Merck Kommanditgesellschaft auf Aktien

Darmstadt

Germany

- ISIN DE 000 659 990 5 -

- Securities Identification No. 659 990 -

The shareholders of our company are hereby invited to attend the

Annual General Meeting

on Friday, April 22, 2022 at 10:00 a.m. CEST.

Against the background of the continued significant spread of the coronavirus SARS-CoV-2,

the Annual General Meeting 2022 of Merck Kommanditgesellschaft

auf Aktien, Darmstadt, Germany,

will be held as **a virtual Annual General Meeting without the physical**

presence of shareholders or their proxies (with exception of the proxies appointed by the company).

The entire Annual General Meeting will be webcast live in audio and video format via the Internet for shareholders of Merck Kommanditgesellschaft auf Aktien, Darmstadt, Germany and their proxies. The voting rights of the shareholders and their proxies are exercised exclusively by way of absentee voting or by granting proxy authorization to the proxy representatives appointed by the company. The location of the Annual General Meeting within the meaning of the German Stock Corporation Act ("Aktiengesetz" hereinafter also referred to as "AktG") is Frankfurter Strasse 250, 64293 Darmstadt.

Overview of the agenda

1. Presentation of the annual financial statements approved by the Supervisory Board, as well as the consolidated financial statements approved by the Supervisory Board and the combined management report (including the explanatory report on the information n accordance with section 289a, section 315a of the German Commercial Code - HGB) for the fiscal 2021 and the Report of the Supervisory Board
2. Resolution on the adoption of the annual financial statements for fiscal 2021
3. Resolution authorizing the appropriation of the net retained profit for fiscal 2021
4. Resolution on the approval of the actions of the Executive Board for fiscal 2021
5. Resolution on the approval of the actions of the Supervisory Board for fiscal 2021
6. Resolution on the election of the statutory auditors of the annual financial statements and the consolidated financial statements for fiscal 2022 as well as the statutory auditors for the audit review of the interim financial statements and management report of the Group as of June 30, 2022
7. Resolution on the election of the statutory auditors of the annual financial statements and the consolidated financial statements for fiscal 2023 as well as the statutory auditors for the audit review of the interim financial statements and management report of the Group as of June 30, 2023
8. Resolution on the approval of the Compensation Report 2021
9. Resolution on the cancellation of the current authorized capital and the creation of new authorized capital with the possibility to exclude subscription rights and the corresponding amendment of the Articles of Association

Agenda

1. **Presentation of the annual financial statements approved by the Supervisory Board, as well as the consolidated financial statements approved by the Supervisory Board and the combined management report (including the explanatory report on the information in accordance with section 289a, section 315a of the German Commercial Code - HGB) for the fiscal 2021 and the Report of the Supervisory Board**

The Supervisory Board has approved the annual financial statements and the consolidated financial statements, which were prepared by the Executive Board in accordance with section 171 AktG. In accordance with section 286 (1) AktG, Article 29 (3) of the Articles of Association, the annual financial statements are to be adopted by the Annual General Meeting (item 2 of the agenda). The aforementioned documents will be available on the company's website as of the date on which the Annual General Meeting is convened (for more information see "Information and Documents for the Annual General Meeting; Company Website"). No resolution is required for item 1 of the agenda.

2. **Resolution on the adoption of the annual financial statements for fiscal 2021**

The Executive Board and the Supervisory Board propose that the presented annual financial statements of the company for the year ended December 31, 2021 be approved.

3. **Resolution authorizing the appropriation of the net retained profit for fiscal 2021**

The Executive Board and the Supervisory Board propose that the share of the net retained profit of the company attributable to the shareholders amounting to € 315,307,237.53 be appropriated as follows:

a) Payment of a dividend of € 1.85 per no-par value share of the dividend-bearing share capital as of the date of this Annual General Meeting, being € 239,098,166.20 in total.

b) Carryforward of the remaining amount of € 76,209,071.33 to new account.

Dividends are payable on the third business day after the Annual General Meeting passing the resolution on the dividend, i.e. on April 27, 2022.

4. **Resolution on the approval of the actions of the Executive Board for fiscal 2021**

The Executive Board and the Supervisory Board propose that the actions of the members of the Executive Board in office in fiscal 2021 be approved for their activities in fiscal 2021.

5. **Resolution on the approval of the actions of the Supervisory Board for fiscal 2021**

The Executive Board and the Supervisory Board propose that the actions of the members of the Executive Board in office in fiscal 2021 be approved for their activities in fiscal 2021.

6. **Resolution on the election of the statutory auditors of the annual financial statements and the consolidated financial statements for fiscal 2022 as well as the statutory auditors for the audit review of the interim financial statements and management report of the Group as of June 30, 2022**

The Supervisory Board proposes the election of

KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, Germany

as the statutory auditors of the annual financial statements and the consolidated financial statements for fiscal 2022 as well as for the audit review of the interim financial statements and management report of the Group as of June 30, 2022.

7. **Resolution on the election of the statutory auditors of the annual financial statements and the consolidated financial statements for fiscal 2023 as well as the statutory auditors for the audit review of the interim financial statements and management report of the Group as of June 30, 2023**

The Supervisory Board proposes the election of

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, Germany

as the statutory auditors of the annual financial statements and the consolidated financial statements for fiscal 2023 as well as for the audit review of the interim financial statements and management report of the Group as of June 30, 2023.

Merck KGaA, Darmstadt, Germany wishes to change its statutory auditor for fiscal 2023. Against this background, a selection process was carried out in accordance with the requirements set forth in Regulation (EU) 537/2014.

The proposal of the Supervisory Board for election is based on the recommendation and preference of the Supervisory Board's Audit Committee. Based on the selection process carried out pursuant to Art. 16 Regulation (EU) 537/2014, the Audit Committee recommended that the Supervisory Board propose to the Annual General Meeting the election of either Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, or Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, Germany, as the auditor of the financial statements and of the consolidated financial statements and as the auditor for the audit review of interim financial reports for fiscal 2023. The Audit Committee stated that it prefers Deloitte GmbH Wirtschaftsprüfungsgesellschaft.

The Audit Committee has stated that its recommendation is free of inappropriate influence by third parties in accordance with Art. 16 paragraph 2 subparagraph 3 of Regulation (EU) 537/2014 and that no clause of the type set forth in Art. 16 paragraph 6 of Regulation (EU) 537/2014 has been imposed on the Audit Committee.

8. **Resolution on the approval of the Compensation Report 2021**

Pursuant to the amendment of the German Stock Corporation Act (AktG) by the German Act Implementing the Second Shareholders' Rights Directive (ARUGII), a Compensation Report in accordance with section 162 AktG must be prepared in the future by the Executive Board and Supervisory Board and presented to the Annual General Meeting for approval in accordance with section 120a (4) AktG.

The Compensation Report was audited by the independent auditor in accordance with section 162 (3) AktG to verify that the information required under section 162 (1) and (2) AktG was provided. In addition to reviewing the report with regard to fulfillment of the statutory requirements, the independent auditor also audited its content. The report on the audit of the Compensation Report is attached to the Compensation Report.

The Compensation Report is reproduced in more detail under "Supplementary information on agenda item 8" in the section following the agenda.

The Supervisory Board and the Executive Board propose that the Compensation Report for fiscal year 2021, which has been prepared and audited in accordance with section 162 AktG, be approved.

9. **Resolution on the cancellation of the current authorized capital and the creation of new authorized capital with the possibility to exclude subscription rights and the corresponding amendment of the Articles of Association**

The Executive Board was authorized, by a resolution adopted by the Annual General Meeting on April 28, 2017 to increase the company's share capital with the approval of the Supervisory Board and of E. Merck KG, Darmstadt, Germany, once or repeatedly up to and including April 27, 2022 by up to a total of € 56,521,124.19 by issuing new no-par value bearer shares against cash and/or non-cash contributions ("Authorized Capital 2017").

The Executive Board has thus far not made any use of the Authorized Capital 2017. It shall now be cancelled and replaced by a new authorized capital in the same amount, i.e. € 56,521,124.19. This shall ensure that the Executive Board continues to have planning certainty for the long term and that it is able, also in the future, to adapt the equity base of the company to the financial requirements in a fast and flexible manner.

The Executive Board and the Supervisory Board propose that the following resolutions be adopted:

a) Cancellation of the Authorized Capital 2017

The authorized capital in the amount of € 56,521,124.19, which was resolved by the Annual General Meeting on April 28, 2017 under agenda item 8 in accordance with Article 5 (3) of the Articles of Association, shall be cancelled.

b) Creation of new Authorized Capital 2022

The Executive Board shall be authorized to increase the company's share capital with the approval of the Supervisory Board and of E. Merck KG, Darmstadt, Germany, once or repeatedly up to and including April 21, 2027 by up to a total of € 56,521,124.19 by issuing new no-par value bearer shares against cash and/or non-cash contributions ("Authorized Capital 2022"). Limited liability shareholders shall be generally granted the statutory right to subscribe to the new shares. However, the Executive Board shall be authorized, with the approval of the Supervisory Board, to exclude the subscription rights of limited liability shareholders in full or in part, once or repeatedly, subject to the provisions set out below:

aa) in case of a capital increase against cash contributions pursuant to or by analogous application of section 186 (3) sentence 4 AktG, if the issue price of the new shares is not substantially lower than the stock exchange price of the company's shares already listed and if the new shares which are issued under the exclusion of subscription rights in aggregate do not exceed a proportional amount of 10% of the share capital either at the time of the Authorized Capital 2022 taking effect or at the time of the Authorized Capital 2022 being utilized. This restriction to 10% of the share capital shall include the proportional amount of the share capital that is attributable to shares that are issued under the exclusion of subscription rights or sold during the term of the Authorized Capital 2022 based on an authorization to issue new shares or sell own shares by direct or analogous application of section 186 (3) sentence 4 AktG. Further, this restriction shall also include the proportional amount of the share capital that is attributable to shares which may or must be issued in order to service bonds carrying a conversion or option right or a conversion or option obligation, if the bonds are issued during the term of the Authorized Capital 2022 under the exclusion of subscription rights of limited liability shareholders by analogous application of section 186 (3) sentence 4 AktG;

bb) in case of capital increases against non-cash contributions, in particular for the purpose of acquiring enterprises, parts of enterprises, or interests in enterprises;

cc) to enable E. Merck KG, Darmstadt, Germany to exercise its right pursuant to Article 32 (3) of the Articles of Association of the company to participate in a capital increase by issuing shares or freely transferable share subscription rights;

dd) to enable E. Merck KG, Darmstadt, Germany to exercise its right pursuant to Article 33 of the Articles of Association of the company to convert, in full or in part, its equity interest into share capital;

ee) if and to the extent that this is necessary to grant the holders or creditors of conversion or option rights and/or the holders or creditors of financing instruments carrying conversion or option obligations, which were or are issued by the company or by a domestic or foreign company in which the company directly or indirectly holds the majority of the votes and capital, a subscription right to the extent to which they would be entitled after the exercise of the conversion or option rights or after the performance of a conversion or option obligation;

ff) in order to exclude fractional amounts from the subscription rights of limited liability shareholders.

The sum of shares issued on the basis of the Authorized Capital 2022 under the exclusion of subscription rights of limited liability shareholders must not exceed a proportional amount of 10% of the share capital, taking into account other shares of the company which, during the term of the Authorized Capital 2022, are sold or issued under the exclusion of subscription rights or are to be issued under bonds issued after April 22, 2022 under the exclusion of subscription rights; this limitation shall apply both at the time of this authorization taking effect and at the time of this authorization being exercised.

To the extent that subscription rights are not excluded under the aforementioned provisions, it may also be granted to the limited liability shareholders by way of an indirect subscription right pursuant to section 186 (5) AktG or, in part, by way of a direct subscription right, and otherwise by way of an indirect subscription right pursuant to section 186 (5) AktG.

Further, the Executive Board shall be authorized to determine the further details of the capital increase and its performance, in particular the content of the rights attached to the shares and the terms and conditions of the issue of shares, with the approval of the Supervisory Board.

c) Authorization to amend the Articles of Association

The Supervisory Board shall be authorized to amend the wording of Article 5 (3) of the Articles of Association to reflect the issue of new shares from the Authorized Capital 2022 and, if the Authorized Capital 2022 has not been utilized or not been utilized in full on or before April 21, 2027, after the expiry of the authorization.

d) Amendment of the Articles of Association

Article 5 (3) of the Articles of Association shall be reworded as set out below:

"The Executive Board is authorized to increase the Share Capital with the approval of the Supervisory Board and of E. Merck, Darmstadt, Germany, once or repeatedly up to and including April 21, 2027 by up to a total of € 56,521,124.19 (in words: fifty-six million five hundred twenty-one thousand one hundred twentyfour euros and nineteen cents) by issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorized Capital 2022). Limited liability shareholders shall generally be granted the statutory right to subscribe to the new shares. However, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude the subscription rights of limited liability shareholders in full or in part, once or repeatedly, subject to the provisions set out below:

a. in case of a capital increase against cash contributions pursuant to or by analogous application of section 186 (3) sentence 4 AktG, if the issue price of the new shares is not substantially lower than the stock exchange price of the company's shares already listed and if the new shares which are issued under the exclusion of subscription rights in aggregate do not exceed a proportional amount of 10% of the share capital either at the time of the Authorized Capital 2022 taking effect or at the time of the Authorized Capital 2022 being utilized. This restriction to 10% of the share capital shall also include the proportional amount of the share capital that is attributable to shares which are issued under the exclusion of subscription rights or sold during the term of the Authorized Capital 2022 based on an authorization to issue new shares or sell own shares by direct or analogous application of section 186 (3) sentence 4 AktG. Further, this restriction shall also include the proportional amount of the share capital that is attributable to shares which may or must be issued in order to service bonds carrying a conversion or option right or a conversion or option obligation, if the bonds are issued during the term of the Authorized Capital 2022 under the exclusion of subscription rights of limited liability shareholders by analogous application of section 186 (3) sentence 4 AktG;

b. in case of capital increases against non-cash contributions, in particular for the purpose of acquiring enterprises, parts of enterprises, or interests in enterprises;

c. to enable E. Merck, Darmstadt, Germany, to exercise its right pursuant to Article 32 (3) of the Articles of Association of the company to participate in a capital increase by issuing shares or freely transferable share subscription rights;

d. to enable E. Merck, Darmstadt, Germany, to exercise its right pursuant to Article 33 of the Articles of Association of the company to convert, in full or in part, its equity interest into share capital;

e. if and to the extent that this is necessary to grant the holders or creditors of conversion or option rights and/or the holders or creditors of financing instruments carrying conversion or option obligations, which were or are issued by the company or by a domestic or foreign company in which the company directly or indirectly holds the majority of the votes and capital, a subscription right to the extent to which they would be entitled after the exercise of the conversion or option rights or after the performance of a conversion or option obligation;

f. in order to exclude fractional amounts from the limited liability shareholders' subscription right.

The sum of shares issued on the basis of the Authorized Capital 2022 under the exclusion of subscription rights of limited liability shareholders must not exceed a proportional amount of 10% of the Share Capital, taking into account other shares of the company which, during the term of the Authorized Capital 2022, are sold or issued under the exclusion of subscription rights or are to be issued under bonds issued after April 22, 2022 under the exclusion of subscription rights; this limitation shall apply both at the time of this authorization taking effect and at the time of this authorization being exercised.

To the extent that subscription rights are not excluded under the aforementioned provisions, it may also be granted to the limited liability shareholders by way of an indirect subscription right pursuant to section

186 (5) AktG or, in part, by way of a direct subscription right, and otherwise by way of an indirect subscription right pursuant to section 186 (5) AktG.

The Executive Board is authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation, in particular the content of the rights attached to the shares and the terms and conditions of the issue of shares. The Supervisory Board is authorized to amend the wording of Article 5 (3) of the Articles of Association to reflect the issue of new shares from the Authorized Capital 2022 and, if the Authorized Capital 2022 has not been utilized or not been utilized in full on or before April 21, 2027, after the expiry of the authorization."

e) Instructions to the Executive Board

The Executive Board is instructed to apply for registration of the cancellation of the Authorized Capital 2017 and the creation of the new Authorized Capital 2022 in the commercial register of the company subject to the proviso that the cancellation of the Authorized Capital 2017 shall be registered only if it has been ensured that the amendment of Article 5 (3) of the Articles of Association will be registered immediately thereafter. In accordance with section 203 (2) second sentence, section 186 (4) second sentence AktG, the Executive Board has prepared a written report on the reasons for the authorization to exclude subscription rights. This report will be available along with the other documents requiring publication on the company's website as of the date on which the Annual General Meeting is convened. In addition, it will be available for inspection by the shareholders at the business offices of the company once the Annual General Meeting has been convened (for more information see "Information and Documents for the Annual General Meeting; Company Website"). The documents relevant for the resolution under this agenda item will be available along with the other documents requiring publication on the company's website as of the date on which the Annual General Meeting is convened. The report of the Executive Board on this agenda item is reproduced under "Supplementary information on agenda item 9" in the section following the agenda.

<u>Current notes and information</u> on the virtual Annual General Meeting can be found on the website of the company (www.merckkgaa-darmstadt-germany.com/agm).

Supplementary Information on Agenda Item 8: The Compensation Report 2021 according to section 162 AktG including reference to the audit report

Compensation Report

This compensation report describes the structure and application of the compensation system for the Executive Board of Merck KGaA, Darmstadt, Germany, in the 2021 fiscal year. It provides a transparent overview of the relationship between compensation and performance, and presents the compensation awarded or due to the members of the Executive Board and the Supervisory Board in the 2021 fiscal year. The compensation report has been jointly prepared by the Supervisory Board and the Executive Board in accordance with the provisions of section 162 of the German Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code in the version dated December 16, 2019. It has formally and materially been audited by KPMG AG Wirtschaftsprüfungsgesellschaft in line with the requirements of section 162 (3) AktG as part of the combined management report. The compensation report and the corresponding audit opinion as part of the audit opinion on the annual financial statements of Merck KGaA, Darmstadt, Germany, can be found on our website.

