November 12, 2009

To: Holders of 6.00% Mandatory Convertible Preferred Stock of Merck & Co., Inc. (formerly known as Schering-

Plough Corporation)

Re: Notice of Reorganization Event

#### Dear Investors:

Reference is hereby made to the Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") of Merck & Co., Inc., a New Jersey corporation formerly known as Schering-Plough Corporation ("New Merck" or the "Company"), including Annex A to the Certificate of Incorporation setting forth the terms of the 6.00% Mandatory Convertible Preferred Stock of the Company (the "Preferred Stock"). Capitalized terms used in this notice without definition have the respective meanings ascribed to them in Annex A to the Certificate of Incorporation. You may obtain a copy of the Certificate of Incorporation for free at the Investor Relations section of the Company's website at <a href="https://www.merck.com">www.merck.com</a> or by contacting Stockholder Services Dept., WS3AB-40, Merck & Co., Inc., One Merck Drive, P.O. Box 100, Whitehouse Station, NJ 08889-0100; Phone: 1-800-522-9114.

On March 8, 2009, Schering-Plough Corporation ("Schering-Plough") entered into an Agreement and Plan of Merger (the "Merger Agreement") with Merck & Co., Inc. ("Old Merck"). On November 3, 2009, in accordance with the terms of the Merger Agreement, a wholly-owned subsidiary of Schering-Plough merged with and into the Schering-Plough (the "SP Merger"), and each outstanding share of common stock of Schering-Plough (the "SP Common Stock") was converted into the right to receive \$10.50 in cash, without interest, and 0.5767 shares of common stock of New Merck. Pursuant to the SP Merger, Schering-Plough changed its name to "Merck & Co., Inc.", referred to in this Notice as "New Merck." Each share of Preferred Stock outstanding immediately prior to the SP Merger will continue to be outstanding after the SP Merger as a share of Preferred Stock of New Merck, until the share is converted as described below.

On November 3, 2009, immediately after the SP Merger, a wholly-owned subsidiary of the new Merck merged with and into Old Merck, and each outstanding share of Old Merck was automatically converted into one share of common stock of New Merck (the "New Merck Common Stock").

#### Notice of Reorganization Event

The SP Merger is a "Reorganization Event" as defined by the Certificate of Incorporation. Accordingly, as required by the Certificate of Incorporation, the Company is sending this Notice to inform you of the completion of the SP Merger. As a result of the SP Merger, the shares of Preferred Stock are now convertible (at specified conversion rates discussed below) into: (a) \$10.50 in cash, without interest (the "Cash Consideration"), and (b) 0.5767 of a share of New Merck Common Stock (the "Share Consideration" and together with the Cash Consideration, a "Consideration Unit"), rather than shares of SP Common Stock.

As described in Schering-Plough's Notice of Make Whole Acquisition, dated October 13, 2009, the SP Merger is also a "Make-Whole Acquisition" as defined by the Certificate of Incorporation., giving rise to the Make-Whole Conversion Option described below

# Option to Convert Preferred Stock at the Make-Whole Acquisition Conversion Rate

Prior to 5:00 p.m., New York City Time on November 19, 2009 (the "Make-Whole Acquisition Conversion Deadline"), holders of shares of Preferred Stock have the option (the "Make-Whole Conversion Option") to convert their shares of Preferred Stock, in whole or in part, into Cash Consideration and Share Consideration based on a "Make-Whole Acquisition Conversion Rate" of 8.2021. For each share of Preferred Stock converted prior to the Make-Whole Acquisition Conversion Deadline, the holder will receive

o \$86.12 in cash (the Cash Consideration (\$10.50) multiplied by the Make-Whole Acquisition Conversion Rate (8.2021)); and

o 4.7302 shares of New Merck Common Stock (the Share Consideration (0.5767 of a share of New Merck Common Stock) multiplied by the Make-Whole Acquisition Conversion Rate (8.2021))

Cash will be paid in lieu of fractional shares of New Merck Common Stock based on the average of the daily closing prices on the New York Stock Exchange (as reflected on the website of the New York Stock Exchange) for the shares of New Merck Common Stock over the five consecutive trading days preceding the trading day immediately preceding the date of conversion.

