

COMPENSATION AND BENEFITS COMMITTEE CHARTER

The Compensation and Benefits 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 members and chair of the Committee will be appointed by the Board and will serve until removed by the Board or their successors have been duly appointed and qualified.

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 and benefits issues 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 a vote of a majority of the Board. Members shall serve on the Committee for such period as the Board may determine and may be removed from the Committee at any time upon the vote of a majority of 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, fair and equitable 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; (c) to oversee the competency and qualifications of senior management of the Company, including senior management succession and development, organizational structure and other related matters necessary to ensure the effective management of the business; (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 (f) to act on specific matters within delegated authority.

DUTIES AND RESPONSIBILITIES

1. The Committee shall:
 - a. Review and approve 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 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 Benefits 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 relationship between the Company's risk management policies and practices, corporate strategy and compensation policies and practices.
 - l. Annually review executives' compliance with the Company's Executive Stock Ownership Guidelines.
 - m. Evaluate Committee performance and the adequacy of this Charter no less frequently than annually.
 - n. At the request of management, make itself available for consultation with management on matters relating to compensation and benefits.
 - o. Report regularly to the Board on the Committee's activities and inform the Board promptly of any issues or concerns.
- 2. The Committee shall perform its respective administrative functions as set forth in (a) the Company's Executive Incentive Plan and Deferral Program, including amending or terminating these plans and (b) the Company's Incentive Stock Plans, any successor plan(s) thereto and such other plans of companies acquired by the Company ("Acquired Company Plans").
 - 3. The Committee shall appoint members of the Management Pension Investment Committee.
 - 4. The Committee shall adopt, for the Company or an affiliate, incentive compensation plans and equity-based plans, and other employee benefit plans if such plans are of a type not previously approved by the Committee or Board where Board and/or shareholder approval is required.
 - 5. The Committee shall be consulted (or, with respect to the Hourly Plans, advised) by management with respect to the actions involving any Executive Compensation, Pension/Savings or any other employee benefit plan, including:
 - a. the adoption for the Company or an affiliate of any new plan of a type not previously approved by the Board for the Company, where Board and/or shareholder approval is required, or
 - b. an amendment to a plan which requires Board and/or shareholder approval by law or plan document, or
 - c. an amendment to an Executive Compensation plan.

QUORUM; MEETING FREQUENCY

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

The Committee shall meet in January, February, March, July and November of each year or at such other times as the Committee may determine. Meetings may be called by the Chairperson of the Committee or upon the vote of a majority of the Board.

DEFINITIONS

1. "Executive Compensation" plans shall include:

Executive Incentive Plan
Deferral Program
2001 Incentive Stock Plan
2004 Incentive Stock Plan
2007 Incentive Stock Plan
2010 Incentive Stock Plan
2019 Incentive Stock Plan
Any successor plan to the 2019 Incentive Stock Plan
Schering-Plough Corporation 2002 and 2006 Stock Incentive Plans
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.