The legislation and regulations relating to the compensation report are geared toward the situation at a German stock corporation (“Aktiengesellschaft” or “AG”) and do not take into consideration the special characteristics of a corporation with general partners (“Kommanditgesellschaft auf Aktien” or “KGaA”), such as our company. Major differences between the two legal forms exist in terms of liability and management. In the case of an AG, only the AG is liable as a legal entity, whereas the general partners of a KGaA also have unlimited personal liability for the company’s obligations (section 278 (1) AktG). Unlike the management board members of an AG, the members of the Executive Board of our company are personally liable partners of both Merck KGaA, Darmstadt, Germany, and the general partner E. Merck KG, Darmstadt, Germany, and not merely employed members of a corporate board. Given the structural differences between an AG and a KGaA, several recommendations of the German Corporate Governance Code apply to a KGaA only in a modified form.

Review of the 2021 fiscal year

In fiscal year 2021, the Group demonstrated great strength in a challenging market environment. All three business sectors, Life Science, Healthcare and Electronics, reported organic sales growth. Despite challenging conditions due to the pandemic, we succeeded yet again in avoiding significant disruptions to our supply chains and operations while at the same time, the safety of our global workforce continued to be our top priority.

In the Life Science business sector, our products and services enabled our customers worldwide to excel in areas such as scientific research and biotechnological manufacturing. Our capacity was expanded in bioprocessing and targeted acquisitions were made to broaden the portfolio. In addition, the Life Science business saw strong demand in both its core business and in dealing with the Covid-19 pandemic.

In the Healthcare business sector, in addition to strengthening the business with established products, the focus was on research for and development of specialty medicines. The approval of Tepmetko® is particularly noteworthy in this regard. In addition, there was significant growth in the immuno-oncology area in connection with the drug Bavencio® and in the therapeutic areas of neurology and immunology mainly through Mavenclad®.

The Electronics sector benefited from strong customer demand especially in the semiconductor industry. In light of the strong business performance, the completion of the Bright Future transformation program, originally scheduled for five years, was achieved — two years earlier than planned. At the same time, the new "Level Up" growth program was launched. This is intended to exploit the growth opportunities associated with the significant increase in global demand for innovative semiconductor and display materials. In addition to considerable ongoing investment in research and development (R&D), the global presence of the Electronics business was further significantly expanded. It was decided to build or expand R&D and production facilities in all relevant regions including China, Korea, Taiwan, Japan, the United States and Germany close to our customers.

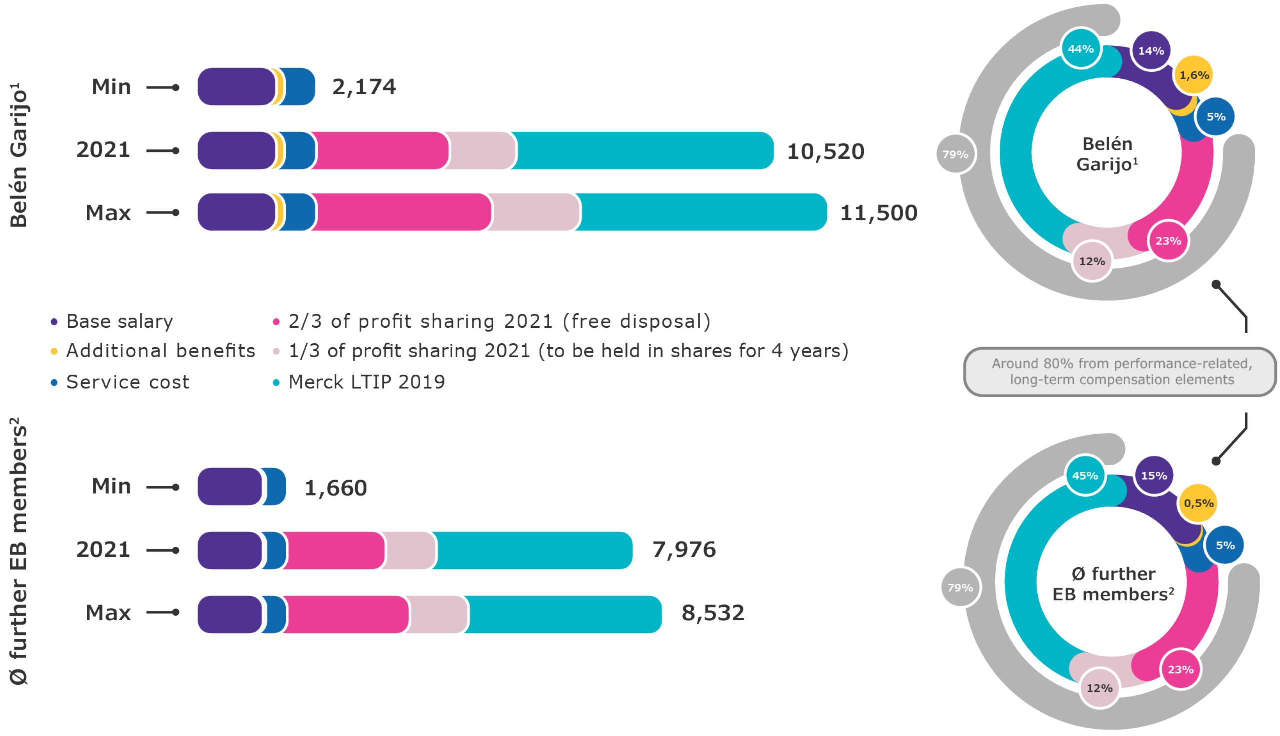
As a result, a large number of milestones were achieved across the business units in 2021. What we are doing in the area of sustainability has been intensified in all business sectors and group functions, e.g., in the R&D areas but also in the purchasing, finance and strategy units. We aim to develop products that create sustainable added value for society, for example via circular economy approaches. We also want to embed sustainability in all our value chains and have started a supplier decarbonization program in fiscal 2021. To further reduce our resource consumption, new greenhouse gas emissions and water consumption reduction targets were set in 2021, and we have applied to join the Science Based Targets Initiative. These targets underpin our ambitious sustainability strategy, which we unveiled at the end of 2020. The implementation of the sustainability strategy was further supported by the development of key performance indicators and a sustainability factor for compensation of the Executive Board.

Additionally, the year was characterized by personnel changes in the Executive Board. After a decade of successful service on the Executive Board, Stefan Oschmann left the company as planned to pursue other opportunities. Belén Garijo, a highly experienced and internationally recognized manager, took over as Chair of the Executive Board. She has been with our company since 2011 and has been a member of the Executive Board since 2015. In addition, the Executive Board was strengthened with two internationally experienced managers. Peter Guenter has assumed responsibility for the Healthcare sector while Matthias Heinzel is now in charge of the Life Science sector.

Following the entry into force of the Act Implementing the Second Shareholders' Rights Directive (ARUG II) and the reformed GCGC, the compensation system for the Executive Board was adjusted with effect from January 1, 2021. The detailed compensation system is published on our website. The adjusted compensation system was approved at the Annual General Meeting 2021 with a voting result of 87.08% . The compensation system for the Supervisory Board was also presented at the 2021 Annual General Meeting and approved with 99.64%.

Compensation for fiscal year 2021 – Summary

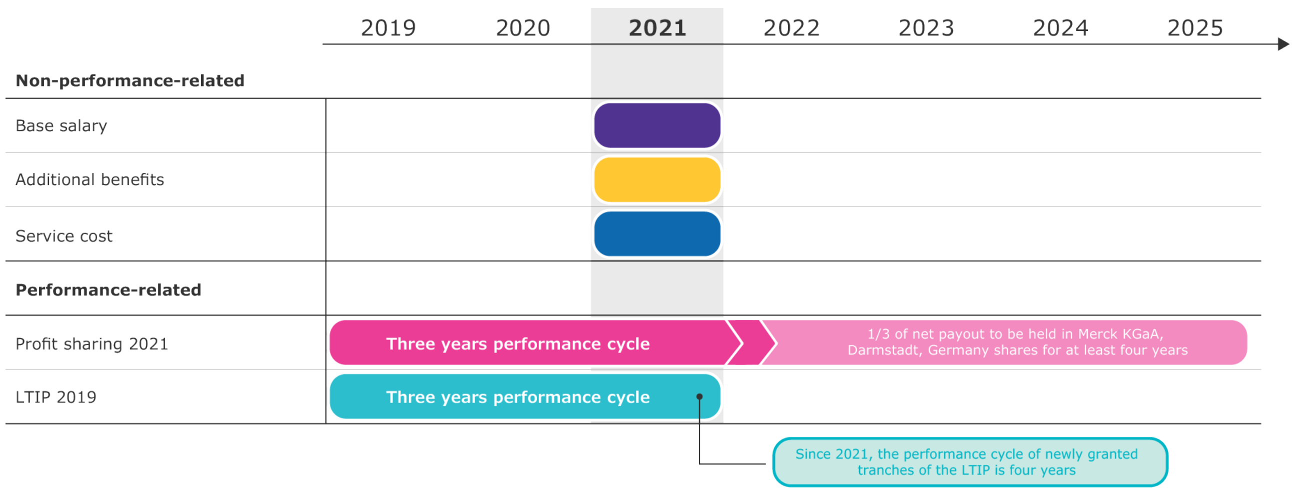
Summary of the compensation for the Executive Board members' performance up to December 31, 2021 – voluntary diclosure



[1] Belén Garijo is Chair of the Executive Board since May 1, 2021.

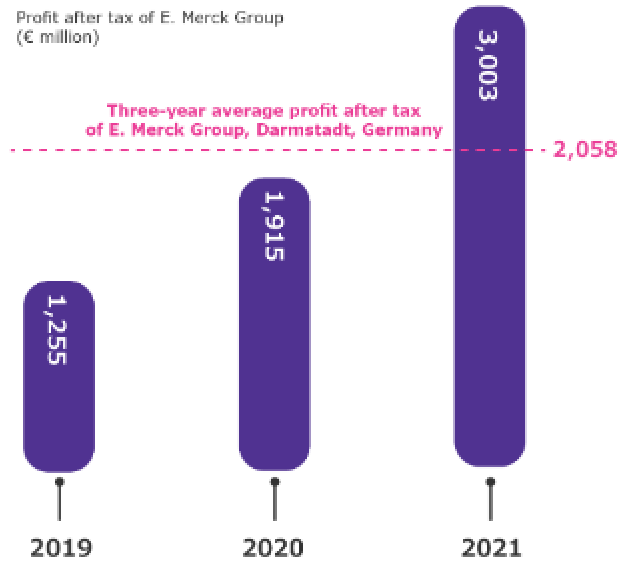
[2] In the calculation of the average compensation of the further members of the Executive Board (EB), the compensation of Kai Beckmann and Marcus Kuhnert are taken into account. Peter Guenter and Matthias Heinzel joined the Executive Board in the fiscal year 2021 and therefore did not receive any compensation from the LTIP 2019. Taking their compensation into account would therefore lead to a distorted presentation.

Compensation for fiscal year 2021 – Chronological overview

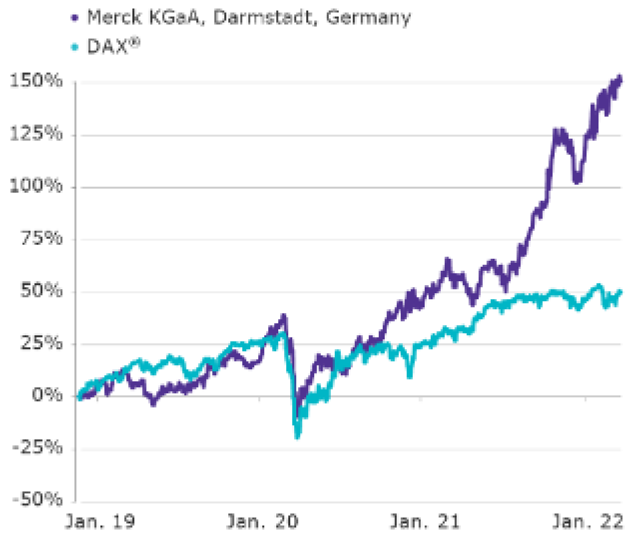


Performance-related compensation – Performance

Profit sharing 2021



Share price development (2019-2021)



Profit sharing 2021

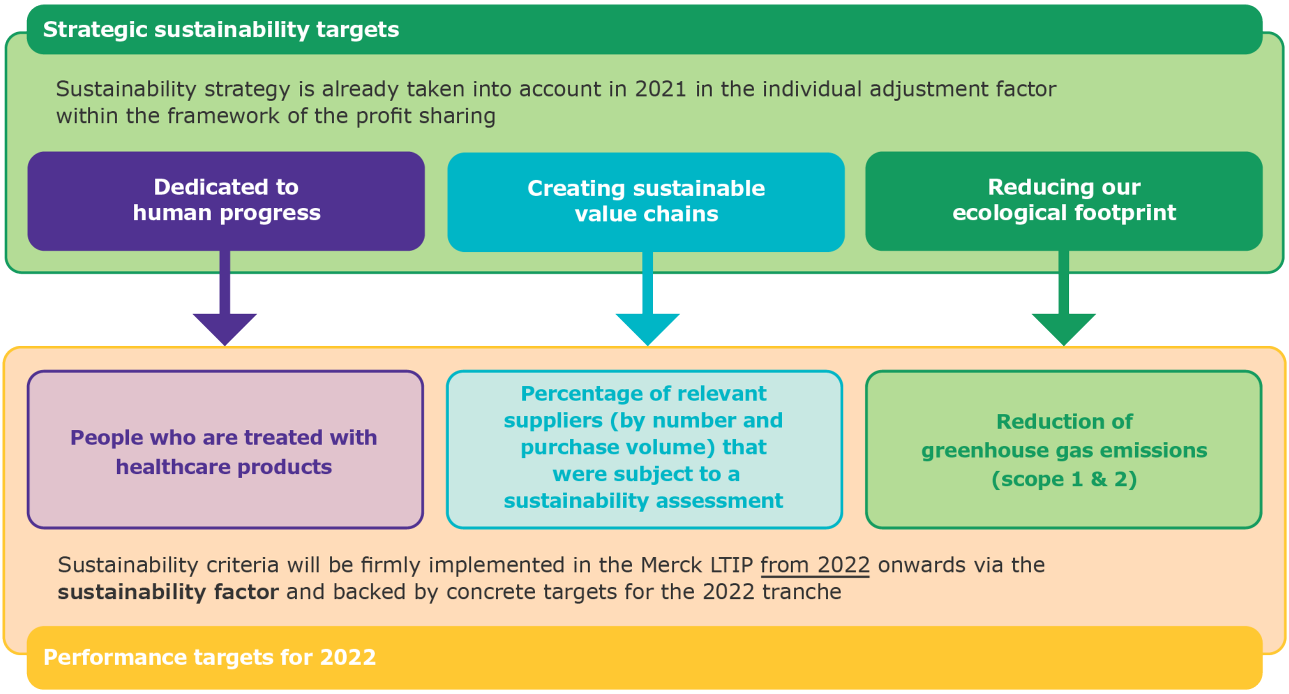
Share price development (2019-2021)

LTIP 2019 (2019 - 2021)

Performance indicator	Target corridor	Actual value	Target achievement (0% - 150%)
Share price performance relative to DAX® (Weighting: 50%)	Lower limit -20% / Target value 0% / Upper limit 50%	**87.6%**	**150.0%**
EBITDA pre margin (Weighting: 25%)	Lower limit 24.5% / Target value 27.5% / Upper limit 30.5%	**29.2%**	**128.4%**
Organic sales growth (Weighting: 25%)	Lower limit 4.3% / Target value 7.3% / Upper limit 10.3%	**8.0%**	**111.7%**
	● = Actual value	**Total target achievement[1]:**	**135.0%**

[1] Cap of relative share price development was reached. Due to share price development actual payout is capped at 250%.

Sustainability targets in the compensation of the Executive Board



Determining the compensation of the Executive Board

At our company, unlike at publicly listed German stock corporations, it is not the Supervisory Board but the Board of Partners of E. Merck KG, Darmstadt, Germany, that is responsible for designing and reviewing the compensation system and deciding on the amount and composition of compensation received by the Executive Board members. The Board of Partners has assigned this task to its Personnel Committee. As a result, the Personnel Committee is responsible for the development and regular review of the compensation system, i.e., in particular for the structure and examination of the performance-independent and performance-related compensation elements. The Personnel Committee also takes into account the compensation system for managers and employees below Executive Board level in order to ensure consistency between the compensation systems, and uniform controlling. Furthermore, the Personnel Committee is responsible for defining the annual targets and thresholds of the key performance indicators for the performance-related compensation elements.

In addition to the structure of the Executive Board compensation system, the Personnel Committee is responsible for defining the specific amounts of compensation paid to the members of the Executive Board. The compensation paid to the members of the Executive Board takes into account the responsibilities and duties of the individual Executive Board members, and in particular their status as personally liable partners, their individual performance, and the economic situation, as well as the performance and future prospects of the company.

Furthermore, Executive Board compensation is oriented toward the external peer environment of our company, which comprises the DAX® companies as well as a group of selected international competitors:

German peer group	International peer group		
DAX®	• Abbott Laboratories	• Daiichi Sankyo	• Novartis
+	• Amgen	• Eli Lilly & Co	• Novo Nordisk
	• Astellas Pharma	• Gilead Sciences	• Pfizer
	• AstraZeneca	• Glaxosmithkline	• Roche
	• Bayer	• Medtronic	• Sanofi
	• Bristol-Myers Squibb	• Merck & Co	• Takeda Pharmaceutical

The relationship between Executive Board compensation and the compensation of top management and the workforce as a whole continues to be taken into account, also in a multi-year assessment. Top management is defined as encompassing the senior levels of management below the Executive Board. The compensation of the remaining workforce as a whole is based on typical employee compensation.

The Personnel Committee reviews the amount and structure of the Executive Board compensation by reference to the peer groups described and with the assistance of an independent compensation consultant.

Overview of the structure of the compensation system

Compensation components

Executive Board compensation fundamentally comprises three main components: fixed compensation, profit sharing, and the Long-Term Incentive Plan. This is complemented by contributions to the company pension plan as well as additional benefits. There are also additional compensation arrangements for the members of the Executive Board, in particular malus and clawback provisions and a Share Ownership Guideline.

