Schering-Plough Announces Results of Survey on Compensation

October 30, 2009. Schering-Plough today announced results of a survey on compensation (copy attached) conducted during the proxy season earlier this year and tabulated over the summer. Rich Koppes recently reported the results to a joint meeting of two Schering-Plough board committees: the compensation committee (responsible for executive compensation) and the nominating and corporate governance committee(responsible for director compensation and shareholder relations). As announced in October 2008, those two committees had designed the survey for distribution with the 2009 proxy materials.

The board retained Koppes, currently at Stanford Law School and formerly General Counsel of the California Public Employees' Retirement System (CalPERS), to provide oversight of the process used to tabulate and report the survey results. He also served as the conduit for shareholders wishing to respond to the survey on a confidential basis.

"The survey was an excellent vehicle to allow shareholders to provide granular feedback to the board about compensation," said Koppes. "It is a better vehicle than the several forms of the "say-on-pay" vote, because it provided more granular detail. It is better than the investor meetings with large shareholders, because those meetings leave out smaller holders, retail holders and holders desiring confidentiality."

"The survey allowed us to ask specific questions where detailed shareholder input would be useful. And by providing a blank space for shareholder comments, we also made sure that if we didn't ask about something that was on a shareholder's mind, he or she would still have the opportunity to communicate to the board," said Pat Russo, lead director and chair of the compensation committee.

"We are pleased that there were no surprises raised by the survey," said Kathryn Turner, chair of the nominating and corporate governance committee. "We see it as a sign that our shareholder engagement program has been effective. We continue to find surveys a valuable tool for boards to learn shareholder views on important topics."

The company acknowledges the thoughtful input on the survey from Anne Sheehan and her team at CalSTRS, the largest holder to participate in the survey.

The company noted holders of only about .05% of outstanding shares chose to answer the survey. The company said, however, that a number of additional shareholders thanked the company for making the survey available, indicating that because the company maintains an open dialogue through its shareholder engagement program, they had no open issues to raise through the survey. A summary of the survey results are attached.

Schering-Plough Corporation
Shareholder Survey on Compensation

1. Philosophy — Retention. Our Board believes it is essential that the pay programs enable retention of a top management team with deep experience in the pharmaceutical industry. Are you comfortable that the executive pay program allows the company to attract and retain well-qualified executives?

Percentage responding very comfortable (score 1):	6.75%
Percentage responding reasonably comfortable (scores 2,3,4):	91.51%
Percentage responding less comfortable (score 5):	1.74%

2. Philosophy — Ties to Performance to Drive Long-Term Shareholder Value. Our Board believes in tying substantial portions of pay to performance to drive long-term shareholder value.

2a. Percentage of Performance-Based Pay. Are you comfortable that the executive pay program includes adequate ties to company performance? As shown in the "Chart on At-Risk Pay" in the proxy statement for the 2009 Annual Meeting of Shareholders, the total target "at risk compensation" comprises 83% of the named executives' total target compensation opportunity (including traditional stock options).

Percentage responding very comfortable (score 1):	5.27%
Percentage responding reasonably comfortable (scores 2,3,4):	92.18%
Percentage responding less comfortable (score 5):	2.55%

2b. Performance Metrics. Are you comfortable the metrics used to determine 2008 performance-based compensation are appropriate? These metrics were sales, earnings, actual total shareholder return and relative total shareholder return.

Percentage responding very comfortable (score 1):	5.15%
Percentage responding reasonably comfortable (scores 2,3,4):	90.62%
Percentage responding less comfortable (score 5):	4.24%

2c. New Performance Metric. Would you favor a performance metric based on the Human Pharmaceuticals research pipeline, such as number of project transitions into late stage clinical trial phases or new drug applications filed?

Percentage responding strongly favor (score 1):	1.95%
Percentage responding neutral (scores 2,3,4):	96.64%
Percentage responding strongly oppose (score 5):	1.41%

3. <u>Transparency</u>. Our Board is committed to comprehensive and transparent disclosure about compensation.

3a. Was the information in the proxy statement about company performance and executive pay clear?

Percentage responding very clear (score 1):	6.52%
Percentage responding reasonably clear (scores 2,3,4):	92.19%
Percentage responding less clear (score 5):	1.29%

3b. Was the information in the proxy statement describing the current director pay program design clear?

Percentage responding very clear (score 1):	6.54%
Percentage responding reasonably clear (scores 2,3,4):	92.30%
Percentage responding less clear (score 5):	1.15%

4. <u>Equity Ownership by Directors and Executives</u>.

4a. <u>Mix of Equity in Director Pay</u>. Our Board believes including a substantial portion of equity in director pay, and having director stock ownership requirements, helps align the Board with shareholders. Are you comfortable with the current requirements, where 1/3 of director pay is in stock and Directors must hold at least 5,000 shares of stock until retirement from the Board?

Percentage responding very comfortable (score 1):	7.47%
Percentage responding reasonably comfortable (scores 2,3,4):	90.75%
Percentage responding less comfortable (score 5):	1.78%

4b. <u>Mix of Equity in Executive Pay</u>. Our Board believes including a substantial portion of equity in executive pay, and having executive stock ownership requirements, helps align executives with shareholders. Are you comfortable with the current equity mix, where 70% of executives' total target compensation opportunity, as shown in the "Chart on At-Risk Pay" in the proxy statement for the 2009 Annual Meeting of Shareholders, is in stock/stock units; executives have stock ownership requirements (8 times salary for the CEO and 4 times salary for the other named executives); and executives are required to hold shares for two years after exercising stock options?

Percentage responding very comfortable (score 1):	5.29%
Percentage responding reasonably comfortable (scores 2,3,4):	92.90%
Percentage responding less comfortable (score 5):	1.80%