

## **COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE CHARTER**

The Compensation and Management Development Committee (“Committee”) will be comprised of at least three members. All members of the Committee must satisfy the independence requirements of the New York Stock Exchange, including those requirements specifically for compensation committee members, and the other director qualification standards set forth in the Policies of the Board. In addition, unless the Board specifically provides otherwise, the members also must meet the definition of “non-employee director” under Section 16 of the Securities Exchange Act of 1934 and the definition of “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

The Chairperson of the Committee or, if not present, the senior independent Director present, shall preside at all meetings of the Committee.

The Executive Vice President, Human Resources (or, in case of a vacancy in that position, the General Counsel) of the Company is Secretary of the Committee. The Chief Executive Officer shall meet with the Committee as appropriate.

### **MEMBER QUALIFICATIONS; APPOINTMENT AND REMOVAL**

Membership shall be limited to the independent Directors of the Company. Members must have an understanding of and interest in compensation, benefits and broader human capital matters (e.g. talent, culture, diversity and inclusion) relevant to the Company’s workforce, derived from substantial management responsibility or relevant training, business experience or education.

Members shall be appointed to the Committee by the Board. Members shall serve on the Committee for such period as the Board may determine or until their earlier resignation or death and may be removed from the Committee at any time by the Board. The Chairperson shall be appointed by a vote of the majority of the Board.

### **PURPOSES, DUTIES AND RESPONSIBILITIES**

#### **PURPOSES**

The purposes of the Committee are (a) to establish and maintain a competitive and fair portfolio of compensation and benefits policies, practices and programs designed to attract, engage and retain a workforce that helps the Company achieve immediate and long-term success; (b) to discharge the Board’s responsibilities for compensating the Company’s executives based on relevant market data and an evaluation of their performance and leadership; (c) to oversee and provide input on the Company’s human capital strategy; (d) review and discuss with management the Compensation Discussion and Analysis required to be included in the Company’s proxy statement in accordance with Securities and Exchange Commission regulations; (e) to carry out its responsibilities under the terms of the Company’s executive compensation and benefit plans; and (g) to act on specific matters within delegated authority.

#### **DUTIES AND RESPONSIBILITIES**

1. The Committee shall:

- a. Review and approve annually the corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance against these goals and objectives, and, based on its evaluation, recommend the Chief Executive Officer's compensation to the independent members of the Board for approval.
- b. Review and approve the compensation of the other executive officers, based on the Chief Executive Officer's and/or management's assessment of their performance and the Committee's approved compensation principles.
- c. Where Board or Committee approval is required in accordance with General Corporate Resolution No. 2, recommend to the Board or approve (a) changes in individual base salary rates; (b) severance payments; (c) loans to any eligible employees; (d) payments to former employees, or (e) payments to surviving spouses of deceased employees.
- d. Review and approve any proposed employment agreement (including any amendments) with executive officers. The Committee will review and approve any severance, retention or other termination plans and any severance, retention or other termination payments proposed to be made to any current or former executive officer, except for any such payment made in accordance with a plan or agreement previously approved by the Board or the Committee.
- e. Make recommendations to the Board regarding the election of officers.
- f. Assist the Board in its oversight of the Company's programs, policies and practices related to its management of human capital resources including, talent management, culture, diversity and inclusion.
- g. Have sole responsibility for the engagement and termination of the Committee's own compensation consultant(s) and other external advisors in the areas of director or executive compensation and sole authority to approve engagement fees and cause such fees to be paid by the Company or its subsidiaries, and to approve the terms of the services to be provided and oversee such work.
- h. At the time the engagement is being considered and annually thereafter, if applicable, review and assess the independence of the Committee's own compensation consultant(s) and other external advisors engaged by the Committee in accordance with the requirements of the New York Stock Exchange.
- i. Review and recommend for inclusion, executive compensation disclosures made in the Company's annual proxy statement, including the Compensation Discussion & Analysis and the Compensation and Management Development Committee report.
- j. Review and recommend to the Board the Company's submission to shareholders on executive compensation matters, including advisory votes on executive compensation and the frequency of such votes. In addition, consider the results of shareholder advisory votes on executive compensation matters and the changes, if any, to the Company's executive compensation policies, practices and plans that may be warranted as a result of any such vote.
- k. Review risks related to the Company's compensation policies and practices and review and discuss, at such frequency as may be determined by the Committee, the



1. "Executive Compensation" plans shall include:

- Executive Incentive Plan
- Deferral Program
- 2019 Incentive Stock Plan
- Any successor plan to the 2019 Incentive Stock Plan
- Acquired Company Plans

2. "Pension/Savings" plans shall include:

- The Retirement Plan for Hourly Employees of MSD
- The Retirement Plan for Salaried Employees of MSD
- MSD Supplemental Retirement Plan
- Merck US Savings Plan
- MSD Employee Stock Purchase and Savings Plan

3. "Executive Officer" shall have the meaning as set forth in Rule 16a-1 of the Securities Exchange Act of 1934.

Effective May 26, 2026