The performance-related compensation elements – profit sharing and the Long-Term Incentive Plan – are based on a multiyear performance period and are wholly oriented toward the company’s long-term development. In addition, the two variable compensation components are designed to be tied to the company’s share price to a large extent, thereby ensuring that our shareholders’ interests are taken into particular account. The key performance indicators selected for variable compensation are derived from the corporate strategy and form part of our central controlling system. In this way, the variable compensation paid to the Executive Board members is used as a strong controlling tool in order to ensure a focus on our objective of long-term profitable growth accompanied by strong cost discipline.

The following diagram shows an overview of all of the elements of the compensation system for the Executive Board members:

Performance-independent compensation

Fixed compensation

Additional benefits

Pension entitlement

Performance-related compensation

Profit sharing

- Key performance indicator: Three-year average of the profit after tax of the E. Merck Group, Darmstadt, Germany
- Individual performance and individual contribution to achieving the sustainability targets in accordance with the criteria of the performance catalog taken into account through a modifier with a range of 0.8 to 1.2
- Individual absolute capped amount

Long-Term Incentive Plan

- Performance Share Plan based on virtual shares (Merck KGaA, Darmstadt, Germany Share Units)
- Key performance indicators: share price performance relative to the DAX® (50%), EBITDA pre margin (25%), organic sales growth (25%)
- From 2022, the existing plan will be expanded to include sustainability targets (“Dedicated to human progress”, “Creating sustainable value chains”, and “Reducing our ecological footprint”)
- Absolute capped amount totaling 250% of the individual grant
- Four-year performance period with three-year target achievement cycle and subsequent one-year holding period

Other components

Malus & clawback

May be applied in cases of:

- Violations of internal rules and regulations (Code of Conduct), legislation, other binding external requirements in the area of responsibility, significant breaches of duty of care within the meaning of section 93 AktG
- Other grossly non-compliant or unethical behavior or actions that are contradictory to our company values

Share Ownership Guidelines

- Mandatory personal investment of one-third of the net profit-sharing payout in Merck KGaA, Darmstadt, Germany shares
- Four-year holding period

Executive Board compensation for 2021

The performance-related and performance-independent compensation components applied in the Executive Board compensation system in the 2021 fiscal year are fully consistent with the Executive Board compensation system approved by the 2021 Annual General Meeting. Compliance with the compensation system is ensured by the Personnel Committee. The Personnel Committee decides by resolution on the concrete application (e.g., setting of targets, determination of target achievement, etc.) as well as the respective amounts to be paid out.

The following section reports on the compensation awarded or due in accordance with section 162 (1) AktG. Accordingly, the following sections contain all amounts actually received by the individual members of the Executive Board (active and former members) in the financial year (compensation awarded) or all amounts legally due but not yet received (compensation due).

In addition, compensation is disclosed on a voluntary basis for which the members of the Executive Board have provided the underlying service completely by December 31, 2021, but for which payment will be made in the following year. This relates to the profit sharing for fiscal year 2021, as well as the 2019 LTI tranche, whose performance period ended on December 31, 2021. These amounts have been provisionally determined by the Personnel Committee by way of a resolution and subsequently communicated to the members of the Executive Board. The final amount will be paid to the members of the Executive Board after the preparation of the consolidated financial statements of E. Merck KG, Darmstadt, Germany, and will be reported on in the Compensation Report for fiscal year 2022. This enables transparent information and ensures the link between performance and compensation in the fiscal year.

Performance-independent compensation

Fixed compensation

The fixed compensation received by the members of the Executive Board comprises fixed and performance-independent amounts that are paid in the form of 12 equal monthly installments.

Additional benefits

The additional benefits include company cars with private use, contributions to insurance policies and expenses for personal protection.

As compensation for the loss of entitlements to variable remuneration from his previous employment, Peter Guenter received a commitment to a cash compensation totaling € 1,500,000.00 as sign-on bonus, which will be paid in four equal installments on July 1, 2021; July 1, 2022; July 1, 2023; and July 1, 2024; provided he continues to be a member of the Executive Board. In addition, the total costs of € 62,168.00 for temporary local accommodation, relocation and relocation services in connection with his move to Darmstadt were paid as a onetime occurrence.

Pension entitlement

The members of the Executive Board are granted a defined contribution pension obligation as a direct commitment. A fixed amount is paid into a benefit account every year and interest is paid at the applicable statutory maximum technical interest rate for the life insurance industry in accordance with section 2 (1) of the Regulation on the Principles Underlying the Calculation of the Premium Reserve (DeckRV). Once a member retires, the amount in the benefit account is paid out either in ten annual installments or as a one-time payment.

Pension obligations

€ thousand	Contribution level	IAS 19[1] Service cost 2021	2020	Present value of the pension obligation as of December 31 2021	2020
Belén Garijo (Chair since May 1, 2021)	583	572	440	6,308	5,649
Kai Beckmann	450	441	392	5,823	5,325
Peter Guenter (since January 1, 2021)	450	452	–	451	–
Matthias Heinzel (since April 1, 2021)	450	387	–	376	–
Marcus Kuhnert	400	406	409	4,290	3,860
Total	**2,333**	**2,258**	**1,241**	**17,248**	**14,834**

[1] For accounting purposes, this corresponds to a defined-benefits obligation within the meaning of IAS 19.8.

There was a defined benefit pension obligation for Stefan Oschmann until April 30, 2021. The amount of the pension was based on a percentage of his pensionable compensation.

Pension obligation

€ thousand	Pensionable compensation	Percentage entitlement	IAS 19 Service cost 2021	2020	Present value of the pension obligation as of December 31 2021	2020
Stefan Oschmann (until April 30, 2021)	800	70	–	1,611	15,730	17,344

Performance-related compensation

Performance-related compensation comprises profit sharing as well as the Long-Term Incentive Plan. Both compensation elements are based on multi-year performance periods and are tied to the company's share price to a large extent.

Profit sharing

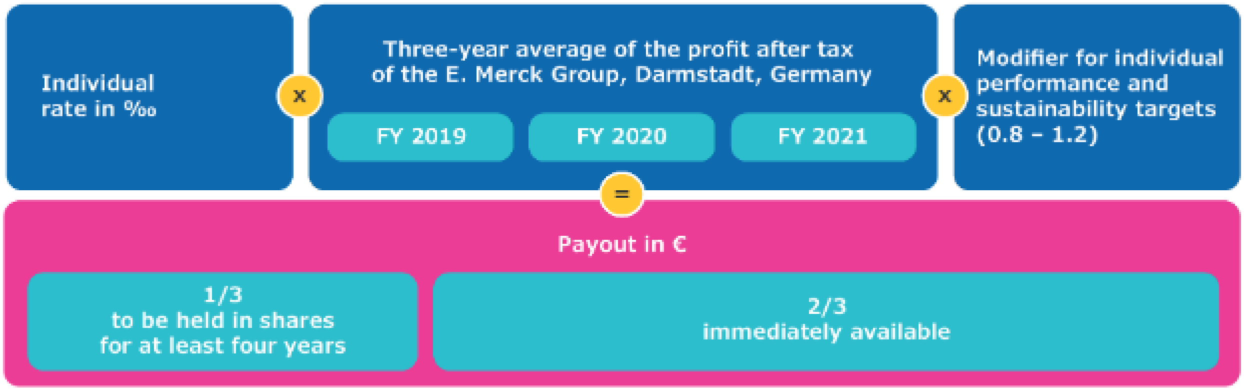
For the purposes of profit sharing, an individual profit sharing rate is defined for the members of the Executive Board as a per mille rate of the three-year average of the consolidated profit after tax of E. Merck KG, Darmstadt, Germany. The current and the two preceding fiscal years are included in the calculation.

The use of profit after tax as the key performance indicator, which also serves as the basis for dividend payments, ensures very close alignment with shareholder interests.

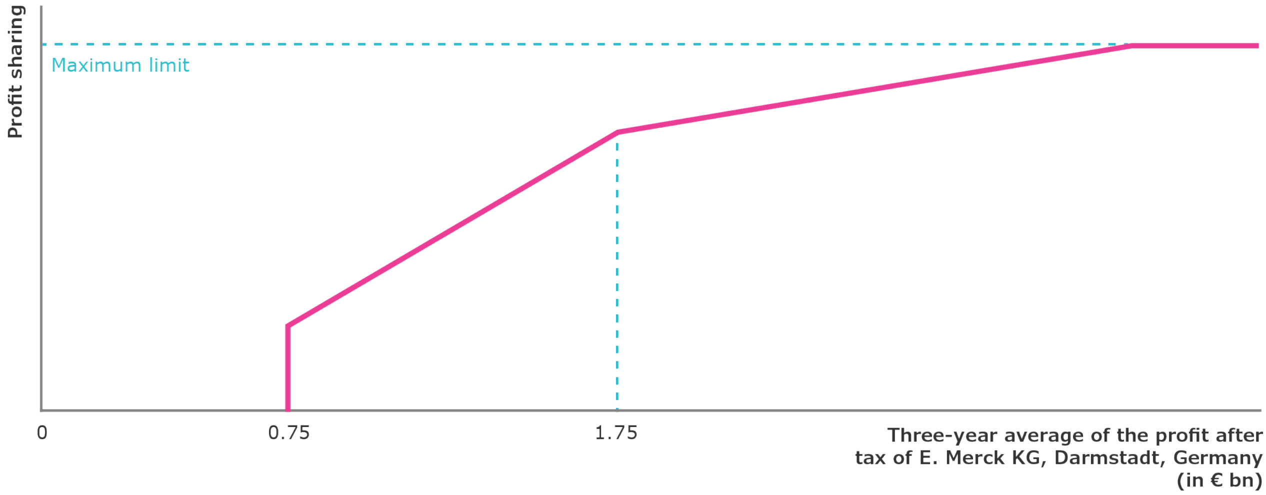
To appropriately consider the individual performance of the Executive Board members, the Personnel Committee is able to modify the payment by applying a factor ranging from 0.8 to 1.2. In determining the level of this factor, the Personnel Committee applies the criteria defined in the compensation system that also include ambitious sustainability targets. The performance factor makes it possible to recognize outstanding performance by a member of the Executive Board by multiplying profit sharing by a value greater than 1.0 up to 1.2. Similarly, multiplying by a value less than 1.0 down to 0.8 can reduce profit sharing if the circumstances call for it.

The members of the Executive Board are obligated to hold one-third of the yearly total net amount from profit sharing in shares of our company for at least four years. Further details are provided under the heading "Share Ownership Guideline".

The following illustration shows the profit sharing for the 2021 fiscal year:



An average profit of at least € 0.75 billion must be generated in order for the profit sharing payment to be made. This minimum threshold reflects the “pay-for-performance” philosophy that underpins the compensation system. Where profit is generated in excess of this threshold, the level of the individual profit sharing rates is staggered. The maximum profit sharing payment is capped individually.



The three-year average that is relevant for the 2021 fiscal year was based on the profit after tax generated by the Group of E. Merck KG, Darmstadt, Germany, in 2019, 2020 and 2021:

Profit after tax of the Group of E. Merck KG, Darmstadt, Germany

€ million	2018	2019	2020	**2021**
Profit after tax of the Group of E. Merck KG, Darmstadt, Germany	3,324	1,255	1,915	3,003
Three-year average profit after tax of the Group of E. Merck KG, Darmstadt, Germany (2018-2020)			2,165	
Three-year average profit after tax of the Group of E. Merck KG, Darmstadt, Germany (2019-2021)				2,058

For the fiscal year 2021, the Personnel Committee has set the performance factor at 1.0 for all members of the Executive Board taking into account their individual performance and contribution to the sustainability targets. This recognizes the contributions of the members of the Executive Board, which led to the conclusion of a successful fiscal year 2021.

The 2021 fiscal year was concluded with remarkable success in terms of employee safety and health, good financial results, stable business operations, and an extremely positive share price development. In addition to the successful further development of the business, the Executive Board showed ambitious commitment to rapidly achieving the goals set out in the sustainability strategy. For example, significant progress was made in systematically embedding sustainability in all the company's processes. Further information on the development of sustainability topics can be found in the non-financial statement, which will be published in the management report (Lagebericht) for the first time in fiscal year 2021.

Taking into account the relevant three-year average of the consolidated profit after tax of the Group of E. Merck KG, Darmstadt, Germany, the individual profit sharing rates and the performance factor, this results in the following profit sharing for 2021:

Profit sharing 2021 summary

	Three-year average profit after tax of the Group of E. Merck KG, Darmstadt, Germany (€ million)	Average profit-sharing rate 2021 (in per mill)	Performance factor for individual performance	Payout amount (€ thousand)	thereof mandatory personal investment (1/3) (€ thousand)[1]
Belén Garijo (Chair since May 1, 2021)	2,058	1.78	1.0	3,671	1,224
Stefan Oschmann (until April 30, 2021)		0.63	1.0	1,287	429
Kai Beckmann		1.39	1.0	2,854	951
Peter Guenter (since January 1, 2021)		1.54	1.0	3,165	1,055
Matthias Heinzel (since April 1, 2021)		1.16	1.0	2,385	795
Marcus Kuhnert		1.29	1.0	2,654	885

[1] Gross amount - investment is based on net amount.

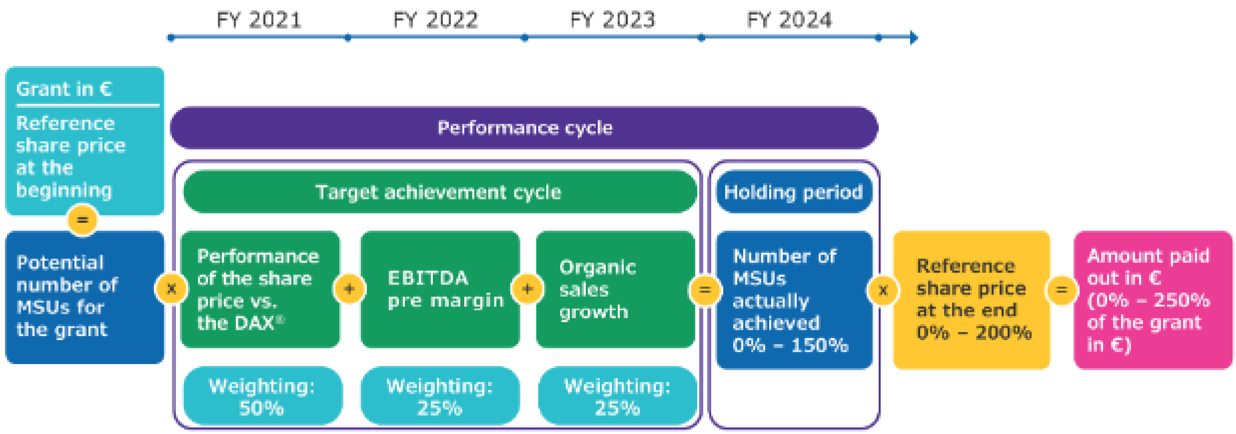
The profit-sharing payout will be made in cash in April 2022. One-third of the net payout amount must be held in shares of Merck KGaA, Darmstadt, Germany, for at least four years. Further details of the investment obligation can be found in the "Share Ownership Guideline" section.

In fiscal year 2021, the profit sharing for the fiscal year 2020 has been paid out, which is therefore to be reported as remuneration awarded or due in fiscal year 2021 in accordance with section 162 of the German Stock Corporation Act (AktG). All information on profit sharing 2020 can be found in the Compensation Report 2020.

Long-Term Incentive Plan (LTIP)

Long-Term Incentive tranche for the fiscal year 2021

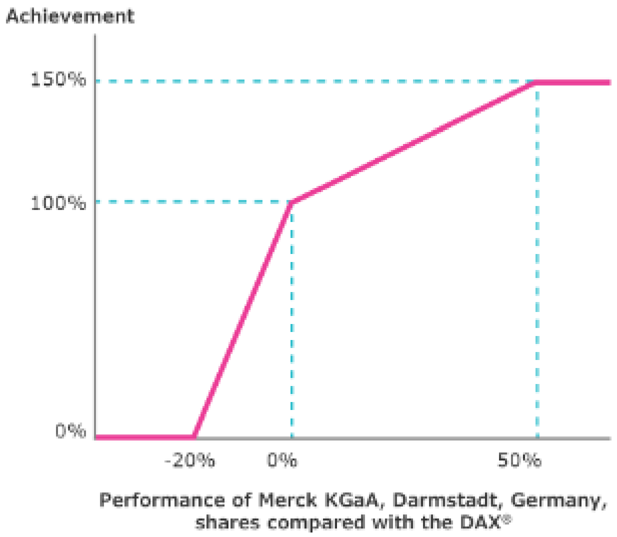
The Long-Term Incentive Plan is designed as a virtual performance share plan. It is based on a four-year future-oriented performance cycle that is composed of a three-year target achievement cycle and, since the 2021 tranche, a subsequent one-year holding period. As part of the LTIP, the members of the Executive Board are provisionally eligible to receive a certain number of virtual shares, referred to as share units of Merck KGaA, Darmstadt, Germany ("MSUs").

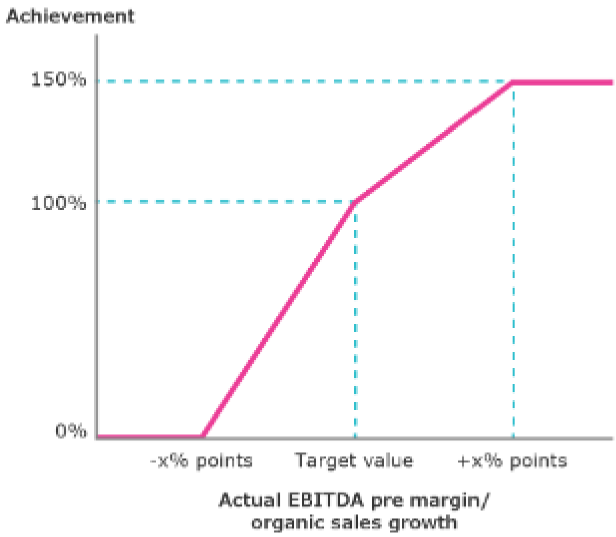


The number of MSUs is calculated as follows: An individual grant in euros is set for each Executive Board member. Every year, this grant is divided by the definitive reference share price at the beginning of the performance cycle, resulting in the number of MSUs that the respective member is provisionally entitled to receive. The number of MSUs actually allocated to the Executive Board members after the end of the target achievement cycle may be between 0% and 150% of the MSUs they are provisionally entitled to receive and depends on the development of three weighted key performance indicators over the three-year target achievement cycle. The relevant key performance indicators are:

- The performance of the Merck KGaA, Darmstadt, Germany, share price compared with the performance of the DAX® with a weighting of 50%,
- The EBITDA pre margin as a proportion of a defined target value with a weighting of 25%, and
- The organic sales growth of the Group as a proportion of a defined target value with a weighting of 25%.