For each share of Preferred Stock converted prior to the Make-Whole Acquisition Conversion Deadline, the holder will also receive a divided make-whole payment in cash equal to the present value of all remaining future dividend payments on the converted share through and including August 13, 2010 (excluding \$3.75 per share dividend payment that will be made on November 16, 2009 to persons who were holders of record of Preferred Stock at the close of business on November 2, 2009) discounted at an annual rate equal to 6.75%. The dividend make-whole payment per share of Preferred Stock converted prior to the Make-Whole Acquisition Conversion Deadline will be between \$10.79 and \$10.82, depending on the date of conversion

If a holder does not elect to exercise the Make-Whole Conversion Option by the Make-Whole Conversion Deadline, the holder's shares of Preferred Stock will remain outstanding and will be subject to mandatory conversion on the mandatory conversion date of August 13, 2010, or may be converted, at the option of the holder, in whole or in part, at any time prior to the mandatory conversion date, as describe below.

### Conversion After the Make-Whole Acquisition Conversion Deadline

If a holder does not elect to convert shares of Preferred Stock prior to the Make-Whole Acquisition Conversion Deadline, the holder's shares will remain outstanding and subject to automatic conversion into Cash Consideration and Share Consideration on the mandatory conversion date of August 13, 2010 (the "Mandatory Conversion Date"), or may be converted into Cash Consideration and Share Consideration, in whole or in part, at the option of the holder at any time prior to the Mandatory Conversion Date.

Each share of Preferred Stock that is converted into Cash Consideration and Share Consideration at the option of the holder at any time after the Make-Whole Acquisition Conversion Deadline and prior to the Mandatory Conversion Date will be converted into (i) Cash Consideration based on a fixed "Minimum Cash Conversion Rate" of 7.4206 that will not be subject to "anti-dilution adjustments," and (ii) Share Consideration, based on a "Minimum Share Conversion Rate" that initially is 7.4206, but will be subject to "anti-dilution adjustments" as described below. Accordingly, for each share of Preferred Stock so converted, the holder will receive

- o \$77.9163 in cash (\$10.50 multiplied by the Minimum Cash Conversion Rate of 7.4206); and
- a number of shares of New Merck Common Stock equal to 0.5767 multiplied by the Minimum Share Conversion Rate then in effect.

Each share of Preferred Stock that is subject to automatic conversion on the Mandatory Conversion Date will be converted into Cash Consideration and Share Consideration based on mandatory conversion rates applicable to the Cash Consideration (the "Mandatory Cash Conversion Rate") and to the Share Consideration (the "Mandatory Share Conversion Rate") determined as follows.

The Mandatory Cash Conversion Rate will be determined by dividing \$250 by the Applicable Market Value of a Consideration Unit (determined as described below), except that the Mandatory Cash Conversion Rate will be no less than the Minimum Cash Conversion Rate of 7.4206 nor more than a "Maximum Cash Conversion Rate" of 9.0909. The Minimum Cash Conversion Rate and the Maximum Cash Conversion Rate will not be subject to "anti-dilution adjustments."

The Mandatory Share Conversion Rate will also be determined by dividing \$250 by the Applicable Market Value of a Consideration Unit (determined as described below). The Mandatory Share Conversion Rate will also be no less than the Minimum Share Conversion Rate and no more than the "Maximum Share Conversion Rate." Although the Minimum

Share Conversion Rate and Maximum Share Conversion Rate are initially 7.4206 and 9.0909, respectively, these rates will be subject to "anti-dilution adjustments" as described below.

The "Applicable Market Value" of a Consideration Unit used to calculate the Mandatory Cash Conversion Rate and the Mandatory Share Conversion Rate will be equal to:

- o \$10.50, plus
- o the average of the closing prices for the shares of New Merck Common Stock over the 20 consecutive trading days ending on the third trading day immediately preceding the Mandatory Conversion Date, multiplied by the 0.5767.

For each share of Preferred Stock that is subject to automatic conversion on the Mandatory Conversion Date, the holder will receive

- o an amount of cash equal to \$10.50 multiplied by the Mandatory Cash Conversion Rate; and
- o a number of shares of New Merck Common Stock equal to 0.5767 multiplied by the Mandatory Share Conversion Rate.

The Mandatory Cash Conversion Rate and/or the Mandatory Share Conversion Rate may exceed or be less than the Make-Whole Acquisition Conversion Rate of 8.2021.

