camille Kiefel - *William Cunningham - Shareholder*

My name is Camille Kiefel, and I'm here to talk about what gender-affirming care, which Merck seems to cover for children in its employee healthcare plan, did to me.

During adolescence, I experienced trauma around becoming a woman. I began dressing more masculine to protect myself, which is commonly called social transitioning. That didn't help. My discomfort and confusion followed me into adulthood, where I struggled with multiple comorbidities and a declining mental state to the point that I can no longer function.

When I turned to medical providers and asked about transitioning, the focus was not on understanding me but affirming a trans identity. My mental health history was never meaningfully reviewed. My trauma around womanhood was never explored. How can someone make an informed decision if they are not given all the information? They can't. Yet this is the standard way in which providers under Merck's current healthcare plans appear to treat their young patients at the Company's expense.

Years later, I filed a lawsuit against my mental health providers, which ultimately reached a resolution. My case is far from isolated. Since 2022, at least 25 detransitioners like me have filed lawsuits across the United States. Some of us have already won or reached a positive resolution. Many more are to follow, and yet there are still no meaningful safeguards in place.

Physicians who administer puberty blockers, cross sex hormones and perform double mastectomies on otherwise healthy young girls have been allowed to do so for years with virtually no accountability. Policies that enable these interventions for minors are not neutral. They carry legal, ethical and human consequences.

Responding to the legal and reputational risks now coming to the forefront of this conversation, Walmart updated its healthcare plan to stop paying for these harmful medically unnecessary interventions on minors. Based on publicly available information from the Human Rights Campaign, Merck has not seemed to follow suit. Has Merck adequately evaluated the legal, ethical and reputational exposure associated with this coverage?

Merck, I ask that you reconsider policies regarding medical transition for children. This is not about politics, this is about ensuring that decisions with consequences are made with full information, proper safeguards and appropriate caution.

Robert Davis - *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

Thank you, Ms. Kiefel. The Board has carefully considered this proposal and recommends a vote against it. Our benefit programs are designed in recognition that employees are our most valuable asset. Our programs do not draw distinctions on the basis of gender or other characteristics protected by law and do not exclude detransitioning care. Our Company makes extensive disclosures regarding our employee benefit programs.

For more information regarding the Board's position on this proposal, please see the Board's full Statement in Opposition, which is available on pages 92 to 93 of the Company's 2026 Proxy Statement.

The third shareholder proposal is from Mercy Investment Services, Inc. It concerns a report on political contributions. If Lydia Kuykendal or another representative for Mercy Investment Services, Inc. is on the line, I would now ask the operator to unmute their line to allow them to present this proposal.

Operator

Your line is now open.

Lydia Kuykendal - *Mercy Investment Services - Shareholder*

Good morning. My name is Lydia Kuykendal, and I am here on behalf of Mercy Investment Services to present Proposal 6 regarding a report on political contributions.

Merck states that, quote, Political spending shall reflect the Company's interests, end quote. And that contributions or decisions are guided by, among other things, improving access to medicines and vaccines. We applaud Merck's disclosure regarding some of its political spending. That said, candidates, trade associations and other organizations to which Merck belongs or contributes may take positions that undermine

its strategy of long-term financial prospects. We therefore believe that Merck should periodically evaluate the alignment of its political spending with its business.

As we have just heard from the Company, vaccines are one of Merck's focus areas, and they recently opened a new $1 billion facility for manufacturing them. Recently, policies have gained momentum at the state and federal levels that could undermine the health benefits of vaccines. Hundreds of bills have been introduced in state legislatures recently to weaken vaccine requirements and criminalize, quote, vaccine harm, end quote, among other topics.

Some bills promote disinformation about vaccines by designating products using mRNA technology as weapons of mass destruction or implying that mRNA vaccines alter DNA or result in the implantation of a chip under the recipient's skin.

Yet the Company has contributed to the authors of bills introduced in 2024 that aim to weaken vaccine requirements, including a New Jersey bill barring vaccination requirements to attend public school and imposing liability on the state if it requires a vaccine that causes harm to any person, and a Missouri bill prohibiting educational institutions from requiring the COVID-19 vaccine or gene therapy.

Such bills, we believe, signal efforts to undermine vaccination regulations broadly, threatening Merck's core vaccine business. Merck recognizes potential changes to vaccine or other healthcare policy in the U.S. could result in increased risk to its business.

The International Consortium of Investigative Journalists recently published an analysis into the impact of the Company's KEYTRUDA pricing, access and lobbying strategy on cancer patients. In response to this investigation, which alleges the Company exploits the system to the detriment of patience, the Company states, quote, we recognize the challenges with traditional access models and the increasing political and business pressures on access, pricing and IP from emerging markets.

Increased transparency, exactly like the proposal we are presenting today, could help patients, regulators and the public writ large understand the Company's true intentions when it comes to business strategy and access, thus avoiding these kinds of investigations and giving Merck the opportunity to better manage risks associated with misaligned political spending.