The number of MSUs actually allocated after the end of the target achievement cycle is based on the following target achievement curves. The targets and thresholds for the key performance indicators of EBITDA pre margin and organic sales growth are defined by the Personnel Committee at the start of the performance period and subsequently published in the compensation report.





The target achievement cycle is followed by a one-year holding period. The payout may be between 0% and a maximum of 250% of the amount originally allocated and depends on the number of MSUs actually allocated and the reference share price at the end of the performance cycle.

In the fiscal year 2021, the 2021 tranche of the LTIP was allocated on the basis of the following parameters:

LTIP Tranche 2021 allocation

	Grant amount (€ thousand)	Reference share price of Merck KGaA, Darmstadt, Germany, at the beginning (in €	Number of potential MSUs
Belén Garijo (Chair since May 1, 2021)	2,190		16,538
Stefan Oschmann (until April 30, 2021)	752		5,676
Kai Beckmann	1,715	132.43	12,951
Peter Guenter (since January 1, 2021)	1,900		14,348
Matthias Heinzel (since April 1, 2021)	1,425		10,761
Marcus Kuhnert	1,400		10,572

LTI tranches allocated before the fiscal year 2021

The 2018, 2019 and 2020 tranches of the LTIP are structured like the 2021 tranche allocated in the fiscal year. However, the one-year holding period following the target achievement cycle has just been introduced in 2021. Accordingly, the performance period of the 2018, 2019, and 2020 tranches is three years.

The payout under the 2018 tranche of the LTIP was made in April of the 2021 fiscal year. The performance cycle for this tranche ran from January 1, 2018, to December 31, 2020. The performance cycle for the 2019 tranche of the LTIP ended in fiscal year 2021. The performance cycle for this tranche ran from January 1, 2019, to December 31, 2021. The payout will be made in April 2022.

The targets and thresholds, the actual amounts and the resulting target achievement for the 2018 and 2019 tranches can be summarized as follows:

LTIP Tranche 2018 target achievement

	Lower target corridor limit	Target	Upper target corridor limit	Actual achieved value	Target achievement
Share price performance relative to the DAX® (weighting: 50%)	-20.0%	0.0%	50.0%	45.1%	145.1%
EBITDA pre margin (weighting: 25%)	24.2%	27.2%	30.2%	27.4%	103.3%
Organic sales growth (weighting: 25%)	3.0%	6.0%	9.0%	5.4%	80.0%
Total target achievement					**118.4%**

LTIP Tranche 2019 target achievement

	Lower target corridor limit	Target	Upper target corridor limit	Actual achieved value	Target achievement[1]
Share price performance relative to the DAX® (weighting: 50%)	-20.0%	0.0%	50.0%	87.6%	150.0%
EBITDA pre margin (weighting: 25%)	24.5%	27.5%	30.5%	29.2%	128.4%
Organic sales growth (weighting: 25%)	4.3%	7.3%	10.3%	8.0%	111.7%
Total target achievement					**135.0%**

[1] Cap of relative share price development was reached.

The resulting payouts are as follows:

LTIP 2018 summary

	Grant amount (€ thousand)	Reference share price of Merck KGaA, Darmstadt, Germany, at the beginning (in €)	Number of potential MSUs	Total target achievement	Final number of MSUs	Reference share price of Merck KGaA, Darmstadt, Germany at the end (in €)	Payout amount (€ thousand)
Stefan Oschmann (until April 30, 2021)	2,255	91.7	24,584	118%	29,101	132.43	3,854
Udit Batra (until July 13, 2020)	1,705		18,588		22,004		2,428
Kai Beckmann	1,430		15,590		18,455		2,444
Walter Galinat (until September 30, 2018)	1,320		14,391		17,035		999
Belén Garijo	1,870		20,386		24,132		3,196
Marcus Kuhnert	1,320		14,391		17,035		2,256

LTIP 2019 summary

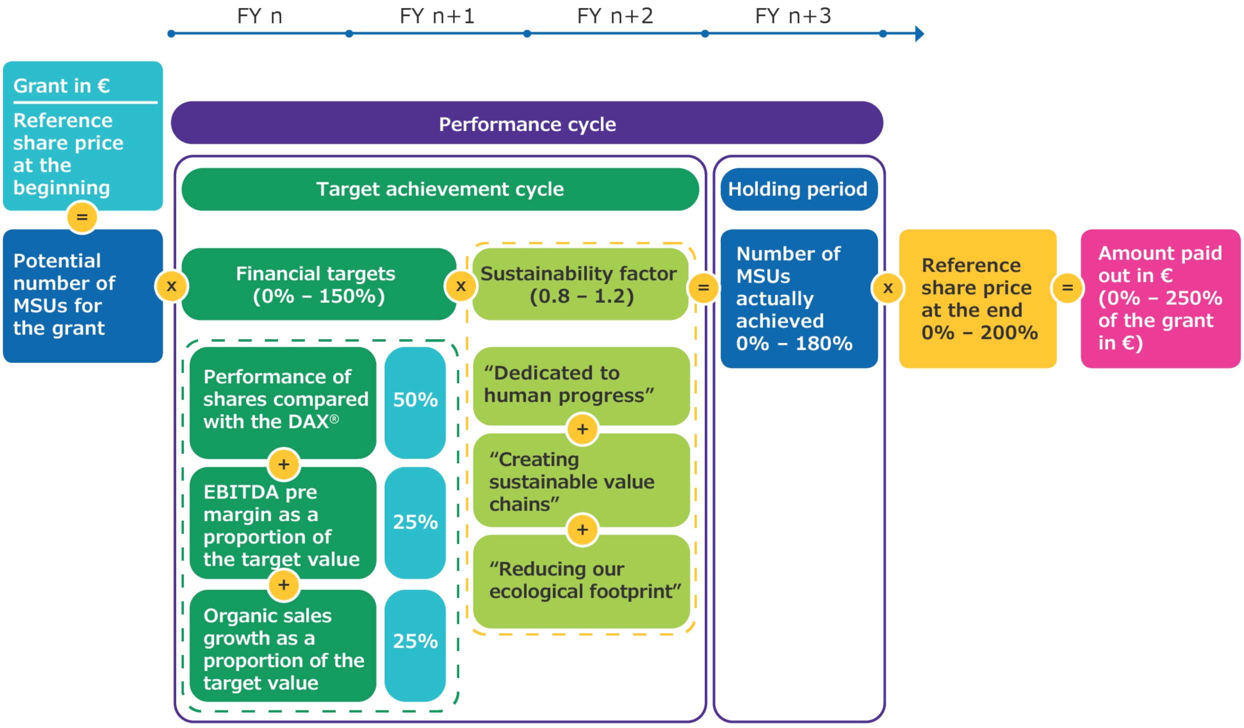
	Grant amount (€ thousand)	Reference share price of Merck KGaA, Darmstadt, Germany, at the beginning (in €)	Number of potential MSUs	Total target achievement	Final number of MSUs	Reference share price of Merck KGaA, Darmstadt, Germany at the end (in €)	Payout amount[1] (€ thousand)
Stefan Oschmann (until April 30, 2021)	2,255	93.75	24,054	135%	32,479	212.16	4,377
Udit Batra (until July 13, 2020)	1,705		18,187		24,557		2,131
Kai Beckmann	1,530		16,320		22,036		3,825
Belén Garijo	1,870		19,947		26,933		4,675
Marcus Kuhnert	1,320		14,080		19,012		3,300

[1] Payout capped at 250% of grant amount and subject to verification of compliance with maximum compensation in fiscal year 2022.

The performance period of the LTIP tranche 2020 runs until December 31, 2022. Accordingly, detailed reporting will be provided in the 2022 compensation report.

Outlook: Long-Term Incentive Plan from 2022

Starting from fiscal year 2022, our sustainability strategy will be even more firmly enshrined in the compensation system for the members of the Executive Board following the introduction of a sustainability factor with a range of 0.8 to 1.2. The sustainability factor, which measures the performance of selected sustainability targets over the three-year target achievement cycle, can increase or reduce the target achievement resulting from the financial key performance indicators by up to 20%.



The sustainability factor encompasses three performance criteria: “Dedicated to human progress”, “Creating sustainable value chains” and “Reducing our ecological footprint”. From 2022 onward, the Personnel Committee will define specific measurable key performance indicators at the start of each tranche of the LTIP as well as the target and threshold levels that will be used to calculate the target achievement at the end of the target achievement cycle. The following criteria were defined for the selection of the key performance indicators:

- Relevance and influence of the performance indicators on the three overarching performance criteria of the sustainability strategy
- Internal and external influence of the performance indicators by management
- Good measurability and operationalization
- Sustained impact to support long-term solutions and not incentivize short-term actions

The amount of the sustainability factor depends on the degree of target achievement and may range between 0.8 and 1.2. Every year, the Personnel Committee also determines the weighting of the performance criteria for each tranche of the LTIP in order to emphasize priorities.

The Personnel Committee has defined the following parameters for the sustainability factor for the 2022 tranche of the LTIP:

Performance criterion	Weighting	Concrete sustainability target (Key Performance Indicator)
Dedicated to Human Progress	20%	People treated with our Healthcare products
Creating sustainable value chains	40%	Percentage of relevant suppliers (in terms of number and purchase volume) that are covered by a valid sustainability assessment
Reducing our ecologocal footprint	40%	Greenhouse gas emissions Scope 1+2

- We are convinced that, with the help of science and technology, we can make a contribution to solving many global challenges. We aim to be commercially successful and to create positive value for society through our business activities. In connection with the performance criterion "Dedicated to human progress", we measure the contribution of our Healthcare business sector, namely how many people worldwide have been treated with medical products from our company. We plan to continuously increase this number and thus contribute to a significant improvement in medical care and the state of health of as many people as possible. In addition, we are assessing how plausible contributions to " Dedicated to human progress" can also be implemented in the Life Science and Electronics business sectors.

- With regard to the performance criterion "Creating sustainable value chains", we want to anchor sustainability more firmly in our supply chains. This may be achieved by increasing the transparency of our supply chains and subjecting more companies with which our company maintains supply relationships to a sustainability assessment. In particular, we want to focus on suppliers where we see special sustainability risks in the supply chain. When measuring our progress, we pay attention to both the increase in the proportion of suppliers with sustainability assessment in relation to their number and their share of the purchase volume. With regard to the number of relevant suppliers, we expect a significant increase in the share over the next few years and thus coverage of a large part of the relevant purchase volume.

- With regard to the performance criterion "Reduction of our environmental footprint", we aim to make a significant contribution to climate protection and the Paris Climate Agreement. That is why we have decided in 2021 that we would like to join the Science Based Targets Initiative. On our way to climate neutrality, we aim to reduce both direct (Scope 1) and indirect emissions (Scope 2) by 50% by 2030 compared to 2020. This target is to be achieved through the reduction of process-related emissions, energy efficiency measures, and the increased purchase of electricity from renewable sources. For process emissions in particular (Scope 1), we aim to achieve a significant reduction in emissions over the next few years through the use of new technologies, despite further growth in our business.

The specific targets and thresholds, the actual amounts and the resulting target achievement will be published in the corresponding compensation report after the end of the performance cycle.

Share Ownership Guideline

In 2017, we introduced with the Share Ownership Guideline (SOG) that the members of the Executive Board have to invest and hold a fixed percentage of their annual fixed compensation in shares. As of the beginning of the fiscal year 2021, we have linked this share ownership obligation to the variable compensation element of profit sharing. Under the adjusted SOG, the Executive Board members are now required to hold one third of the net profit sharing payment in shares of Merck KGaA, Darmstadt, Germany, for at least four years. The adjusted SOG will be applied for the first time related to the profit sharing payout for the fiscal year 2021. The required shares will be purchased automatically via an external provider.

The Share Ownership Guideline promotes even stronger alignment between the interests of the Executive Board members and those of our shareholders, and it additionally raises the entrepreneurial responsibility of the Executive Board members in addition to their status as personally liable general partners.

The following table provides an overview of the shareholding requirement of the members of the Executive Board as of December 31, 2021, under the SOG that applied until December 31, 2020 as well as the amount to be invested in shares under the new SOG that has applied since January 1, 2021:

	Status quo as of December 31, 2021		
	Number of shares	In % of base salary[1]	Mandatory net investment from profit sharing[2]
Belén Garijo (Chair since May 1, 2021)	12,389	196%	1,224
Kai Beckmann	10,527	199%	951
Peter Guenter (since January 1, 2021)	–	–	1,055
Matthias Heinzel (since April 1, 2021)	–	–	795
Marcus Kuhnert	9,474	179%	885
Stefan Oschmann (until April 1, 2021)	–	–	429

[1]Reference share price as of December 31, 2021: 227.00€.

[2]Gross amount - investment based on net amount

[3]Due to his retirement on April 30, 2021, the shareholding obligation under the original SOG ceased to apply as of December 31, 2021

Malus and clawback provisions

Through their status as personally liable general partners of Merck KGaA, Darmstadt, Germany, and E. Merck KG, Darmstadt, Germany, the Executive Board members bear a unique entrepreneurial responsibility. This is also reflected by the penalty criteria set forth in profit sharing and by the German statutory regulations on liability for damages stipulated in section 93 AktG. In order to take even greater account of the prominent position of entrepreneurial responsibility in compensation, a clawback provision is implemented for the Long-Term Incentive Plan. Cases in which the clawback provision may be applied include violations of internal rules and regulations (Code of Conduct), legislation, other binding external requirements in the area of responsibility, significant breaches of duty of care within the meaning of section 93 AktG, and other grossly non-compliant or unethical behavior or actions that are contradictory to our company values. In these cases, amounts that have already been allocated under the Long-Term Incentive Plan may be retained. The Personnel Committee is entitled to demand the repayment of profit sharing and LTIP payouts from a member of the Executive Board if it subsequently transpires that the payout was made wrongfully, either in full or in part. For example, this is the case when targets are not actually met or are not met to the extent assumed when the payout was calculated due to incorrect information being applied. The extent of these claims for restitution is based on section 818 of the German Civil Code (BGB). The Personnel Committee may agree deadlines for the assertion of claims for restitution with the members of the Executive Board.

Neither the malus provision nor the clawback provision were exercised in the fiscal year 2021.

Compensation-related transactions

Belén Garijo was appointed as Chair of the Executive Board effective May 1, 2021, becoming the first woman to lead a DAX®-listed international corporation. In connection with the position of CEO of Merck KGaA, Darmstadt, Germany, a new five-year employment contract was concluded between Belén Garijo and E. Merck KG, Darmstadt, Germany. For the fiscal year 2021, Belén Garijo received compensation for her position as an ordinary member of the Executive Board in the period from January 1, 2021, to April 30, 2021, and compensation for her position as Chair of the Executive Board for the period from May 1, 2021, to December 31, 2021.

Contracts with the members of the Executive Board are usually concluded for a period of five years. When an employment contract begins or ends during the course of the year, the fixed compensation, profit sharing and individual LTIP tranches are paid on a pro rata basis.

Should members of the Executive Board be held liable for financial losses while executing their duties, this liability risk is covered by a D&O insurance policy under certain circumstances. The D&O insurance policy has a deductible in accordance with the legal requirements.

Post-contractual non-competition clause

Post contractual non-competition clauses have been agreed with the vast majority of Executive Board members except for Marcus Kuhnert. With him it has been agreed on to conclude an agreement about a post-contractual non-competition clause if required. The post-contractual non-competition clause involves the payment of compensation amounting to 50% of the member’s average compensation within the last twelve months and is paid for a period of two years. Other earnings, pension payments and any severance payments are offset against this amount.

A post-contractual non-competition clause was agreed with Stefan Oschmann. He will be paid monthly compensation of € 343,184 in the period from May 1, 2021, to April 30, 2023. His monthly pension of € 46,667 is offset against this amount.

Obligations in connection with the cessation of Executive Board membership

The contracts of the Executive Board members do not provide for ordinary termination. The right to extraordinary termination for good cause in accordance with section 626 BGB is available to both parties without observing a notice period.

The contracts of the Executive Board members may provide for the continued payment of fixed compensation to surviving dependents for a limited period of time in the event of death. Above and beyond existing pension obligations, no further obligations are provided for in the event of the termination of the contractual relationships of the Executive Board members.

There is a cap on the amounts payable to Executive Board members in the event of the early termination of the contract without good cause justifying such termination. Pursuant to this, payments in connection with the termination of an Executive Board member’s duties shall not exceed twice the annual total compensation, or constitute compensation for more than the remaining term of the employment contract (severance cap). If an Executive Board member’s duties cease due to the termination of the employment contract either by the company or the Executive Board member before the four-year performance cycle of an open tranche in the Long-Term Incentive Plan expires, the obligations resulting from the plan continue to apply if there are specific grounds for the termination, e.g., if the employment contract is not renewed after it expires or if the Board of Partners determines this to be appropriate at its own discretion; otherwise, the obligations no longer apply. If the compensation in the fiscal year in which the Executive Board member’s duties cease is expected to be significantly higher or lower than in the previous fiscal year, the Board of Partners may decide to adjust the amount applied as the member’s total compensation at its own discretion.

The contract with Stefan Oschmann regularly ended on April 30, 2021 due to retirement as of May 1, 2021. Stefan Oschmann is receiving a pension of € 46,667 per month as a company pension since May 1, 2021. In connection with the regular termination of his position as Chief Executive Officer, he will also receive a waiting allowance of € 343,184 per month for the period from May 1, 2021 to April 30, 2023. The monthly pension will be offset against the monthly waiting allowance. Further explanations of these payments can also be found under the heading "Post-contractual non-competition clause".

