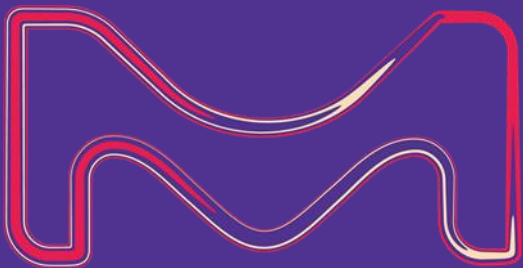


Supervisory Board election 2024

Preparatory information for shareholders

Merck KGaA, Darmstadt, Germany
March 2024





Agenda

- 01 supervisory board compensation
- 02 supervisory board election
- 03 candidates' profiles

AGM Agenda 2024

TOP No.	Description	
1 No voting	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 fiscal 2023 and the Report of the Supervisory Board	} Annually recurring agenda items
2	Resolution on the adoption of the annual financial statements for fiscal year 2023	
3	Resolution authorizing the appropriation of the net retained profit for fiscal year 2023	
4	Resolution on the approval of the actions of the Executive Board for fiscal year 2023	
5	Resolution on the approval of the actions of the Supervisory Board for fiscal year 2023	
6	Resolution on the election of the auditors of the annual financial statements and the consolidated financial statements for fiscal 2024 as well as the auditors for the audit review of the interim financial statements and management report of the Group as of June 30, 2024	
7	Resolution on the approval of the remuneration report for fiscal year 2023	
8.1-8.6 individual voting	Election of Supervisory Board members (six shareholder representatives)	} Special agenda items 2024
9	Resolutions on new compensation of Supervisory Board members , incl. amendments of the Articles of Association	
10	Resolution on amendments of the Articles of Association in connection with the Future Financing Act	





01

supervisory Board compensation

Significant increase of Supervisory Board (SB) Compensation needed

	<u>Current compensation</u>	<u>Planned compensation</u>
Fixed compensation	<ul style="list-style-type: none"> • 47,000 € (OM) • 70,500 € (VC) • 94,000 € (C) 	<ul style="list-style-type: none"> • 75,000 € (OM) • 112,500 € (VC) • 187,500 € (C)
Committee compensation	Audit Committee: <ul style="list-style-type: none"> • 15,000 € (OM) • 30,000 € (C) 	Audit Committee: <ul style="list-style-type: none"> • 50,000 € (OM) • 100,000 € (C)
Meeting fee	750 €	1,000 €



Planned compensation was suggested by a professional **compensation consultant** regarding appropriateness, peer comparison ...



Compensation must be competitive to find qualified candidates, even if the SB has limited authorities because of KGaA structure



NEXT STEPS FOR ADJUSTMENT OF COMPENSATION

- Proposal for new compensation & compensation system at AGM 2024
- After approval by AGM: change of articles of association



- Compensation at low end in comparison to other DAX companies
- Planned compensation will rise from end of the list in DAX 40 compensation to the bottom quarter

OM = Ordinary SB Member | VC = Vice Chair | C = Chair



02

supervisory board
election

Supervisory Board election summary

- 6 candidates for vote:
 - 1 candidate for re-election + 5 new candidates (4 current members not considered independent anymore by some investors (terms etc.))
 - Individual election at AGM 2024 (April 26)
 - Term of election: 4 years, longest membership since 2019



Competency matrix

- ✓ Sector expertise
- ✓ Accounting and auditing skills
- ✓ Leadership and board experience
- ✓ International working experience
- ✓ ESG + Digital knowledge



Diversity: >50% women, 15 years age variation



Number of mandates for all candidates in line with German Corporate Governance Code



All 6 Shareholder Representatives considered as independent



Planned chairmanship: Michael Kleinemeier (independent)



Financial experts according to German Corporate Governance Code: Barbara Lambert & Katja Garcia Vila (formerly Dürrfeld)



ESG now part of Audit Committee, ESG Expert: Barbara Lambert



Delegates: Dr. Daniel Thelen, Prof. Simon Thelen



Profile of skills, expertise and diversity for the Supervisory Board

In their entirety, the Supervisory Board should fulfill **the profile of skills, expertise and diversity** (see box and Annual Report).

In addition, newly elected members complete a **comprehensive on-boarding process**.