For these reasons, we ask you to vote for Proposal 6. Thank you.

Robert Davis - *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

Thank you, Ms. Kuykendal. The Board has carefully considered this shareholder proposal and recommends a vote against it. Our Company is committed to participating constructively and responsibly in the political process. We provide substantial disclosures regarding our approach to political contributions, as well as the actual corporate political and PAC contributions made in the U.S. each year.

Our contributions are subject to a robust governance and oversight process to ensure alignment with the Company's principles, which include encouraging innovation and improving patient access to healthcare. They are carefully considered on a case-by-case basis, and we disclose detailed information about our U.S. advocacy disclosures on our website, including funding to industry and trade groups. Preparing an additional costly report would not be in the best interest of our Company or its shareholders.

For more information regarding the Board's position on this proposal, please see the Board's full statement in opposition, which is available on page 94 of the Company's 2026 Proxy Statement.

This completes the proposals. I now declare the polls officially closed.

We now turn to the general question-and-answer portion of our meeting. We received a number of questions in advance of the meeting and will try to cover as many as we can. If we don't cover your question during the meeting and you provided your contact information when submitting your question, we will follow-up with a response.

Kelly, what is our first question?

QUESTIONS AND ANSWERS

Kelly Grez - *Merck & Co., Inc. - Corporate Secretary*

Our first question comes from Nina W. who notes that KEYTRUDA is an important driver of the Company's revenue. She asks: How do you justify expensive, risky diversification deals, instead of focusing every dollar on fortifying KEYTRUDA first?

Robert Davis - *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

I appreciate the question, Nina. I'm proud of how we've consistently prioritized KEYTRUDA, and as a result, it has become a foundational medicine in the treatment of certain cancers. KEYTRUDA now has 44 FDA-approved indications across 19 tumor types, as well as 2 tumor-agnostic approvals. We have an unmatched clinical development program and have made significant investment in evaluating KEYTRUDA across a broad range of cancer types and more than 2,800 clinical studies worldwide.

KEYTRUDA has provided important value for the more than 3 million patients treated worldwide since its approval. We're well positioned financially to build on its success, while we also expand and diversify our pipeline across a broad set of therapeutic areas, including further diversification in oncology.

Innovation-driven, value-enhancing business development is an important element of our One Pipeline strategy. In fact, the assets we've brought in through recent business development -- like Verona, Cidara and Terns -- have substantially improved our long-term profile.

Thanks in part to these transactions and innovative, dedicated work of our scientists, we currently have the largest and most diverse pipeline in our Company's recent history with more than $70 billion of commercial revenue potential by the mid-2030s.

Kelly Grez - *Merck & Co., Inc. - Corporate Secretary*

Thank you. Our next question is from Sunil Shah, and it is as follows. Does the Board track patterns in employee exits following complaints? And how is that data used to identify potential bias or breakdowns in HR processes?

Robert Davis - *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

Thank you for the question, Sunil. Our Compensation & Management Development Committee oversees and monitors our Company's programs, policies and practices related to managing our human capital resources. This includes receiving updates on trends in employee attrition and experience. Our Company has multiple strategies to support and encourage a culture of transparency and feedback.

Our listening strategy leverages periodic and exit surveys to track employee sentiment. These insights are analyzed alongside broader data to monitor trends and inform ongoing risk assessments. Our Company is committed to supporting the highest standards of openness and accountability. This is supported by our Code of Conduct and relates to mandatory training as well as our global ethics portal where employees can report their concerns on a confidential basis.

Material insights are incorporated into leadership and governance discussions, ensuring that leadership has the visibility to employee-generated insights and workforce signals or conduct that may require attention, communication or remediation.

Kelly Grez - *Merck & Co., Inc. - Corporate Secretary*

Thank you, Rob. Our next question comes from shareholder, Arnold Berger, who asks: the government has asked drug companies to lower prescription drug prices, and it seems that many have, but what do those companies get in return? He suggests companies should ask for longer exclusivity periods for drugs they have developed since they spend billions on research.

Rob, could you share the Company's perspective?

Robert Davis - *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

Thanks for the question, Arnold. Let me just start by saying that as the developed countries have lowered their prices year over year, those global pricing imbalances have shifted the burden of groundbreaking R&D onto the U.S. healthcare system, resulting in more costs to U.S. patients.

We remain committed to broad global access to our medicines and vaccines, while achieving appropriate levels of reimbursement that allow us to invest in innovation to sustain our business and deliver for patients over the long term. The agreement with the Administration encourages fairer international pricing for future medicines and is intended to help ensure Americans can access the medicines they need at lower costs.

Working with the U.S. government, we were also able to protect our ability to invest in R&D and maintain a strong pipeline. That said, there will be negative financial impact from this agreement, though it will be manageable in both the short and long term. But there's still more work to do. It's critical that we work to ensure every country recognizes the value of innovative medicine and enables broad access accordingly.

Today, that's not always the case. Long term, we need to shape policy so that there's a common understanding both in the United States and around the world about the importance and value of innovation.