Payments by affiliates of the Group

In the period from January 1, 2020, to July 13, 2020, the total compensation of Udit Batra as a member of the Executive Board also included his compensation as CEO of EMD Millipore Corp., United States. Between January 1 and July 13, 2020, Udit Batra received fixed compensation of € 413 thousand from EMD Millipore Corp., United States, as well as a bonus of € 1,008 thousand and an LTI payout of € 1,131 thousand. In the fiscal year, Udit Batra received an LTI payout of € 1,939 thousand as part of his compensation from EMD Millipore Corp., United States. These payments are included in the corresponding compensation elements paid to Udit Batra as a member of the Executive Board of E. Merck KG, Darmstadt, Germany.

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Individual disclosure of the compensation of the Executive Board

Compensation awarded and due to current members of the Executive Board in the fiscal year 2021

In accordance with the revised section 162 (1) of the German Stock Corporation Act (AktG), the compensation awarded or due to each member of the Executive Board in financial year 2021 and the respective relative share of total compensation are now presented transparently in the tables below. This includes all compensation elements which were paid out or became legally due in fiscal year 2021.

Regarding Stefan Oschmann, the compensation awarded or due, which has been paid after he has left the Executive Board (waiting allowance and pension) is presented in the section "Compensation awarded or due to former members of the Executive Board in the financial year".

To ensure a transparent presentation of the relation between business performance and the resulting compensation, compensation for fiscal year 2021 is also disclosed on a voluntary basis, with the variable compensation components being allocated to the year in which the final performance was rendered, irrespective of the actual date of payment or the legal due date.

In order to provide a complete picture of the total compensation of the Executive Board members, pension expense is also reported on a voluntary basis.

The compensation of the current members of the Executive Board is shown in the following tables.

<table>
<tr><th>In fiscal year 2021 pursuant to section 162 AktG</th><th>For fiscal year 2021 as voluntary disclosure</th></tr>
<tr><td colspan="2">Base salary</td></tr>
<tr><td colspan="2">Additional benefits</td></tr>
<tr><td>Profit sharing for fiscal year 2020,
payout in fiscal year 2021</td><td>Profit sharing for fiscal year 2021,
payout in fiscal year 2022</td></tr>
<tr><td>LTIP tranche 2018 (Jan 1, 2018-Dec 31, 2020),
payout was in fiscal year 2021</td><td>LTIP tranche 2019 (Jan 1, 2019-Dec. 31, Dec 2021),
payout will be in fiscal year 2022[1]</td></tr>
<tr><td colspan="2">Other compensation</td></tr>
<tr><td colspan="2">Sign-On Bonus for Peter Guenter</td></tr>
<tr><td colspan="2">Service cost as voluntary disclosure</td></tr>
</table>

[1] Subject to verification of compliance with the maximum remuneration

The figures presented in the table have been rounded in accordance with standard commercial practice. This may lead to the consequence that individual values cannot be added to the totals.

	Belén Garijo Chair of the Executive Board (since May 1, 2021; previously member of the Executive Board)				
	In the fiscal year (pursuant to section 162 AktG)			For the fiscal year (voluntary disclosure)	
	2021		2020	**2021**	2020
	€ thousand	in %	€ thousand	€ thousand	€ thousand
Base salary	1,433	18%	1,200	1,433	1,200
Additional benefits	169	2%	66	169	66
Profit sharing				–	3,299
Profit sharing 2019	–		3,000	–	–
Profit sharing 2020	3,299	41%	–	–	3,299
Profit sharing 2021	–		–	3,671	–
LTIP				–	3,196
LTI 2017 (2017 to 2019)	–		1,385	–	–
LTI 2018 (2018 to 2020)	3,196	39%	–	–	3,196
LTI 2019 (2019 to 2021)	–		–	4,675	–
Others	–	–	–	–	–
Compensation awarded or due pursuant to § 162 AktG	**8,097**	**100%**	**5,651**	**–**	**–**
Compensation for the fiscal year	**–**	**–**	**–**	**9,948**	**7,761**
Service cost	572	–	440	572	440
Total compensation	**8,669**	**–**	**6,091**	**10,520**	**8,201**

	Stefan Oschmann Chair of the Executive Board (until April 30, 2021)				
	In the fiscal year (pursuant to section 162 AktG)			For the fiscal year (voluntary disclosure)	
	2021		2020	**2021**	2020
	€ thousand	in %	€ thousand	€ thousand	€ thousand
Base salary	500	6%	1,400	500	1,400
Additional benefits	13	0%	269	13	269
Profit sharing				–	4,069
Profit sharing 2019	–		4,810	–	–
Profit sharing 2020	4,069	48%	–	–	4,069
Profit sharing 2021	–		–	1,287	–
LTIP	–		–	–	3,854
LTI 2017 (2017 to 2019)	–		1,670	–	–
LTI 2018 (2018 to 2020)	3,854	46%	–	–	3,854
LTI 2019 (2019 to 2021)	–		–	4,377	–
Others	–	–	–	–	–
Compensation awarded or due pursuant to § 162 AktG	**8,436**	**100%**	**8,149**	**–**	**–**
Compensation for the fiscal year	**–**	**–**	**–**	**6,177**	**9,592**
Service cost	–	–	1,611	–	1,611
Total compensation	**8,436**	**–**	**9,760**	**6,177**	**11,203**

	Kai Beckmann Member of the Executive Board				
	In the fiscal year (pursuant to section 162 AktG)			For the fiscal year (voluntary disclosure)	
	2021		2020	**2021**	2020
	€ thousand	in %	€ thousand	€ thousand	€ thousand
Base salary	1,200	19%	1,100	1,200	1,100
Additional benefits	30	0%	21	30	21
Profit sharing				–	2,640
Profit sharing 2019	–		2,400	–	–
Profit sharing 2020	2,640	42%	–	–	2,640
Profit sharing 2021	–		–	2,854	–
LTIP				–	2,444
LTI 2017 (2017 to 2019)	–		1,059	–	–
LTI 2018 (2018 to 2020)	2,444	39%	–	–	2,444
LTI 2019 (2019 to 2021)	–		–	3,825	–
Others	–	–	–	–	–
Compensation awarded or due pursuant to § 162 AktG	**6,314**	**100%**	**4,580**	**–**	**–**
Compensation for the fiscal year	**–**	**–**	**–**	**7,909**	**6,205**
Service cost	441	–	392	441	392
Total compensation	**6,755**	**–**	**4,972**	**8,350**	**6,597**

	Peter Guenter Member of the Executive Board (since January 1, 2021)				
	In the fiscal year (pursuant to section 162 AktG)			For the fiscal year (voluntary disclosure)	
	2021		2020	**2021**	2020
	€ thousand	in %	€ thousand	€ thousand	€ thousand
Base salary	1,200	72%	–	1,200	–
Additional benefits	95	6%	–	95	–
Profit sharing				–	–
Profit sharing 2019	–		–	–	–
Profit sharing 2020	–	–	–	–	–
Profit sharing 2021	–		–	3,165	–
LTIP				–	–
LTI 2017 (2017 to 2019)	–		–	–	–
LTI 2018 (2018 to 2020)	–	–	–	–	–
LTI 2019 (2019 to 2021)	–		–	–	–
Others	375	22%	–	375	–
Compensation awarded or due pursuant to § 162 AktG	**1,670**	**100%**	**–**	**–**	**–**
Compensation for the fiscal year	**–**	**–**	**–**	**4,835**	**–**
Service cost	452	–	–	452	–
Total compensation	**2,122**	**–**	**–**	**5,287**	**–**

	Matthias Heinzel Member of the Executive Board (since April 1, 2021)				
	In the fiscal year (pursuant to section 162 AktG)			For the fiscal year (voluntary disclosure)	
	2021		2020	**2021**	2020
	€ thousand	in %	€ thousand	€ thousand	€ thousand
Base salary	900	97%	–	900	–
Additional benefits	25	3%	–	25	–
Profit sharing				–	–
Profit sharing 2019	–		–	–	–
Profit sharing 2020	–	–	–	–	–
Profit sharing 2021	–		–	2,385	–
LTIP				–	–
LTI 2017 (2017 to 2019)	–		–	–	–
LTI 2018 (2018 to 2020)	–	–	–	–	–
LTI 2019 (2019 to 2021)	–		–	–	–
Others	–	–	–	–	–
Compensation awarded or due pursuant to § 162 AktG	**925**	**100%**	**–**	**–**	**–**
Compensation for the fiscal year	**–**	**–**	**–**	**3,310**	**–**
Service cost	387	–	–	387	–
Total compensation	**1,312**	**–**	**–**	**3,697**	**–**

	Marcus Kuhnert Member of the Executive Board				
	In the fiscal year (pursuant to section 162 AktG)			For the fiscal year (voluntary disclosure)	
	2021		2020	**2021**	2020
	€ thousand	in %	€ thousand	€ thousand	€ thousand
Base salary	1,200	20%	1,000	1,200	1,000
Additional benefits	42	1%	25	42	25
Profit sharing				–	2,640
Profit sharing 2019	–		2,284	–	–
Profit sharing 2020	2,640	43%	–	–	2,640
Profit sharing 2021	–		–	2,654	–
LTIP				–	2,256
LTI 2017 (2017 to 2019)	–		977	–	–
LTI 2018 (2018 to 2020)	2,256	37%	–	–	2,256
LTI 2019 (2019 to 2021)	–		–	3,300	–
Others	–	–	–	–	–
Compensation awarded or due pursuant to § 162 AktG	**6,138**	**100%**	**4,286**	**–**	**–**
Compensation for the fiscal year	**–**	**–**	**–**	**7,196**	**5,921**
Service cost	406	–	409	406	409
Total compensation	**6,544**	**–**	**4,695**	**7,602**	**6,330**

Compensation awarded and due to former members of the Executive Board in the fiscal year

The compensation awarded or due to former members of the Executive Board during the fiscal year is also presented below. Tranches of the LTIP already allocated before a member of the Executive Board left the company continue to run until the end of the originally contractually agreed term and are settled and paid out after the end of the performance period. In addition, some members who have already left the Executive Board receive fixed payments from pension plans.

In individual cases, there are pension commitments from previous agreements which provide for a supplementary annual variable payment. In accordance with the individual contractual agreements, such supplementary payment is based on the profit of the Group of E. Merck KG, Darmstadt, Germany, and is capped with reference to a percentage of the pension amount received.

The following tables show the compensation awarded or due to former members of the Executive Board in fiscal year 2021 in accordance with section 162 (1) of the German Stock Corporation Act (AktG) and the respective relative share of total compensation. For former members of the Executive Board who left the Executive Board in the last ten years, the information is given by nameing. All members of the Executive Board who left previously are presented anonymously in order to comply with § 162 Stock Corporation Act (AktG) para. 5 sentence 2 on the omission of personal data.

Compensation awarded or due

	Stefan Oschmann Chair of the Executive Board (until April 30, 2021)		
	2021		2020
	€ thousand	in %	€ thousand
Pension	373	12%	–
Others (waiting allowance)	2,745	88%	–
Compensation awarded or due pursuant to § 162 AKtG	**3,118**	**100%**	**–**

	Udit Batra Member of the Executive Board (until July 13, 2020)		
	2021		2020
	€ thousand	in %	€ thousand
Base salary	–	–	636
Additional benefits	–	–	4
Profit sharing	–		–
Profit sharing 2019	–	36%	2,800
Profit sharing 2020	1,364		–
Group LTIP	–		–
LTI 2017 (2017 to 2019)	–	64%	1,262
LTI 2018 (2018 to 2020)	2,428		–
Others	–	–	–
Pension	–	–	–
Compensation awarded or due pursuant to § 162 AKtG	**3,792**	**100%**	**4,702**
Service cost	–	–	147
Total compensation	**3,792**	**–**	**4,849**

	Walter Galinat Member of the Executive Board (until September 30, 2018)		
	2021		2020
	€ thousand	in %	€ thousand
Group LTIP			
LTI 2017 (2017 to 2019)	–	76%	759
LTI 2018 (2018 to 2020)	998		–
Others	–	–	–
Pension	313	24%	313
Compensation awarded or due pursuant to § 162 AKtG	**1,311**	**100%**	**1,072**

	Former Member of the Executive Board 1		
	2021		2020
	€ thousand	in %	€ thousand
Pension	542	57%	542
Complementary payment (variable)	406	43 %	400
Compensation awarded or due pursuant to § 162 AKtG	**948**	**100%**	**942**

	Former Member of the Executive Board 2		
		2021	2020
	€ thousand	in %	€ thousand
Pension	679	57%	679
Complementary payment (variable)	510	43%	502
Compensation awarded or due pursuant to § 162 AKtG	**1,189**	**100%**	**1,181**

	Former Member of the Executive Board 3		
	2021		2020
	€ thousand	in %	€ thousand
Pension	441	57%	441
Complementary payment (variable)	331	43 %	326
Compensation awarded or due pursuant to § 162 AKtG	**772**	**100%**	**767**

	Former Member of the Executive Board 4		
	2021		2020
	€ thousand	in %	€ thousand
Pension	447	57%	447
Complementary payment (variable)	335	43 %	330
Compensation awarded or due pursuant to § 162 AKtG	**782**	**100%**	**777**

	Former Member of the Executive Board 5		
	2021		2020
	€ thousand	in %	€ thousand
Pension	361	57%	361
Complementary payment (variable)	271	43 %	267
Compensation awarded or due pursuant to § 162 AKtG	**632**	**100%**	**628**

	Former Member of the Executive Board 6		
	2021		2020
	€ thousand	in %	€ thousand
Pension	128	67%	128
Complementary payment (variable)	64	33 %	63
Compensation awarded or due pursuant to § 162 AKtG	**192**	**100%**	**191**

	Former Member of the Executive Board 7		
	2021		2020
	€ thousand	in %	€ thousand
Pension	324	67%	324
Complementary payment (variable)	162	33 %	160
Compensation awarded or due pursuant to § 162 AKtG	**486**	**100%**	**484**

	Former Member of the Executive Board 8		
	2021		2020
	€ thousand	in %	€ thousand
Pension	211	58%	211
Complementary payment (variable)	151	42 %	148
Compensation awarded or due pursuant to § 162 AKtG	**362**	**100%**	**359**

	Former Member of the Executive Board 9		
		2021	2020
	€ thousand	in %	€ thousand
Pension	87	2%	520
Complementary payment (variable)	4,894	98 %	4,385
Compensation awarded or due pursuant to § 162 AKtG	4,980	100%	4,905

In addition, as a result of a Higher Regional Court ruling, a back payment of the 2008 and 2009 profit sharing and corresponding interest were to be paid to a former member of the Executive Board in fiscal year 2021.

	Former Member of the Executive Board 10		
	2021		2020
	€ thousand	in %	€ thousand
Back payment profit sharing			
Profit sharing 2008	3,185	65%	–
Profit sharing 2009	2,845		–
Others	3,303	35%	–
Compensation awarded or due pursuant to § 162 AKtG	**9,333**	**100%**	**–**

Former members of the Executive Board who only received pension payments in the 2021 fiscal year are shown in the following table. The compensation granted and owed in the 2021 fiscal year in accordance with section 162 (1) AktG consists entirely of non-performance-related compensation elements.

Pension payments

€ thousand	2021	2020
Karl-Ludwig Kley	630	630
Bernd Reckmann	459	430
Michael Becker	466	466
Former member of the Executive Board 11	430	418

Compliance with the defined maximum compensation

The maximum compensation limits the compensation granted in the fiscal year, i.e., the total of all non-performance-related and performance-related compensation elements granted in a fiscal year. Pension payments are not included in the maximum compensation.

The maximum compensation for the fiscal year is € 11,500,000 for the Chair of the Executive Board and € 9,500,000 each for ordinary members of the Executive Board. The total compensation awarded or due in accordance with §162 of the Stock Corporation Act (AktG) less any pension payments and plus service costs is below the defined maximum compensation in accordance with §87a AktG for all members of the Executive Board.

For Stefan Oschmann, a legacy agreement existed prior to the approval of the compensation system by the Annual General Meeting 2021, which provides for a maximum compensation of €12,700,000 in the fiscal year 2021 taking into account the retirement as of April 30, 2021. Such maximum compensation was also complied with in the fiscal year 2021.

In addition to the maximum compensation, there is a separate payment cap for each of the performance-related compensation elements. An upper limit has been set for the amount of profit sharing for all members of the Executive Board. The payout from the Long-Term Incentive Plan cannot exceed 2.5 times the individual award value, even in the case of exceptional performance. In addition, there is a cap on the amount of the total of profit sharing, LTIP and fixed compensation.

Compliance with the defined maximum compensation is ensured by the Personnel Committee setting the amounts of the variable compensation components by resolution.

The defined maximum compensation for the members of the Executive Board is shown in the following table.

Overall compensation limit

in €	Maximum compensation pursuant to section 87a AktG
Belén Garijo (Chair since May 1, 2021)	11,500,000
Kai Beckmann	9,500,000
Peter Guenter (since January 1, 2021)	9,500,000
Matthias Heinzel (since April 1, 2021)	9,500,000
Marcus Kuhnert	9,500,000

Compensation for the Supervisory Board members in fiscal year 2021

The compensation of the Supervisory Board members is defined by article 20 of the Articles of Association of Merck KGaA, Darmstadt, Germany, and corresponds to the compensation system for the Supervisory Board that was adopted by the 2021 Annual General Meeting with 99.64% of the votes cast.

Accordingly, the members of the Supervisory Board receive fixed compensation of € 47,000 per year. The Chairman receives double and the Vice Chairman receives one and a half times this amount. In addition to their fixed compensation, Supervisory Board members who are also members of the Audit Committee, which has been established in the meeting of the Supervisory Board on February 26, 2021, receive annual compensation of € 15,000. The Chair of the Audit Committee receives additional annual compensation of € 30,000. In fiscal year 2021, the compensation for membership of the Audit Committee was paid pro rata temporis.

Moreover, the members receive additional compensation of € 750 per meeting they attend.