Cash will be paid in lieu of fractional shares of New Merck Common Stock otherwise deliverable upon conversion of Preferred Stock. For conversions made on the Mandatory Conversion Date, the amount of cash to be paid in lieu of fractional shares is based on the average of the daily closing prices on the New York Stock Exchange (as reflected on the website of the New York Stock Exchange) for the shares of New Merck Common Stock over the five consecutive trading days preceding the trading day immediately preceding the date of conversion. For conversion at the option of the holder after the Make-Whole Acquisition Conversion Deadline but before the Mandatory Conversion Date, the amount of cash to be paid in lieu of fractional shares is based on the closing price of the New Merck Common Stock determined as of the second trading day immediately preceding the effective date of the conversion.

### Anti-Dilution Adjustments

As noted above, the Minimum Share Conversion Rate and Maximum Share Conversion Rate are initially 7.4206 and 9.0909, respectively, and the "Threshold Appreciation Price" and the "Initial Price" applicable to a "Consideration Unit" are initially \$33.69 and \$27.50, respectively. However, these rates and prices will be subject to anti-dilution adjustments upon the occurrence of certain "dilutive" events with respect to the New Merck Common Stock similar to the anti-dilution adjustments to which the "Minimum Conversion Rate" and "Maximum Conversion Rate" and the "Threshold Appreciation Price" and the "Initial Price" would have been subject upon the occurrence of those "dilutive" events with respect to the SP Common Stock prior to the SP Merger.

Specifically, the Minimum Share Conversion Rate and Maximum Share Conversion Rate will be subject to adjustment upon the payment by New Merck of any regularly scheduled quarterly dividend in excess of a dividend threshold amount of \$0.065 per share of New Merck Common Stock. New Merck intends to pay a quarterly dividend of \$0.38 per share of New Merck Common Stock. Accordingly, each such dividend paid by New Merck will result in an anti-dilution adjustment that will increase the Minimum Share Conversion Rate and Maximum Share Conversion Rate. On the dividend record date for each such dividend, the Minimum Share Conversion Rate and Maximum Share Conversion Rate will be adjusted to equal the Minimum Share Conversion Rate or Maximum Share Conversion Rate, as applicable, in effect prior to such date multiplied by a fraction with a numerator equal to the average of the closing prices for the shares of New Merck Common Stock over the five consecutive trading days ending on the on the day before the excess-dividend date (the "Pre-Ex Average Price") and a denominator equal to the Pre-Ex Average Price less \$0.315 (the amount by with the \$0.38 per share dividend exceeds \$0.065). Each time the Minimum Share Conversion Rate and the Maximum Share Conversion Rate are adjusted, the Initial Price and the Threshold Appreciation Price will be adjusted inversely and proportionately.

Neither the Minimum Cash Conversion Rate nor the Maximum Cash Conversion Rate will be subject to any anti-dilution adjustment. As such, changes to the Minimum Share Conversion Rate, the Maximum Share Conversion Rate, the Initial Price and the Threshold Appreciation Price will not impact the amount of Cash Consideration a holder of shares of Preferred Stock will receive upon conversion of those shares.

#### Procedures for Conversion

In order for a registered holder of Preferred Stock to convert shares of Preferred Stock prior to the Mandatory Conversion Date, the registered holder must do each of the following:

- obtain a form of conversion notice from Wells Fargo Bank, N.A., the conversion agent for the Preferred Stock at its address set forth below under "Conversion Agent";
- complete and manually sign the conversion notice that can be obtained, or a facsimile of the conversion notice, and deliver the conversion notice to Wells Fargo Bank, N.A., at its address set forth below under "Conversion Agent":
- surrender the shares of Preferred Stock being converted to Wells Fargo Bank, N.A. in accordance with the conversion notice;
- if required, furnish appropriate endorsements and transfer documents; and
- if required, pay all transfer or similar taxes.

If a registered holder of Preferred Stock wishes to convert shares of Preferred Stock prior to the Make-Whole Acquisition Conversion Deadline, the registered holder must take each of foregoing actions prior to 5:00 p.m., New York City Time, on November 19, 2009.