Finally, I'll add that in addition to pricing, our Company did reach an agreement with the U.S. Department of Commerce to delay Section 232 tariffs for three years, enabling the Company to continue to make important investments to reshore manufacturing for American patients. And that investment includes $70 billion in manufacturing and research over the next several years, demonstrating our commitment to American scientific and economic leadership.

Kelly Grez - *Merck & Co., Inc. - Corporate Secretary*

Thank you, Rob. Our next question comes from Rusty Carr who asks: is democracy good for business?

Robert Davis - *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

Thank you for the question, Rusty. Our Company has a long history of working with government officials of all parties and partners around the globe to tackle some of the world's biggest health challenges.

We will always be laser-focused on serving our patients and customers, advancing innovative medicines and vaccines, and improving patient outcomes. We will continue our work to help create a healthcare ecosystem that prioritizes scientific innovation and enables patients and customers to access our medicines and vaccines when and where they are needed most.

Kelly Grez - *Merck & Co., Inc. - Corporate Secretary*

Thanks, Rob. For our next question, Shannan Wright asks: Do you publish to whom political donations are made and the amounts?

Robert Davis - *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

I appreciate the question, Shannan, and the answer is we do. And this information is available on our corporate website. This includes our corporate and political action committee contributions in the United States, categorized by state and listing the specific candidate and amount, as well as political contributions made in other countries where they are allowed, such as Japan and Australia.

For more information regarding our approach to corporate political advocacy, I point you to our statement in opposition to Proposal 6, which you can find in our Proxy Statement.

Kelly Grez - *Merck & Co., Inc. - Corporate Secretary*

Thank you, Rob. We have questions from a few investors who believe that Directors should not sit on more than one Company's Board and are wondering about our Company's approach here. Can you share the Board's perspectives on Director service commitments?

Robert Davis - *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

Thank you, Kelly. Our Board policies recognize that Board members must be able to give proper attention to their responsibilities. Our policies also include provisions concerning the number of Boards on which each Director may serve.

In addition, the Governance Committee is consulted about each potential new board service and reviews on a case-by-case basis whether that new service would allow the Director to continue to fulfill their responsibilities to our Company.

As part of the Board's annual evaluation process, which is described in our Proxy, our Directors also provide feedback on contributions of other Directors as well as on their own. All of our Directors are incredibly engaged and committed to fulfilling their fiduciary duties. We're confident that the Board is well-informed, focused, and has the appropriate mix of skills and experience to effectively discharge its duties.

Kelly Grez - *Merck & Co., Inc. - Corporate Secretary*

Thanks, Rob. Our last question comes from Miroslaw Rogalski. He asks: Does the Company have a Lyme disease vaccine program? Dean, I'll pose this question for you.

Dean Li - *Merck & Co., Inc. - Executive Vice President, President - Merck Research Laboratories*

Thank you for the question. The Company does not have any active Lyme disease research programs in our Human Health business.

Robert Davis - *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

This concludes the question-and-answer section of the meeting.

Kelly Grez - *Merck & Co., Inc. - Corporate Secretary*

I'll turn it back over to you, Rob.

Robert Davis - *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

Great. Thank you, Kelly. Let's proceed with the rest of the meeting.

The final report of the Inspector of Election will not be available today. We do, however, have a preliminary report, which I'll now ask Kelly to present.

Kelly Grez - *Merck & Co., Inc. - Corporate Secretary*

Mr. Chairman, the Inspector of Election has presented his preliminary report. He has determined that each of the 13 Directors nominated by the Board has been elected by a majority of the votes cast, and the Audit Committee's request for ratification of PricewaterhouseCoopers LLP as the independent registered public accounting firm has been approved.

Shareholders approved, by a non-binding advisory vote the 2025 compensation of our Named Executive Officers. The proposal received an affirmative vote of 94% of the total votes cast.

The Inspector has also determined that: The shareholder proposal regarding a report on DEI risks in federal contracting has received an affirmative vote of 1.23% of the total votes cast;

The shareholder proposal regarding a report on healthcare coverage gaps has received an affirmative vote of 1.28% of the total votes cast;

The shareholder proposal regarding a report on political contributions has received an affirmative vote of 12.38% of the total votes cast.

A majority of the votes cast was required for each of the proposals to be approved. The final results will be available Friday on the Company's website under the Investors tab, along with an archived recording of this meeting. We also intend to disclose the final results on Form 8-K within four business days of this meeting.

Thank you.

Robert Davis - *Merck & Co., Inc. - Chairman of the Board, President, Chief Executive Officer*

Thank you, Kelly. The business of this meeting has now been completed. On behalf of our Board of Directors, our Executive Team and my dedicated colleagues around the world, thank you for attending our Company's 2026 Annual Meeting of Shareholders.

We look forward to continuing our momentum into 2026 and delivering sustainable long-term value for patients and shareholders alike. I wish you all a great rest of your day.

Operator

The meeting has now concluded.