Expertise	Matched with 2024 candidates
Important business fields	✓
Main sales geographies	✓
Management experience	✓
Experience in business administration	✓
External supervisory & control boards	✓
ESG	✓
Digital	✓

The **Profile of skills, expertise and diversity** for our Supervisory Board aims at:

- Min. 4 members with experience in **main important business fields** (HC, LS, EL)
- Min. 3 members with experience in the **main sales geographies** (Europe, Americas, Asia-Pacific)
- Min. 3 members with **management experience** in medium- to large-sized companies
- Min. 4 members who have in-depth knowledge of **business administration**
- Min. 4 members which are also members in other **external supervisory and control boards**
- **Percentage of women** of min. 37,5%



Expertise: General and company specific skills

	Sector specific	Management skills	Accounting incl. ESG	Auditing	ESG & Digital	Business admin.	Control boards
Minimum	min. 4	min. 3	min. 1	min. 1	min. 1	min. 4	min. 4
Katja Garcia Vila		✓	✓	✓	✓	✓	
Michael Kleinemeier	✓	✓	✓		✓	✓	✓
Dr. Carla Kriwet	✓	✓	✓		✓	✓	✓
Barbara Lambert		✓	✓	✓	✓	✓	✓
Prof. Dr. Stefan Palzer	✓	✓			✓	✓	
Dr. Susanne Schaffert	✓	✓				✓	✓
total	4	6	4	2	1 + 4	6	4



Diversity: Gender, internationality, age...

	Female	Male	Geographic experience	Age	Member since, next term	Mandates (listed comp.)	Independency
Target	min. 37.5%	min. 37.5%	mixed	max. 75 Y, span of 10y	Elected for 4y, max 12y	GCGC: max.6	min. 5
Katja Garcia Vila	✓		EU	1972	-	- CFO Continental	✓
Michael Kleinemeier		✓	EU	1957	2019	-	✓
Dr. Carla Kriwet	✓		EU	1971	-	-	✓
Barbara Lambert	✓		DACH	1962	2023	- SB Implenia - SB Deutsche Börse - SB UBS Switzerland AG	✓
Prof. Dr.-Ing. Stefan Palzer		✓	LATAM, EU, Africa	1969	-	- CTO Nestlé	✓
Dr. Susanne Schaffert	✓		US, EU	1967	-	- SB Novo Holdings - SB Incyte - SB Galapagos NV	✓
Achievement	✓ 37.5%	✓	✓	✓ (15y)	✓	✓	✓ 6





Declaration of independence

- In accordance with the Articles of Association of Merck KGaA, Darmstadt, Germany:
6 of the shareholder representatives are elected by the AGM, 2 members are delegated from E. Merck Beteiligungen KG.
- The Supervisory Board should include an appropriate number of independent members on the shareholder side. **At least 5 of the shareholder representatives on the Supervisory Board should be independent (for 2024 election, all 6 candidates are considered independent).**
- In our opinion, **the membership of two of the six candidates in the Board of Partners of E. Merck KG, Darmstadt, Germany, does not contradict independence.** The Board of Partners exists in addition to the competencies and activities independently of the Supervisory Board. The Board of Partners fulfills an independent advisory and supervisory function vis-à-vis the Executive Board, as does the Supervisory Board.
- **None of the candidates for election to the Supervisory Board in 2024 is a member or relative of the family or holds shares or capital share of >1%.** None of the candidates offer services to any significant extent or is an employee or director of the company.



03

candidates'
profiles

Candidate Profile Summary

Katja Garcia Vila (formerly Duerrfeld)

Personal Data

Year of birth: 1972

Member of the
Supervisory Board since: -

Education: Graduate in Business Economist

Currently Role: CFO at Continental AG

Skills & Experiences

Sector: Electronics

Geography: Europe

Leadership: CFO at Executive Board at Continental AG

Finance: CFO experience, SVP Group Audit at Continental

ESG & Digital: Responsibility for Group IT incl. Cyber Security at Continental, ESG reporting expertise

INDEPENDENT

Board Positions

Listed
companies: ▪ CFO at Continental AG

Internal: ▪ none

Other: ▪ Corporate Mandates in Continental Automotive GmbH and Continental Reifen GmbH

Planned
position: ▪ Member of the Supervisory Board Merck KGaA, Darmstadt, Germany, and Financial Expert

Professional career since 2013:

- Continental AG, CFO (current position)
 - Responsibility for Finance & Controlling, IT & Cyber Security
- Continental AG, SVP Finance, Controlling & IT (until 2021)
- Continental AG, SVP Group Audit (until 2018)

Earlier Positions (selective):

- Continental AG, Controlling, Logistics, Auditor



Candidate Profile Summary

Michael Kleinemeier

Personal Data

Year of birth:	1957
Member of the Supervisory Board since:	2019
Education:	Graduate in Business Administration
Current Role:	Managing Director e-mobiligence GmbH

Skills & Experiences

Sector:	Electronics
Geography:	Europe
Leadership:	Former member Executive Board at SAP AG
Finance:	Graduate in Business Administration
ESG & Digital:	Digital (SAP)

INDEPENDENT

Board Positions

Listed companies:	▪ None
Internal:	▪ Board of Partners E. Merck KG, Darmstadt, Germany ▪ SB Merck LS KGaA, Darmstadt, Germany
Other:	▪ None
Planned position:	▪ Chairman of the Supervisory Board Merck KGaA, Darmstadt, Germany

Professional career since 2013:

- Member of the Supervisory Board at Merck KGaA, Darmstadt, Germany (currently)
- SAP SE, Member of the Executive Board (until 2020)
 - Digital Business Services

Earlier Positions (selective):

- SAP SE, Regional President Middle & Easter Europe Region and DACH Region
- Intelligence AG, Member of the Executive Board



Candidate Profile Summary

Dr. Carla Kriwet

Personal Data

Year of birth: 1971

Member of the
Supervisory Board since: -

Education: PhD Business Administration

Current Role: -

Skills & Experiences

Sector: Electronics, Healthcare

Geography: Europe

Leadership: CEO BSH, CEO FMC

Finance: BA

ESG & Digital: Connected Care & Health Informatics

INDEPENDENT

Board Positions

Listed
companies: ■ none

Internal: ■ none

Other: ■ none

Planned
position: ■ Member of the Supervisory
Board Merck KGaA, Darmstadt,
Germany

Professional career since 2013:

- CEO Fresenius Medical Care (until 2022)
- CEO BSH (until 2022)
- SB Carl Zeiss AG (until 2021)
- Royal Philips: CEO Patient Care & Monitoring Solutions Philips, Cambridge, USA und CEO Philips DACH, Hamburg (until 2020)

Earlier Positions (selective):

- Linde AG, Healthcare Europe
- The Boston Consulting Group



Candidate Profile Summary

Barbara Lambert

Personal Data

Year of birth: 1962

Member of the Supervisory Board since: 2023

Education: Degree in Economics, Auditor

Current Role: Professional Board Member

Skills & Experiences

Sector: Group functions, Finance

Geography: DACH

Leadership: Member of the Executive Management Board and Chief Risk Officer at Pictet

Finance: Auditing at Ernst & Young, multiple Audit Committee positions

ESG & Digital: Expert in sustainability reporting (continuous and substantial ESG trainings, implementation oversight as AC Chair at various Board Mandates), IT security

INDEPENDENT

Board Positions

Listed companies:

- SB member Synlab AG (ending 31.3.2024)
- SB member Implenia AG
- SB member Deutsche Börse AG
- SB member UBS Switzerland AG (ending 2024)

Internal: none

Other: none

Planned position:

- Member of the Supervisory Board Merck KGaA, Darmstadt, Germany, and Financial Expert

Professional career since 2013:

- Supervisory Board Member (currently), incl. ESG examination
- Pictet, Member of the Board of Directors (until 2022)
- Pictet, Chief Risk Officer incl. Compliance, IT security (until 2018)

Earlier Positions (selective):

- Pictet, Head of Internal Audit; Arthur Andersen; Ernst & Young



Candidate Profile Summary

Prof. Dr.-Ing. Stefan Palzer

Personal Data

Year of birth: 1969

Member of Merck's
Supervisory Board since: -

Education: Prof. in Process Engineering, PhD Chemical Engineering, Degree in economics

Current Role: CTO Nestlé

Skills & Experiences

Merck Sector: Healthcare, Life Science

Geography: LATAM, EU, Africa

Leadership: Nestlé Executive Board

R&D: CTO, Head of Global Research at Nestlé

ESG & Digital: Overseeing Regulatory & Scientific affairs at Nestlé

INDEPENDENT

Board Positions

Listed companies: ■ CTO Nestlé

Internal: ■ none

Other: ■ none

Planned position: ■ Member of the Supervisory Board Merck KGaA, Darmstadt, Germany

Professional career since 2013:

- Nestlé S.A., CTO, Member of the Executive Board (current position)
 - Innovation, Technology, R&D
- Nestlé S.A., Head of Research and managing director of Nestlé Research Center (until 2018)
- Nestlé S.A., Innovation Director (until 2016)



Candidate Profile Summary

Dr. Susanne Schaffert

Personal Data

Year of birth: 1967

Member of the
Supervisory Board since: -

Education: Ph.D. in Chemistry

Current Role: Professional Board Member

Skills & Experiences

Sector: Healthcare, Life Science

Geography: U.S., Europe

Leadership: Member of Novartis Executive Committee

Finance, R&D: General Management + Investor Relations,
R&D management at Novartis

ESG & Digital: -

INDEPENDENT

Board Positions

Listed companies:

- SB member Incyte Inc.
- SB member Galapagos NV

Internal:

- Board of Partners E. Merck KG, Darmstadt, Germany

Other:

- SB member Novo Holdings
- ARTBio Inc.
- Vetter Holding GmbH &Co KG

Planned position:

- Member of the Supervisory Board Merck KGaA, Darmstadt, Germany

Professional career since 2013:

- Independent Management Consulting & SB Member (currently)
- Novartis AG, CEO Oncology (until 2022)
 - Product launches across the world
- Novartis AG, CEO Accelerated Advanced Applications (until 2019)
- Novartis AG, General Manager Europe (until 2018)

Earlier Positions (selective):

- Novartis AG, Head of Investor Relations