Wells Fargo Bank, N.A., as conversion agent, will, on a registered holder's behalf, deliver the Share Consideration and Cash Consideration (and cash in lieu of fractional shares) into which the Preferred Stock is converted, and any dividend amounts payable upon conversion of Preferred Stock, in accordance with the instructions set forth on the completed and signed conversion notice delivered by or on behalf of the registered holder.

If a holder holds shares of Preferred Stock through a broker, bank or other nominee, the holder should consult with his or her broker, bank or other nominee for the actions that must be taken, and the timing for taking such actions, in order to convert shares of Preferred Stock at any time, prior to or after the Make-Whole Acquisition Conversion Deadline.

The person or persons entitled to receive the shares of New Merck Common Stock issuable upon conversion of the Preferred Stock will be treated as the holder(s) of such shares as of the close of business on the applicable conversion date. Prior to the close of business on the conversion date the shares of New Merck Common Stock issuable upon conversion of the Preferred Stock will not be deemed to be outstanding for any purpose and holders of Preferred Stock will have no rights with respect to those shares of New Merck Common Stock.

New Merck will pay any documentary, stamp or similar issue or transfer tax or duty due on the issue of shares New Merck Common Stock and payment of cash upon conversion of Preferred Stock. However, a holder of Preferred Stock that converts must pay any such tax or duty which is due because such shares of New Merck Common Stock are issued in a name other than such holder's name or such cash is paid to a person other than the holder of the Preferred Stock.

#### Conversion Agent

Wells Fargo Bank, N.A. is the new conversion agent for the Preferred Stock. Its address and telephone number are:

Wells Fargo Bank, N. A. Shareowner Services, 161 N. Concord Exchange South St. Paul, MN 55075 Phone: 1-800-522-9114

The Bank of New York is no longer conversion agent for the Preferred Stock.

### Taxpayer Identification Information

Each registered holder converting shares of Preferred Stock must provide to Wells Fargo Bank, N.A. such holder's correct Taxpayer Identification Number, which generally is such holder's Social Security Number or federal Employer Identification Number, and certain other information, on the Substitute Form W-9, a form of which may be obtained from Wells Fargo Bank, N.A., or, alternatively, to establish another basis for exemption from backup withholding. Failure to provide the correct information on the form may subject the holder to a \$50 penalty imposed by the Internal Revenue Service and tax backup withholding of 28% on the payments made to the holder or to the payee with respect to shares of Preferred Stock which are converted

If a holder holds shares of Preferred Stock through a broker, bank or other nominee, the holder should consult with his or her broker, bank or other nominee with respect to whether the holder must complete any tax forms in connection with the conversion of shares of Preferred Stock.

Holders of the Preferred Stock should consult their tax advisor for further guidance regarding the completion of the Substitute Form W-9, IRS Form W-8BEN, or another version of IRS Form W-8 to claim exemption from backup withholding.

#### Where You Can Find More Information

The Company files, and Old Merck filed, annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission ("SEC"). These SEC filings are available to the public over the Internet at the SEC's website at www.sec.gov. You may also read and copy any document the Company files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549 or obtain copies of these documents at prescribed rates by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its Public Reference Room.

The documents listed below (as they may be amended from time to time) contain important information about the Company, Old Merck and the Preferred Stock, and holders should review these documents carefully before determining whether or not to convert their shares of Preferred Stock prior to or after the Make-Whole Acquisition Conversion Deadline or otherwise retain or dispose of their shares of Preferred Stock:

- Schering-Plough's annual report on Form 10-K for the year ended December 31, 2008, filed with the SEC on February 27, 2009;
- Old Merck's annual report on Form 10-K for the year ended December 31, 2008, filed with the SEC on February 27, 2009;
- Schering Plough's quarterly report on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009, filed with the SEC on May 1, 2009, July 24, 2009 and October 29, 2009, respectively;
- Merck's quarterly report on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009, filed with the SEC on May 4, 2009, August 3, 2009 and November 2, 2009, respectively;
- New Merck's current report on Form 8-K filed with the SEC on November 4, 2009;
- Future filings New Merck makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, on or after the date of this Notice.

In the event of conflicting information in the documents referred to above, the information in the latest filed documents should be considered correct. Holders should not assume that the information in this Notice or any of the documents referred to above is accurate as of any date other than the date of the applicable document.

## Merck & Company, Inc.