The compensation granted and owed and the respective relative share of the total compensation for the current members of the Supervisory Board is presented in the following table. No members stepped down from the Supervisory Board in the fiscal year. There were no payments to former members of the Supervisory Board in the fiscal year.

Compensation awarded or due

	2021							2020				
	Fixed compensation		**Compensation for committee duties**		**Meeting fees**		**Total compensation**	Fixed compensation		Meeting fees		Total compensation
	€ thousand	in %	€ thousand	in %	€ thousand	in %	€ thousand	€ thousand	in %	€ thousand	in %	€ thousand
Wolfgang Büchele	94.0	86%	12.7	12%	3.0	3%	109.7	94.0	97%	3.0	3%	97.0
Sascha Held	70.5	82%	12.7	15%	3.0	3%	86.2	70.5	96%	3.0	4%	73.5
Gabriele Eismann	47.0	94%	–	–	3.0	6%	50.0	47.0	94%	3.0	6%	50.0
Edeltraud Glänzer	47.0	75%	12.7	20%	3.0	5%	62.7	47.0	94%	3.0	6%	50.0
Jürgen Glaser	47.0	95%	–	–	2.3	5%	49.3	47.0	94%	3.0	6%	50.0
Michael Kleinemeier	47.0	94%	–	–	3.0	6%	50.0	47.0	94%	3.0	6%	50.0
Renate Koehler	47.0	94%	–	–	3.0	6%	50.0	47.0	94%	3.0	6%	50.0
Anne Lange	47.0	94%	–	–	3.0	6%	50.0	47.0	94%	3.0	6%	50.0
Peter Emanuel Merck	47.0	94%	–	–	3.0	6%	50.0	47.0	94%	3.0	6%	50.0
Dietmar Oeter	47.0	94%	–	–	3.0	6%	50.0	47.0	94%	3.0	6%	50.0
Alexander Putz (since May 28, 2020)	47.0	94%	–	–	3.0	6%	50.0	27.9	95%	1.5	5%	29.4
Christian Raabe	47.0	75%	12.7	20%	3.0	5%	62.7	47.0	94%	3.0	6%	50.0
Helene von Roeder	47.0	62%	25.4	34%	3.0	4%	75.4	47.0	94%	3.0	6%	50.0
Helga Rübsamen-Schaeff	47.0	94%	–	–	3.0	6%	50.0	47.0	94%	3.0	6%	50.0
Daniel Thelen	47.0	75%	12.7	20%	3.0	5%	62.7	47.0	94%	3.0	6%	50.0
Simon Thelen	47.0	94%	–	–	3.0	6%	50.0	47.0	94%	3.0	6%	50.0

Supervisory Board member Wolfgang Büchele received an additional € 140,000 (2020: € 140,000) for 2021 in this function as a member of the corporate bodies of E. Merck KG, Darmstadt, Germany.

Supervisory Board member Helga Rübsamen-Schaeff received an additional € 150,000 (2020: € 150,000) for 2021 in this function as a member of the corporate bodies of E. Merck KG, Darmstadt, Germany and an additional € 6,000 (2020: € 6,000) for 2021 as a member of the Supervisory Board of Merck Healthcare KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany.

Supervisory Board member Michael Kleinemeier received an additional € 140,000 (2020: € 140,000) for 2021 in this function as a member of committees of E. Merck KG, Darmstadt, Germany.

Supervisory Board member Helene von Roeder received an additional € 150,000 (2020: € 150,000) for 2021 in this function as a member of the corporate bodies of E. Merck KG, Darmstadt, Germany.

Supervisory Board member Peter Emanuel Merck received an additional € 80,000 (2020: € 80,000) for 2021 in this function as a member of the corporate bodies of E. Merck KG, Darmstadt, Germany.

Supervisory Board member Daniel Thelen received an additional € 140,000 for 2021 in this function as a member of the corporate bodies of E. Merck KG, Darmstadt, Germany (2020: € 140,000).

Supervisory Board member Simon Thelen received an additional € 140,000 (2020: € 140,000) for 2021 in this function as a member of the corporate bodies of E. Merck KG, Darmstadt, Germany and an additional € 3,000 (2020: € 3,000) for 2021 as a member of the Supervisory Board of Merck Healthcare KGaA, Darmstadt, Germany, a subsidiary of Merck KGaA, Darmstadt, Germany.

Comparative presentation of compensation and earnings development

The comparative presentation in accordance with section 162 (1) no. 2 of the AktG shows the annual change in the compensation of the members of the Executive Board and the members of the Supervisory Board, the development of earnings of the Group as well as the development of the average remuneration of a full-time employee of the Group over the last five years.

For employee compensation, the average personnel expenses excluding company pension costs are used. This reflects the total compensation of employees worldwide.

For members of the Executive Board, the compensation awarded and due in fiscal years 2020 and 2021 is used in accordance with section 162 of the German Stock Corporation Act (AktG). For the years 2019, 2018 and 2017, the allocated compensation is used excluding the service costs according to the DCGK sample table in the compensation report of the respective fiscal year.

The increase in Supervisory Board compensation is due to the introduction of additional compensation for the Audit Committee.

€ thousand / in %	**2021**	2020	**Change 2021/2020**	Change 2020/2019	Change 2019/2018	Change 2018/2017
Member of the Executive Board						
Belén Garijo (Chair since May 1, 2021)	8,097	5,651	43.30%	-6.90%	7.20%	6.00%
Stefan Oschmann (until April 30, 2021)	8,436	8,149	3.50%	-11.40%	58.90%	-20.10%
Kai Beckmann	6,314	4,580	37.90 %	-11.00%	26.20%	-26.00%
Peter Guenter (since January 1, 2021)	1,670	–	–	–	–	–
Matthias Heinzel (since April 1, 2021)	925	–	–	–	–	–
Marcus Kuhnert	6,138	4,286	43.20%	-9.70%	27.40%	-4.20%
Former Member of the Executive Board						
Stefan Oschmann (until April 30, 2021)	3,118	–	–	–	–	–
Udit Batra (until July 13, 2020)	3,792	4,702	-19.40%	-16.30%	34.90%	-1.20%
Walter Galinat (until September 30, 2018)	1,311	1,072	22.30%	-10.10%	-59.30%	-7.60%
Karl-Ludwig Kley (until August 31, 2016)	630	630	–	67.10%	-25.50%	-82.00%
Bernd Reckmann (until 29. April 2016)	459	430	6.70%	-43.00%	184.50%	-87.20%
Michael Becker (until December 31, 2011)	466	466	–	1.50%	1.80%	1.60%
Former member of the Executive Board 1	948	942	0.60%	1.60%	2.40%	0.90%
Former member of the Executive Board 2	1,189	1,181	0.70 %	1.60%	2.50%	0.90%
Former member of the Executive Board 3	772	767	0.70%	1.60%	2.40%	1.00%
Former member of the Executive Board 4	782	777	0.60%	1.60%	2.40%	1.00%
Former member of the Executive Board 5	632	628	0.60%	1.60%	2.30%	1.00%
Former member of the Executive Board 6	192	191	0.50%	1.60%	2.20%	1.10%
Former member of the Executive Board 7	486	484	0.40%	1.50%	2.40%	1.10%
Former member of the Executive Board 8	362	359	0.80%	1.70%	2.30%	1.00%
Former member of the Executive Board 9	4,980	4,905	1.50%	-0.60%	-1.40%	9.80%
Former member of the Executive Board 10	9,333	–	–	–	–	–
Former member of the Executive Board 11	430	418	2.90%	–	-17.20%	32.20%
Member of the Supervisory Board						
Wolfgang Büchele	109.7	97.0	13.09%	–	–	–
Sascha Held	86.2	73.5	17.28%	110.00%	–	–
Gabriele Eismann	50.0	50.0	–	-1.50%	1.50%	–
Edeltraud Glänzer	62.7	50.0	25.40%	–	–	1.50%
Jürgen Glaser	49.3	50.0	-1.40%	42.10%	–	–
Michael Kleinemeier	50.0	50.0	–	45.20%	–	–
Renate Koehler	50.0	50.0	–	42.10%	–	–
Anne Lange	50.0	50.0	–	45.20%	–	–
Peter Emanuel Merck	50.0	50.0	–	42.10%	–	–
Dietmar Oeter	50.0	50.0	–	-1.50%	1.50%	–
Alexander Putz (since May 28, 2020)	50.0	29.4	69.83%	87.70%	-68.60%	1.50%
Christian Raabe	62.7	50.0	25.40%	42.10%	–	–
Helene von Roeder	75.4	50.0	50.80%	42.10%	–	–
Helga Rübsamen-Schaeff	50.0	50.0	–	–	–	1.50%
Daniel Thelen	62.7	50.0	25.40%	42.10%	–	–
Simon Thelen	50.0	50.0	–	42.10%	–	–
Personnel expenses without pension expenses	5,608,000	5,363,000	4.60%	8.90%	4.70%	3.70%
Average number of employees	58,706	57,580	2.00%	7.40%	-0.30%	3.40%
Average compensation of an employee	96	93	2.60%	1.40%	5.00%	0.20%
Earnings development						
Profit after tax of the Merck KGaA, Darmstadt, Germany (IFRS)	3,065,000	1,994,000	53.70%	50.60%	-61.00%	29.90%
Profit after tax of the Group of E. Merck KG, Darmstadt, Germany (IFRS)	3,003,000	1,915,000	56.80%	52.60%	-62.20%	30.40%

Independent Auditor's Report

To MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany

Report on the Audit of the Annual Financial Statements and of the Combined Management Report

Opinions

We have audited the annual financial statements of MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany which comprise the balance sheet as of December 31, 2021, the income statement for the period from January 1 to December 31, 2021, and notes to the annual financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the combined management report of MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany inclusive of the remuneration report contained in a separate section in the combined management report, including the related disclosures for the financial year from January 1, 2021, to December 31, 2021. In accordance with German legal requirements, we have not audited the components of the combined management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of December 31, 2021, and of its financial performance for the financial year from January 1, 2021 to December 31, 2021 in compliance with German Legally Required Accounting Principles, and

- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of the components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1, 2021, to December 31, 2021. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Valuation of investments in affiliated companies

Information on Shares in subsidiaries can be found in the notes to the financial statements under note 3 ("Financial assets").

THE FINANCIAL STATEMENT RISK

As of December 31, 2021, the Company reported investments in affiliated companies of EUR 22.800,7 million (in 2019: EUR 22.790,0 million) as part of financial assets. This amount represents 89% (in 2020: 90%) of total assets and thus a significant share of the Company's assets.

Investments in affiliated companies are recognized at cost or, if they are expected to be permanently impaired, at their lower fair value.

Assessing whether investments in affiliated companies are impaired depends considerably on the Company's estimates and exercise of judgment.

In the financial year 2021, the Company did not – as in the previous year – recognize impairment losses on investments in affiliated companies. Reversals of prior year impairment losses were not required in this reporting year (in 2019: EUR 14.7 million). As of December 31, 2021, cumulative impairments in in affiliated companies amount to EUR 10.3 million.

There is a risk for the financial statements that impairment of or reversals of prior year impairments in investments in affiliated companies may not be recognized in the financial statements.

OUR AUDIT APPROACH

In a first step, we obtained explanations from the Company's finance department and evaluated underlying documentation to obtain an understanding of the Company's process for testing investments in affiliated companies for impairment. In doing this, we analyzed the Company's approach to determining potentially impaired investments in affiliated companies and, based on the information obtained in the course of our audit, assessed whether there were any indicators for impairment or required reversals of impairments resulting from prior years that were not identified by the Company.

In a second step, we assessed the calculation model used by the Company to determine the value of investments and reconciled the assumptions concerning the discount rate to external information. For individual investments in affiliated companies that were selected by us using a risk based approach, we scrutinized the revenue and earnings forecasts as well as underlying assumptions prepared by the respective CFO (or other individuals, as applicable), whereby we used the current earnings situation as a starting point for our analysis. For selected investments in affiliated companies, we also assessed the accuracy of the Company's forecasting process by comparing the budgets prepared in previous years with actual results and by analyzing deviations, if any.

OUR OBSERVATIONS

The Company's assumptions and estimates regarding the valuation of participations in affiliated companies are appropriate.

Completeness and measurement of provisions for tax liabilities

For changes in provisions for tax liabilities, please refer to note 10 in the notes to the financial statements.

THE FINANCIAL STATEMENT RISK

As of December 31, 2021, the Company recorded provisions for tax liabilities in the amount of EUR 146.3 million (in 2020: EUR 171.8 million).

Application of German regulations on income tax and tax incentives is complex and subject to risks. The completeness and measurement of income tax liabilities requires Merck KGaA, Darmstadt, Germany, to exercise judgement in its assessment of tax matters and make estimates concerning tax risks. Merck KgaA, Darmstadt, Germany, engages external experts to support its own risk assessment with expert opinions from tax specialists in specific cases.

There is a risk for the financial statements that provisions for tax liabilities may not be fully recognized or not appropriately measured.

OUR AUDIT APPROACH

We involved our own specialists in tax law into the audit team in order to evaluate Merck KGaA, Darmstadt, Germany‘s, assessment of tax risks, and if experts were engaged, the related opinions of external experts engaged by Merck KGaA, Darmstadt, Germany.

We obtained an understanding of existing tax risks through inquiry of employees of the tax department. We assessed the competence, capabilities and objectivity of the external experts and evaluated their expert opinions.

In addition, we analyzed correspondence with the relevant tax authorities and assessed the assumptions underlying the determination of tax liabilities based on our knowledge and experience of how the relevant legal requirements are currently applied by the tax authorities and courts. We used a risk-based audit approach to audit the accuracy of the calculation of the income tax provisions.

OUR OBSERVATIONS

The assumptions and procedures applied by Merck KGaA, Darmstadt, Germany, for completeness and measurement of provisions for tax liabilities are reasonable.

Other Information

Management is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the components of the combined non-financial statement included in a separate section in the combined management report;
- the corporate governance statement referred to in the combined management report,
- information extraneous to management reports and marked as unaudited, and
- the remaining parts of the annual report.

The other information does not comprise the annual financial statements, the audited parts of the combined group management report and our auditor's report.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the information in the combined management report audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

In accordance with our engagement, we performed a separate review of the combined non-financial statement. For the type, scope and results of this review, please refer to our audit report dated, February 17, 2022.

Responsibilities of Management and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Furthermore, the management and the Supervisory Board are responsible for the preparation of the remuneration report contained in a separate section of the combined management report, including the related disclosures, in accordance with the requirements of Section 162 AktG. They are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Matter – Formal Review of Compensation Report

The audit of the combined management report described in this auditor's report includes the formal audit of the remuneration report required by Section 162 (3) AktG, including the issuance of a report on this audit. As we issue an unqualified audit opinion on the combined management report, this audit opinion includes that the disclosures pursuant to Section 162 (1) and (2) AktG have been made in all material respects in the remuneration report.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB.

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether therendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file MerckKGaA-2021-12-31.zip" (SHA256-Hashwert: 241df0f72f0c90276cb 0cc9737d36239903231e97d511f6e9f5ab49eee0dee53) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the combined management report contained in the electronic file made available identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from January 1, 2021 to December 31, 2021 contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the annual financial statements and the management report, contained in the electronic file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB) (IDW AsS 410 (10.2021)). Our responsibilities are further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Company's management is responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the management report in accordance with Section 328 (1) sentence 4 item 1 HGB.

In addition, the Company's management is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process of the preparation of the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and the audited combined management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor at the annual general meeting on April 23, 2021. We were engaged by the Supervisory Board on July 5, 2021. We have been the group auditor of MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany without interruption since the financial year 1995. We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Supervisory Board pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – Use of the Auditor's Report

Our auditor´s report must always be read together with the audited annual financial statements and the audited combined management report as well as the examined ESEF documents. The annual financial statements and combined management report converted to the ESEF format – including the versions to be published in the German Federal Gazette [Bundesanzeiger] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Dirk Janz.

Frankfurt am Main, 17 February 2021

KPMG AG

Wirtschaftsprüfungsgesellschaft

Original German version signed by:

Janz	Brudek
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Supplementary Information on Agenda Item 9: Report of the Executive Board on agenda item 9

In accordance with section 278 (3), 203 (2) second sentence, section 186 (4) second sentence AktG, the Executive Board is required to prepare a written report on the reasons for authorization to exclude subscription rights. The report will be available on the company's website as of the date on which the Annual General Meeting is convened (for more information see the section titled “Information and Documents for the Annual General Meeting; Company Website”). The report will be also available during the Annual General Meeting.

The report is issued as follows:

The Executive Board shall continue to have the possibility, with the approval of the Supervisory Board, of making use of financing options in the interests of the company in order to take advantage of business opportunities and to strengthen the company's equity capital base. It was authorized, by a resolution adopted by the Annual General Meeting on April 28, 2017, to increase the company’s share capital (*Grundkapital*) with the approval of the Supervisory Board and of E. Merck, Darmstadt, Germany, once or repeatedly up to and including April 27, 2022 by up to a total of € 56,521,124.19 by issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorized Capital 2017). The Executive Board has thus far not made any use of the Authorized Capital 2017.

In the opinion of the Executive Board and the Supervisory Board, it makes good sense for the company to continue to be allowed to increase the share capital even at short notice, thereby excluding the subscription rights, in order to be able, also in the future, to quickly and flexibly adapt the equity base of the company to the financial requirements. In order to continue to safeguard the company’s financing leeway for the long term, to provide the Executive Board with planning certainty and to ensure that authorized capital is readily available to the Executive Board, the existing Authorized Capital 2017 shall be cancelled at the Annual General Meeting in 2022 and replaced by new Authorized Capital 2022 in same amount, i.e. € 56,521,124.19.

For this reason, the Executive Board and the Supervisory Board propose to the Annual General Meeting under agenda item 9 that new authorized capital of up to a total of € 56,521,124.19 be created by the issuance of new no-par value bearer shares (Authorized Capital 2022). The Executive Board shall be authorized to increase the company’s share capital (*Grundkapital*) once or repeatedly with the approval of the Supervisory Board and of E. Merck KG, Darmstadt, Germany at any time up to and including April 21, 2027 on the basis of the Authorized Capital 2022. The Authorized Capital 2022 shall be available both for capital increases against cash and for capital increases against non-cash contributions.

By way of the proposed Authorized Capital 2022, the Executive Board of Merck KGaA, Darmstadt, Germany will be enabled to align the equity base of the company with the business and legal requirements at any time within the specified limits and to act quickly and flexibly in the interests of the company. In order to be able to do so, the company must always have available the necessary instruments for procuring capital, regardless of the specific utilization plans. As decisions on the coverage of capital requirements normally need to be made at short notice, it is important that the company does not have to wait for the next Annual General Meeting and does not have to call an extraordinary general meeting either. The instrument of authorized capital has been created by the legislator to address the need to procure capital at short notice. Common reasons for utilizing authorized capital include strengthening the equity capital base and financing the acquisition of equity interests.

If and when the Authorized Capital 2022 is utilized, the limited liability shareholders will generally have subscription rights. Pursuant to section 186 (5) AktG, the new shares may also be subscribed to by one or more credit institutions or an equivalent institute, which undertake to offer the shares for subscription to the limited liability shareholders (so-called indirect subscription right). The proposed authorization provides for the Executive Board to be allowed – in accordance with the legal provisions – to exclude the subscription rights of limited liability shareholders in whole or in part in the interests of the company with the approval of the Supervisory Board in the cases described below.

Exclusion of subscription rights in the case of capital increases against cash

In the case of capital increases against cash, the Executive Board shall be authorized to exclude subscription rights with the approval of the Supervisory Board in accordance with sections 278 (3), 203 (1) sentence 1 and (2) and 186 (3) sentence 4 AktG if the issue price of the new shares is not substantially lower than the stock exchange price of the shares that are already listed.

It may be expedient to make use of this statutory possibility of excluding subscription rights in order to enable the company to take advantage of favorable market situations quickly and flexibly and to satisfy any capital requirements arising in this regard, if necessary, even at very short notice. If the subscription rights were safeguarded, the establishment of terms and conditions that are close to market terms and conditions and a problem-free placement would not be possible. Section 186 (2) AktG does permit publication of the subscription price up until the third last day of the subscription period. However, in view of the frequently present volatility on the stock markets, there is also a market risk – in particular the risk of price changes over several days – which generally results in safety margins when determining the issue price and thus to terms and conditions that are not close to market terms and conditions. Even where a subscription right exists, the successful placement with third parties is jeopardized or associated with additional expenses due to uncertainty about its exercise (subscription behavior). Finally, if subscription rights are granted, the company – due to the length of the subscription period – cannot react quickly to changes in the market situation but is instead exposed to possible falling share prices during the subscription period that can result in an unfavorable procurement of equity capital for the company. The exclusion therefore promotes practicability of the capital increase and facilitates the processing of a share issue.

The proportion of the share capital attributable to the shares issued by such exclusion of subscription rights must not exceed, in total, 10% of the share capital either at the time when this authorization takes effect or at the time of when this authorization is exercised. Within this limit, the legislator deems it reasonable for the (limited liability) shareholders to maintain the percentage of their shareholding by purchases on the market. This restriction to 10% of the share capital also includes the proportional amount of the share capital attributable to shares that are issued or sold during the term of the Authorized Capital 2022, with subscription rights being excluded on the basis of an authorization to issue new shares or sell own shares by direct or analogous application of section 186 (3) sentence 4 AktG. The proportional amount of the share capital that is attributable to shares which may or must be issued in order to service bonds carrying a conversion or option right or a conversion or option obligation shall also count towards this 10% limit if the bonds are issued during the term of the Authorized Capital 2022 by excluding the subscription rights of limited liability shareholders by analogous application of section 186 (3) sentence 4 AktG. This serves to protect the limited liability shareholders in order to keep the dilution of their shareholding as low as possible.

This model allows for the limited liability shareholders' participation rate to be diluted by no more than 10% even when capital measures are combined with the issue of bonds and/or the sale of own shares of the company. Aside from this, the limited liability shareholders will be generally able, because the issue price of the new shares is close to the stock exchange price and because the volume of the capital increase with subscription rights being excluded is limited, to maintain their participation rate by acquiring the necessary shares on the stock exchange on approximately the same terms and conditions. It is therefore ensured that the financial and participation-related interests remain adequately protected, in line with the legal rationale of section 186 (3) sentence 4 AktG, when Authorized Capital 2022 is utilized with subscription rights being excluded, while giving the company a wider scope of action in the interests of all the limited liability shareholders.

Exclusion of subscription rights in the case of capital increases against contributions in kind

The Executive Board shall also be authorized to exclude the subscription rights of limited liability shareholders with the approval of the Supervisory Board in the case of capital increases against contributions in kind, in particular for the purpose of acquiring enterprises, parts of enterprises or interests in enterprises.

This shall enable Merck KGaA, Darmstadt, Germany to offer shares of the company quickly and flexibly in suitable individual cases in order to satisfy claims arising from the preparation, implementation, closing, or settlement of contractual or statutory acquisition processes as well as company mergers without using the stock markets. Merck KGaA, Darmstadt, Germany competes at a global level. It must be in a position at all times to act quickly and flexibly on the international and regional markets in the interests of its limited liability shareholders. This includes acquiring enterprises, businesses, parts of or interests in enterprises, or other assets or claims to the acquisition of assets, including claims against the company or its group companies, at short notice in order to improve its competitive position. In return, it may be expedient or even necessary to grant shares in order to preserve liquidity or to meet the sellers' expectations. The granting of shares instead of money may also be reasonable from the perspective of an optimum financing structure. This will not be disadvantageous to the company, as the issue of shares against a contribution in kind requires for the value of such contribution in kind to be in due proportion to the value of the shares. When determining the valuation ratio, the Executive Board will ensure that the interests of the company and of its limited liability shareholders are appropriately protected and that an adequate issue price is achieved for the new shares. Moreover, the company's listing on the stock exchange generally enables every limited liability shareholder to increase its participation rate by acquiring additional shares.

Exclusion of subscription rights to enable E. Merck KG, Darmstadt, Germany, to exercise its rights pursuant to sections 32 (3), 33 of the Articles of Association

In addition, the Executive Board with the approval of the Supervisory Board shall be authorized to exclude the subscription rights of limited liability shareholders in order – in the event that the share capital is increased – to create subscription rights for E. Merck KG, Darmstadt, Germany in accordance with its share in the total capital of the company or in order to enable E. Merck KG, Darmstadt, Germany to convert, in full or in part, its equity interest into limited partnership shares. By excluding subscription rights, the rights of E. Merck KG, Darmstadt, Germany pursuant to sections 32 (3) and 33 of the Articles of Association to participate in a capital increase by issuing shares or freely transferable share subscription rights and to convert, in full or in part, its equity interest into limited partnership shares are thus secured. The exclusion of subscription rights is necessary in order to be able to also satisfy the rights of E. Merck KG, Darmstadt, Germany arising from sections 32 (3) and 33 of the Articles of Association – as provided for in the Articles of Association – by utilizing the Authorized Capital.

Exclusion of subscription rights for bonds with detachable warrants and convertible bonds

Further, the Executive Board shall be authorized to exclude the subscription rights of limited liability shareholders with the approval of the Supervisory Board also to the extent that this is necessary to grant the holders or creditors of conversion or option rights and/or the holders or creditors of financing instruments carrying conversion or option obligations, which were or are issued by the company or by a domestic or foreign company in which the company directly or indirectly holds the majority of the votes and capital, a subscription right to the same extent to which they would be entitled after exercising the conversion or option rights or after performing a conversion or option obligation.

The reasons for this are as follows: The economic value of the aforementioned conversion or option rights or the bonds with conversion or option obligations depends not only on the conversion or option price but also and in particular on the value of the shares of the company to which the conversion or option rights or conversion or option obligations relate. In order to ensure a successful placement of the respective bonds or, rather, to avoid a corresponding markdown in the price during placement, it is therefore common practice to include so-called anti-dilution provisions in the terms and conditions of the bonds, which will protect the holders of the rights from a loss in the value of their conversion or option rights as a result of a dilution of the value of the shares to be subscribed; the inclusion of such anti-dilution provisions in the terms and conditions of the bonds is therefore also provided for in the authorization to issue bonds with warrants and/or convertible bonds, participation rights or participation bonds, as resolved under agenda item 8 by the Annual General Meeting on April 27, 2018. In the absence of such protection against dilution, the subsequent issuance of shares by granting the subscription rights to limited liability shareholders would typically result in such dilution of the value of the shares. The aforementioned anti-dilution provisions in the terms and conditions of the bonds regularly provide for a reduction of the conversion or option price in such a case, with the result that in the event of the subsequent conversion or exercise of the option or the subsequent performance of a conversion or option obligation, the funds accruing to the company are reduced and the number of shares to be issued by the company is increased, respectively.

As an alternative which makes it possible to avoid reducing the conversion or option price, the anti-dilution provisions usually permit the holders of rights under bonds with conversion or option rights or conversion or option obligations to be granted a right to subscribe to new shares to the extent to which they would be entitled after exercising their own conversion or option rights or after performing their conversion or option obligations. They are thus treated as if they had already become a (limited liability) shareholder prior to the offer to subscribe by exercising the conversion or option rights or by performing any conversion or option obligations, and would already be entitled to subscribe to that extent. Consequently, like all (limited liability) shareholders already holding shares, they are compensated for the dilution of value by the value of the subscription right. For the company, this second alternative for granting protection against dilution has the benefit that the conversion or option price need not be reduced; therefore, this alternative serves to ensure the largest possible inflow of funds in the event of a subsequent conversion or exercise of the option or the subsequent performance of any conversion or option obligation and reduces the number of shares to be issued in this case, respectively. This also benefits the participating limited liability shareholders so that this is at the same time compensation for the restriction of their subscription right. Their subscription right as such continues to exist and is merely reduced pro rata to the extent to which, in addition to the participating limited liability shareholders, the holders of the conversion or option rights or bonds with conversion or option obligations are also granted a subscription right. In case of an issue of subscription rights, the present authorization will enable the company to choose between one of the two aforementioned alternatives for granting protection against dilution, by weighing the limited liability shareholders' interests against those of the company.

Exclusion of subscription rights for fractional amounts

The Executive Board shall furthermore be authorized to exclude the subscription rights of limited liability shareholders for fractional amounts with the approval of the Supervisory Board. Such exclusion of subscription rights shall allow for a practicable subscription ratio and shall thus facilitate the technical implementation of a capital increase. The value of the fractional amounts is normally low, whereas the time and effort required to issue shares without excluding subscription rights for fractional amounts is regularly much higher. When it comes to fractional amounts, the costs associated with trading in subscription rights would not be proportional to the benefit for the limited liability shareholders. The new shares that will be excluded from the subscription rights of limited liability shareholders as so-called “non-allocable fractional amounts” will be used in the best possible way for the company. The exclusion of subscription rights in these cases will thus serve to make an issue and its implementation more practicable and feasible.

Further information

There are at present no specific plans to make use of the proposed authorizations. Each and every case of an exclusion of the subscription right, as proposed herein, will require the approval of the Supervisory Board. Moreover, the sum of shares issued on the basis of the Authorized Capital 2022 under the exclusion of subscription rights must not exceed a proportional amount of 10% of the share capital, by taking into account other shares of the company that, during the term of the Authorized Capital 2022, are sold or issued or are to be issued under the exclusion of subscription rights. In this way, the limited liability shareholders will be protected against dilution of their holdings to a greater degree than required by law.

Further, the Executive Board will carefully consider in each individual case whether it would be in the interests of the company to make use of the Authorized Capital 2022; the Executive Board will in particular also consider whether a possible exclusion of subscription rights is objectively justified in a specific case. The Executive Board will report to the next Annual General Meeting on any utilization of the authorization.

Merck KGaA

Darmstadt, Germany, February 15, 2022

Belén Garijo Lopez	Dr. Kai Beckmann
Peter Guenter	Dr. Matthias Heinzel
Dr. Marcus Kuhnert	

Requirements for exercising shareholder rights in connection with the virtual Annual General Meeting and exercising voting rights

1. **Virtual Annual General Meeting without the physical presence of the shareholders**

In accordance with section 1 (1), (2), (6) sentence 1, (8) sentence 1 of the German Act on Measures in Corporate, Cooperative, Association, Foundation and Housing Law to Combat the Effects of the COVID-19 Pandemic in the version applicable as of September 10, 2021 (COVID-19 Act), the Executive Board has decided, with the consent of the Supervisory Board, that the Annual General Meeting will be held as a virtual Annual General Meeting without the physical presence of the shareholders or their proxies (with exception of the proxies appointed by the company) and that the shareholders will cast their votes in the Annual General Meeting in particular also by means of electronic communication. Physical presence of the shareholders or their proxies (with exception of the proxies appointed by the company) is thus excluded.

Holding the Annual General Meeting in the form of a virtual Annual General Meeting under the COVID-19 Act results in modifications to the procedures of the Annual General Meeting and to the shareholder rights. The entire Annual General Meeting will be webcast in audio and video format via the Internet, shareholders will be able to exercise their voting rights via electronic communication and issue a power of attorney, shareholders will have the right to ask questions via electronic communication, and shareholders who have exercised their voting rights will be able to object to resolutions of the Annual General Meeting via electronic communication.

Once again, this year we ask shareholders to pay particular attention to the following information on registering for the Annual General Meeting, exercising voting rights and other shareholder rights.

2. **Registration and evidence of share ownership**

To be eligible to exercise shareholder rights in connection with the virtual Annual General Meeting, shareholders must have registered with the company under the following address and submitted evidence of share ownership or evidence pursuant to section 67c (3) AktG related to the beginning of **April 1, 2022** (0:00 CEST, "record date") and issued by the custodial bank or financial institute to the following address:

Merck KGaA
Darmstadt, Germany
c/o Deutsche Bank AG
Securities Production
General Meetings
Postbox 20 01 07
60605 Frankfurt am Main
Germany
or fax: +49 69 12012-86045
or email: wp.hv@db-is.com

Registration and evidence of share ownership must be in text form (section 126b German Civil Code – "BGB") in either German or English. The registration and evidence must be received by the company at the aforementioned address on **April 15, 2022, 24:00 CEST** at the latest.

Following receipt of registration and evidence of share ownership, the access medium to the Annual General Meeting will be sent to the shareholder or his/her proxy. In order to ensure the timely receipt of the access medium, we kindly request shareholders to be sure to send their registration and evidence of share ownership to the company in a timely manner. The access medium contains the access data for the web-based Annual General Meeting system ("Investor Portal") which provides shareholders with various options for voting and proxy authorization as well as for the exercise of other rights (including the right to ask questions). Details on the registration, proxy authorization and exercise of rights at the Annual General Meeting are set out below.

3. **Meaning of the record date**

The record date is the date that is decisive for the extent and the exercise of shareholder rights. With a view to the Annual General Meeting and the exercise of voting rights, only individuals who have provided evidence of share ownership on the record date are considered shareholders of the company. The eligibility to exercise shareholder rights or the extent of the voting right is determined exclusively by share ownership per the record date. Changes in share ownership after the record date have no significance in this context. The record date does not involve a suspension of the ability to sell the shares held. Also in the event of the full or partial sale of the shares after the record date, the exercise of shareholder rights and the extent of the voting right are exclusively determined by the share ownership on the record date, i.e. the sale of shares after the record date has no impact on the eligibility to exercise shareholder rights or the extent of the voting right. This applies accordingly to the acquisition of additional shares after the record date. Persons who do not yet own shares as of the record date and only become shareholders thereafter are only entitled to exercise shareholder rights insofar as they are authorized by the previous shareholder to represent them or to exercise their rights on their behalf. The record date is of no relevance to a possible dividend entitlement.

4. **Representation by third-party proxies**

Shareholders who do not wish to exercise their shareholder rights in connection with the Annual General Meeting personally may also be represented by a third party as a proxy, e.g. by an intermediary (such as a credit institution) or shareholder association or by another third party. Pursuant to the aforementioned provisions, timely registration and evidence of share ownership are also required in the case of representation by third parties as proxies. The exercise of rights by a proxy by means of electronic communication via the Investor Portal requires that the proxy received the access medium which was sent to the shareholder from the shareholder or that the access medium was sent directly to the proxy.

The authorization, changes of the authorization, its revocation and evidence thereof vis-à-vis the company must be given in text form or electronically via the Investor Portal on the company's website (www.merckkgaa-darmstadt-germany.com/agm) if neither an intermediary (e.g. a credit institution), nor a shareholder association nor any other equivalent person in section 135 AktG is authorized to exercise the voting rights.

Shareholders wishing to authorize a third party as a proxy are kindly requested to use the form provided by the company. It is sent to persons who register correctly together with the access medium.

Shareholders can use the Investor Portal for proxy authorization. In order to use the Investor Portal, it is necessary to enter the number printed on the access medium as well as a verification code that can also be found on the access medium. The Investor Portal simultaneously serves as an electronic means of transmitting evidence to the company of having appointed a proxy.

The authorization, changes of the authorization, its revocation and evidence of having authorized a proxy can be transmitted to the company prior to the Annual General Meeting by surface mail, by fax or by email to the following address:

Merck KGaA
Darmstadt, Germany
c/o Computershare Operations Center
80249 Munich
Germany
or fax: +49 89 30903-74675
or email: anmeldestelle@computershare.de

In this case, the transmission must take place for organizational reasons by **April 21, 2022, 24:00 CEST** at the latest.

The authorization, changes of the authorization, its revocation, and evidence of having authorized a proxy can also be transmitted via the Investor Portal at

www.merckkgaa-darmstadt-germany.com/agm.

A corresponding transmission is possible until the beginning of the voting process on April 22, 2022 in order to exercise the voting right. The exact point in time will be announced by the Chair of the Meeting.

When authorizing an intermediary (e.g. a credit institution), a shareholder association or another person equated in section 135 AktG to exercise voting rights, the authorization must be recorded by the proxy holder in a verifiable manner. The authorization must be completed in full and may only contain statements related to the exercise of voting rights. Shareholders wishing to authorize an intermediary (e.g. a credit institution), a shareholder association or another person equated in section 135 AktG should come to an agreement with this party about the form of the authorization.

If the shareholder authorizes more than one person, the company may reject one or more of them.

Physical presence of third-party proxies (with exception of the proxies appointed by the company) during the Annual General Meeting is excluded. Third-party proxies can exercise the voting rights for the represented shareholders exclusively by way of absentee voting or by granting (sub-)proxy authorization to the proxy appointed by the company. The instructions set out above apply accordingly.

Shareholders will receive further details on exercising shareholder rights as well as on granting authorization to third-party proxies together with the access medium or by visiting the website of the company (www.merckkgaa-darmstadt-germany.com/agm).

5. **Representation by proxies appointed by the company**

In addition, we offer our shareholders the possibility of exercising their voting rights through proxies appointed by our company. Timely registration and evidence of share ownership pursuant to the aforementioned provisions are also required in the case of representation by proxies appointed by the company.

For this purpose, the proxies must be given the required authorization and instructions on how the votes are to be cast. The proxies are obliged to vote in line with the instructions given to them; without instructions from the shareholder, the proxies appointed by the company are not authorized to exercise the shareholder's voting rights. In case of absence of express and clear instructions, the proxy specified by the company shall abstain from voting on the relevant voting item. They will not accept any instructions relating to requests to speak, asking questions or bringing forward motions or nominations, or the filing of objections against resolutions by the Annual General Meeting.

Prior to the Annual General Meeting, authorizations and instructions to the proxies appointed by the company can be granted electronically via the Investor Portal or via the form entitled "*Vollmacht und Weisungen für die Stimmrechtsvertretung durch von der Gesellschaft benannte Vertreter*", which can be found on the access medium which is sent to shareholders after registration. Authorizations and instructions to the proxies appointed by the company as well as changes thereto and their revocation that are submitted to the company by surface mail, by fax or by email must be received by the company no later than April 21, 2022 (24:00 CEST) at the following address:

Merck KGaA
Darmstadt, Germany
c/o Computershare Operations Center
80249 Munich
Germany
or fax: +49 89 30903-74675
or email: anmeldestelle@computershare.de

Authorizations and instructions to the proxies appointed by the company may also be granted, amended, or revoked via the Investor Portal at

www.merckkgaa-darmstadt-germany.com/agm

even during the Annual General Meeting on April 22, 2022 until the beginning of the voting process.

Authorized third-party proxies, intermediaries (e.g. credit institutions), shareholders' associations or other equivalent persons as defined in section 135 AktG may also authorize and instruct the proxies appointed by the company.

Shareholders will receive further details on granting authorization and issuing voting instructions to the proxies appointed by the company together with the access medium.

6. Voting by postal vote

Shareholders may also cast their votes in writing, in text form or by means of electronic communication without participating in the Annual General Meeting ("postal vote"). Timely registration and evidence of share ownership as described above are also required in case of voting by postal vote.

Prior to the Annual General Meeting, postal votes and any changes or revocations thereto may be cast electronically via the Investor Portal or by sending the form "*Stimmrechtsausübung per Briefwahl*" provided to the shareholders together with the access medium. If the postal vote form is used, the completed form must be received by surface mail, fax or email at the following address by April 21, 2022 (24:00 CEST) at the latest:

Merck KGaA
Darmstadt, Germany
c/o Computershare Operations Center
80249 Munich
Germany
or fax: +49 89 30903-74675
or email: anmeldestelle@computershare.de

Via the Investor Portal at

www.merckkgaa-darmstadt-germany.com/agm

postal votes may still be cast, changed or revoked during the Annual General Meeting on April 22, 2022 until the beginning of the voting process.

Shareholders will be sent further details on how to cast postal votes together with the access medium.

Authorized third-party proxies, intermediaries (e.g. credit institutions), shareholders' associations or other equivalent persons as defined in section 135 AktG may also avail themselves of postal voting.

If declarations received by different means of transmission deviate from each other and it is not clear which was submitted last, they will be taken into account applying following priority: 1. via the Investor Portal, 2. by e-mail, 3. by fax and 4. by surface mail.

If an individual vote is held on an agenda item, the vote cast or instruction given on this agenda item shall apply accordingly to each item of the individual vote.

Votes cast by postal vote or proxies and instructions on agenda item 3 (appropriation of net retained profits) shall remain valid even in the event of an adjustment to the proposed appropriation of net retained profits as a result of a change in the number of shares carrying dividend rights.

7. Opportunity to object to resolutions of the Annual General Meeting

Shareholders who have exercised their voting rights by postal vote or by proxy are given the opportunity to object to resolutions of the Annual General Meeting. Objections can be declared via the Investor Portal throughout the Annual General Meeting until it ends. Such declarations can be submitted via the Investor Portal.

8. Transmission of the Annual General Meeting via the Internet

Duly registered shareholders and the interested public can follow the entire Annual General Meeting on April 22, 2022 from 10:00 a.m. CEST via the Internet at www.merckkgaa-darmstadt-germany.com/agm. The live webcast does not permit participation in the Annual General Meeting within the meaning of section

118 (1) sentence 2 AktG. The speech of the Chair of the Executive Board and the voting results will also be published on the company's website following the Annual General Meeting.

9. **Publication of the speech of the Chair of the Executive Board**

The company expects to publish a manuscript of the speech by the Chair of the Executive Board on the website of Merck KGaA, Darmstadt, Germany on April 11, 2022.

Disclosure of rights of shareholders in accordance with section 278 (3) AktG in conjunction with sections 122 (2), 126 (1), 127 AktG, in each case in conjunction with section 1 of the COVID-19 Act

1. **Motions to add agenda items pursuant to sections 278 (3) and 122 (2) AktG**

Pursuant to sections 278 (3) and 122 (2) AktG, shareholders whose shares amount in aggregate to not less than a twentieth of the share capital or represent an amount of the share capital corresponding to € 500,000.00, may demand that items are put on the agenda and published. Each new item shall be accompanied by an explanation or a draft proposal. Pursuant to sections 278 (3), 122 (2) AktG, such requests are to be made in writing and must be received by the company at least 30 days before the Annual General Meeting, i.e., at the latest by the end of March 22, 2022 (24:00 CET) at the following address:

Merck KGaA
Darmstadt, Germany
- HV-Büro -
Frankfurter Strasse 250
64293 Darmstadt
Germany

Those submitting such requests must document that they have been the owners of the shares for the duration of at least 90 days prior to the day of the receipt of the request and hold the shares until such time as a decision of the Executive Board is rendered regarding their request (sections 278 (3), 122 (2), 122 (1) sentence 3 AktG and 70 AktG).

The announcement and provision of requests for supplements is carried out in the same way as convening notices.

2. **Countermotions and nominations by shareholders pursuant to sections 278 (3), 126 and 127 AktG in conjunction with section 1 (1), (2) COVID-19 Act**

Motions or nominations by shareholders which are to be made available pursuant to sections 278 (3), 126, 127 AktG shall be deemed to have been made at the meeting if the shareholder making the motion or submitting the nomination is duly authorized and has registered for the Annual General Meeting. Shareholders therefore have the right to submit countermotions to proposals of the Executive Board and Supervisory Board on certain agenda items and to submit nominations for the election of the auditor prior to the Annual General Meeting pursuant to the following provisions. Countermotions must include a statement of reasons; such statement of reasons is not required for nominations.

Any countermotions and nominations received by the company at the following address no later than 14 days before the day of the Annual General Meeting, i.e. by April 7, 2022, 24:00 CEST, will be published immediately after receipt on the Internet at (www.merckkgaa-darmstadt-germany.com/agm) including the name of the shareholder and – in case of countermotions – including the statement of reasons in application of sections 278 (3), 126 and 127 AktG. Possible statements by the administration will also be published under the same Internet address.

Countermotions to the agenda and nominations are to be directed exclusively to the following address of the company:

Merck KGaA
Darmstadt, Germany
- HV-Büro -
Frankfurter Strasse 250
64293 Darmstadt
Germany
or fax: +49 6151 72-9877
or email: hauptversammlung@merckkgaa-darmstadt-germany.com

Any countermotions and nominations sent to any other addresses cannot be considered.

3. **Right to ask questions by way of electronic communication**

Pursuant to section 1 (1), (2) of the COVID-19 Act, shareholders are offered the right to submit questions by way of electronic communication.

The Executive Board has stipulated with the approval of the Supervisory Board that any questions must be submitted by electronic means one day prior to the Annual General Meeting at the latest. The Executive Board will decide how to answer the questions, according to its dutiful and free discretion.

Shareholders and their proxies who have registered for the Annual General Meeting may submit their questions to the company until April 20, 2022 (24:00 CEST) by using the corresponding form in the Investor Portal at

www.merckkgaa-darmstadt-germany.com/agm.

We note that in the context of answering questions also the name of the shareholder submitting the question may be disclosed, as long as the shareholder has not explicitly contradicted to the disclosure of the name by using the checkbox next to the question to be submitted.

During the Annual General Meeting, a shareholder who properly submitted his or her questions in advance will have the opportunity as described below to place follow-up questions to a limited extent related to his/her own questions. The submission of follow-up questions will be allowed for a specific period during the Annual General Meeting. Follow-up questions can only be considered if they are submitted by the shareholder who asked the question to which the follow-up question refers. New questions or follow-up questions concerning questions placed by other shareholders during the Annual General Meeting cannot be considered. Follow-up questions may be submitted during the Annual General Meeting using exclusively the access-protected Investor Portal while specifying the question submitted in advance which the follow-up question refers to. The right to information as stipulated in section 131 (1) AktG does not apply to follow-up questions.

The company reserves the right not to allow follow-up questions, even those that were properly submitted, and not to answer them if the time required for answering the questions properly submitted in advance of the Annual General Meeting does not allow this. The Chair of the Meeting may place appropriate time restrictions on the opportunity to ask follow-up questions. In particular, the Chair is at liberty, at the beginning of or during the Meeting, to set an appropriate time frame for the individual follow-up questions or the follow-up questions overall.

4. **Opportunity to submit statements for publication prior to the Annual General Meeting**

Due to the design of the virtual Annual General Meeting as per the COVID-19 Act, shareholders do not have the opportunity to speak at the Annual General Meeting regarding the agenda. However, above and beyond the requirements of the COVID-19 Act, shareholders and their proxies are provided the opportunity to submit statements regarding the agenda to the company prior to the Annual General Meeting; these statements will be published in the Investor Portal and can be viewed there by shareholders until the end of the Annual General Meeting.

Shareholders and their proxies may submit corresponding statements in text form as well as in the form of a video or audio contribution, stating their name and shareholder number, by Tuesday, April 19, 2022 (24:00 CEST) via the Investor Portal.

Submissions in text form should not exceed 5,000 characters and video or audio submissions should not exceed three minutes. Statements by video or audio contribution are only permissible if the shareholder or his/her proxy is speaking in person. Statements are to be submitted in German only.

It should be noted that there is no legal entitlement to the publication of an opinion, in whatever form. The company reserves the right not to publish statements without any reference to the agenda of the Annual General Meeting as well as statements whose length exceeds 5,000 characters or a duration of three minutes or which have not been submitted via the Investor Portal by the time specified above. The same applies to statements with insulting or criminally relevant content or obviously false or misleading content. Furthermore, the company reserves the right to publish only one statement per shareholder. Any motions, election proposals, questions, or objections to resolutions of the Annual General Meeting in the submitted statements will not be considered. These must be submitted exclusively by the means described separately in this Notice of the Annual General Meeting.

Further information on the opportunity to submit statements will be published on the company's website (www.merckkgaa-darmstadt-germany.com/agm).

Statements duly submitted in advance of the Annual General Meeting in accordance with the aforementioned provisions will be published in the Investor Portal as of April 13, 2022.

The company reserves the right to present statements in full or excerpts thereof either in video or audio format either directly before or during the Annual General Meeting.

By submitting the statement, the shareholder and/or his/her proxy agree that the statement may be published with the shareholder's name or, as the case may be, with the proxy’s name.

5. **Supplementary information**

Further details on the rights of shareholders

Further details on the rights of shareholders pursuant to section 278 (3) in conjunction with sections 122 (2), 126 (1), 127, and 131 (1) AktG (in conjunction with section 1 COVID-19 Act, where applicable) as well as an overview over the information in accordance with section 125 AktG in conjunction with Article 4, Table 3 of the Annex of the Implementing Regulation (EU) 2018/1212 ("EU IR") can be found on the website of the company (www.merckkgaa-darmstadt-germany.com/agm).

Information and Documents for the Annual General Meeting; company website

The information pursuant to section 124a AktG and further information relating to the Annual General Meeting is available on the following website of the company once the Annual General Meeting has been convened and during the Annual General Meeting:

www.merckkgaa-darmstadt-germany.com/agm

In particular, the documents mentioned with reference to agenda items 1, 2, 8, and 9 are available there.

Upon request, each shareholder will receive a copy of the aforementioned documents without undue delay and free of charge. The request is to be sent to the address referred to above in section 2 (countermotions and nominations by shareholders pursuant to sections 278 (3), 126 and 127 AktG in connection with section 1 (1), (2) sentence 3 COVID-19 Act).

Any requests from shareholders for items to be included on the agenda, countermotions and nominations of candidates for election that require publication will also be made available on the aforementioned website.

Time references in this Notice of the Annual General Meeting

All time references in this Notice of the Annual General Meeting are to Central European Time (CET) for dates up to and including March 27, 2022, and to Central European Summer Time (CEST) for dates from and including March 28, 2022. With regard to coordinated universal time (UTC), this corresponds to the ratio UTC = CET minus one hour or UTC = CEST minus two hours.

Total number of shares and voting rights when the Annual General Meeting is convened

As of the date on which the Annual General Meeting is convened, the subscribed capital of the company amounts to € 168,014,927.60 (in words: one hundred sixty-eight million, fourteen thousand nine hundred twenty-seven euros and sixty cents), divided into 129,242,251 no-par value bearer shares plus one registered share. Each of the total number of 129,242,252 shares grants the holder one vote, which means that as of the date on which the Annual General Meeting is convened, 129,242,252 voting rights exist.

6. Notes on data protection

The legally compliant collection and processing of personal data of the shareholders and their proxies is of great importance to the company. The collection and processing of personal data (in particular, name, first name, address, email address, number of shares, class of shares, type of share ownership, number of the access medium as well as – where applicable – name, first name and address of the proxy authorized by the respective shareholder) is carried out in accordance with the applicable data protection laws.

The collection and processing of personal data is absolutely necessary for exercising shareholder rights in connection with the virtual Annual General Meeting and is carried out for this purpose for each registering shareholder or his/her proxies. The company is responsible for collection and processing. It is our legal obligation to hold an Annual General Meeting and to enable the exercise of voting rights. For this purpose, we have to process the named data. The legal basis for the processing of your personal data is the German Stock Corporation Act (AktG) in conjunction with Article 6 (1) lit. c) General Data Protection Regulation (GDPR).

Computershare Deutschland GmbH & Co. KG, Munich, Germany, as the external service provider commissioned for the technical execution of the Annual General Meeting, shall only receive as much personal data as is necessary for the performance of the commissioned service and shall process the data exclusively on behalf of and in accordance with the instructions of the company. Personal data of the shareholders or their proxies will only be processed in European Union member states.

Shareholders and their proxies have the right to access, correct, restrict, and delete their personal data in accordance with applicable law with regard to the processing of such information. Shareholders or their proxies may assert these rights vis-à-vis the company free of charge and at any time using the following contact details:

Merck KGaA
Darmstadt, Germany
- HV-Büro -
Frankfurter Strasse 250
64293 Darmstadt
Germany
or fax: +49 6151 72-9877
or email: hauptversammlung@merckkgaa-darmstadt-germany.com

The company's data protection officer can be reached at:

Merck KGaA
Darmstadt, Germany
- Data Protection Officer -
Frankfurter Strasse 250
64293 Darmstadt
Germany
or fax: +49 6151 72-915167
or email: datenschutz@merckkgaa-darmstadt-germany.com

Further information on data protection, in particular on our storage obligations and the rights of shareholders and their proxies, is available on the company's website (www.merckkgaa-darmstadt-germany.com/agm).

Information in accordance with section 125 AktG in conjunction with the Implementing Regulation (EU) 2018/1212 (EU IR)

A. Specification of the message

1. Unique identifier of the event: Virtual Annual General Meeting 2022 of Merck KGaA, Darmstadt, Germany (Format of the EU IR: fd98b8aafe99ec11812c005056888925)

2. Type of message: Notice of the Annual General Meeting (Format of the EU-IR: NEWM)

B. Specification of the issuer

1. ISIN: DE0006599905

2. Name of issuer: MERCK Kommanditgesellschaft auf Aktien, Darmstadt, Germany

C. Specification of the meeting

1. Date of the meeting: April 22, 2022 (Format of the EU IR: 20220422)

2. Time of the meeting: 10:00 a.m. CEST (Format of the EU IR: 8:00 a.m. UTC)

3. Type of meeting: Virtual Annual General Meeting without the physical attendance of shareholders or their proxies (Format of the EU IR: GMET)

4. Location of the meeting: Location of the Annual General Meeting pursuant to the German Stock Corporation Act (AktG): Frankfurter Str. 250, 64293 Darmstadt, Germany

URL to the company's Investor Portal in order to follow the video and audio transmission of the Annual General Meeting and to exercise shareholder rights: www.merckkgaa-darmstadt-germany.com/agm

5. Record Date: The record date within the meanig of section 123 (4) AktG and section 22 (2) of the Articles of Association of the company is April 1, 2022 0:00 CEST (Format of the EU IR: 20220331, 10:00 p.m. UTC)

6. Website for the meeting/URL: www.merckkgaa-darmstadt-germany.com/agm

Further information on the Notice of the Annual General Meeting (blocks D through F of Table 3 of the Annex to the Implementing Regulation (EU) 2018/1212)

Information on participation in the Annual General Meeting (block D), the agenda (block E) and details of the deadlines for exercising other shareholder rights (block F) can be found on the following website: www.merckkgaa-darmstadt-germany.com/agm

Merck Kommanditgesellschaft auf Aktien, Darmstadt, Germany, March 2022
The Executive Board