

APPENDIX I

MEMORANDUM OF UNDERSTANDING

Merck Sharp & Dohme Corp., a wholly owned subsidiary of Merck & Co., Inc. (the "Company"), and International Chemical Workers Union Council of the United Food and Commercial Workers Union, and its Local 94C (the "Union"), collectively referred to as the "Parties," hereby enter into this Memorandum of Understanding (the "Agreement") regarding Article XXXIII of their April 26, 2018 collective bargaining agreement (the "CBA") on this 2nd day of November, 2018.

WHEREAS, pursuant to Article XXXIII of the CBA, the Parties met and conferred about the Side Agreement Compilation (as defined in Article XXXIII of the CBA) in order to determine which (if any) of those documents the Parties agree represent binding agreements;

WHEREAS, this Agreement constitutes the Parties' agreement regarding the Side Agreement Compilation documents that are binding on the Parties, exclusive of Disputed Documents (as defined in Article XXXIII of the CBA), and such Side Agreement Compilation documents that are binding on the Parties are reflected in the amendments to the CBA and interpretations outlined below;

WHEREAS, pursuant to Article XXXIII of the CBA, all documents contained in the Side Agreement Compilation, except for the Disputed Documents listed in a separate agreement, are null and void.

NOW THEREFORE, in consideration of the covenants and agreements expressed herein and intending to be legally bound, the Company and the Union hereby agree as follows:

1. Article VIII (Vacations) of the CBA is supplemented and clarified as follows:
 - a. Article VIII (E) is supplemented by adding the following as subsection (3):
 - i. Prior to the September 1 deadline for scheduling vacation, the Company will coordinate vacation requests as follows:
 1. Between January 20 and February 15, the Company will distribute a vacation calendar for each Work Group and designate the number of employees within the Work Group that may be on vacation during any Work Week for the purposes of choosing Week-At-A-Time vacation. The Company will permit at least 25% of the employees in any Work Group to schedule Week-At-A-Time vacation during any Work Week but reserves the right (under Article VIII of the CBA) to cancel any such scheduled vacation if necessary pursuant to business needs.
 2. By seniority, employees in the Work Group will be asked to choose their Week-At-A-Time vacation.

3. Upon notification of their turn to pick, employees will have ninety-six (96) hours to either:
 - a. Pick their first block of Week-At-A-Time vacation, which can be more than one Week-At-A-Time only if the entire block is consecutive; or
 - b. Pass on their seniority right to pick during this round.
 4. This process will continue for additional rounds, with employees scheduling one block of Week-At-A-Time vacation per round, until all employees in the Work Group have made all of their Week-At-A-Time vacation selections or passed on their seniority rights to do so.
 5. After the process outlined above, Week-At-A-Time vacation will then be awarded by seniority upon request until the September 1 deadline provided that the vacation does not exceed the number of employees allowed off on Week-At-A-Time vacation per Work Group that was established at the beginning of the year.
 - ii. Prior to the September 1 deadline, less than Week At-A-Time vacation will be granted by seniority based on business need.
 - iii. Once vacation is approved, if the Company needs to force work, it will do so for employees who are not on vacation or personal time before cancelling an employee's vacation.
 - iv. A vacation day will take precedence over a personal day for purposes of approving vacation requests.
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- b. Article VIII (H) is supplemented by adding the following: Employees may schedule the last week of a vacation year for Week-At-A-Time vacation even if that week encompasses days in the new vacation year. However, it is understood that if an employee schedules Week-At-A-Time vacation for the last week of a vacation year, any days during that week that are part of the new vacation year will count as vacation days during the new vacation year and may be taken only if the employee accrues them.
 - c. Article VIII (I) is clarified and supplemented by adding the following: The calculation of days for a month of service is based on 120 cumulative hours. Hours that apply are defined in Article VIII (I)
2. Article XIV (Structure, Staffing, and Wages) of the CBA is supplemented and clarified as follows:
 - a. Article XIV is supplemented by adding the following as subsection (D): The Company will use employees within their Classification even if it requires forcing or canceling of vacation. Using employees outside of their Classification is reserved for true emergencies as defined in Article 1 when no employees from a given Classification are available.
 3. Article XVI (Overtime and Premium Pay) of the CBA is supplemented and clarified as

follows:

- a. Article XVI (B) is supplemented by adding the following: If a secondary overtime list is utilized to allow members that are not in a Work Group to work overtime in a secondary Work Group, Employees on that list will not be forced to work in the secondary group (absent true emergencies as defined in Article I).
 - b. Article XVI (G) is supplemented by adding the following: Although employees working on a Holiday receive premium pay, it is not considered overtime for the purpose of the overtime list. A separate "Holiday" list will be maintained by the Union to manage the distribution of Holiday work that is required by the Company.
 - c. Article XVI (H) is supplemented by adding the following: The concept of scheduling a work day that is not a regularly scheduled work day for a Work Group's regularly scheduled shift rotation only applies to employees whose regular schedule consists of consecutive days Monday through Friday. Otherwise, shift vacancies on non-regularly scheduled work days will be covered using the overtime list if business needs exist.
4. Article XIX (Payment on Reporting for Work) of the CBA is supplemented and clarified as follows:
- a. Article XIX (B) is supplemented by adding the following: A Reasonable Effort shall be defined as a documented call with contact from a Company phone to the Employee Phone or a face to face conversation with the employee at least twelve hours prior to the start of the scheduled shift.
 - b. Article XIX (B) is supplemented by adding the following as subsection (1): If the Company does not meet the requirements of reasonable effort, it will pay the employee a minimum of 4 hours of pay by choosing one of the following:
 - i. Send the employee home before work has begun and pay the employee straight time if he/she has worked less than or equal to 40 qualified hours in the work week or overtime at 1.5 times base rate plus shift premium if he/she has worked more than 40 qualified hours in the work week; or
 - ii. Assign the employee to alternative work for which he/she is trained for the duration of the full shift provided that hours of work limits are not exceeded on that shift. If assigning the employee to alternative work for the purpose of training, the trainer must be available and the employee must agree. If the Company chooses this option, the employee will receive full shift pay.
 - c. Article XIX is supplemented by adding the following as subsection (E): This Article is for the purpose of canceling Overtime and Holiday work; not regularly scheduled work.
5. Article XXIII (Posting Procedure) of the CBA is supplemented and clarified as follows:
- a. Article XXIII (D) (7) is supplemented by adding the following: Polling for relief positions will take place in December, to be effective January 1 of the following year. If a new Work Group is formed mid-year the relief position will be polled once there are enough Proficient operators to fill the positions and again in December prior to a complete year of the relief position employee serving in this

- role.
- b. Article XXIII (D) (8) is supplemented by adding the following as subsection (a):
For purposes of movement of an employee in a relief position to an alternate rotation, the entire basic work week is defined as at least 50% of the scheduled work days for that rotation during the basic work week (*i.e.*, two days for a three- or four-day rotation, three days for a five-day rotation).
 - c. Article XXIII (D) (8) is supplemented by adding the following as subsection (b):
For Work Groups that have at least four shifts and that do not have employees in relief positions equal to the number of alternate rotations, employees in relief positions will be assigned to a pre-defined unique daylight home shift but will be eligible to cover any vacancy as needed given the appropriate forty-eight-hour notice.
6. Article XXVI (Bargaining and Grievance Committee) of the CBA is supplemented and clarified as follows:
- a. Article XXVI (A) is supplemented by adding the following: The Union's Executive and Grievance Board (currently twelve members) will be allowed to meet one day per month to conduct Inside Union Business ("IUB") provided that the Union President provides an agenda of topics to be discussed to the Company's Human Resources Director at least one week in advance. The Company will also use this day to hear pending third step grievances. Union Board members will be paid for this day at their normal rate of twelve hours for twelve-hour shift employees, ten hours for ten-hour shift employees, or eight hours for eight-hour shift employees, plus any paid lunch, breaks, changing time, etc. that they would normally be entitled to, with all hours coded as IUB. Any grievant involved in the 3rd step hearing will be released and paid in accordance with this paragraph. If this day falls on a Board members' or grievant's regularly scheduled day off, he/she will be paid eight hours. Absent an emergency, this will equate to the Board members' or grievant's regularly scheduled shift and they will not be expected to report to their Work Area during this time. This section will not apply to a Board member or grievant who is out of work for any reason other than his/her regularly scheduled day off (e.g., vacation, sick time, bereavement leave, etc.). The Union will make every effort to fully utilize this day and agree that other requests for IUB will be evaluated based on this set aside time.
 - b. Article XXVI (C) is supplemented by adding the following: The Union will decide who is appointed as their representatives to committees when requested by the Company and agrees to fill these slots in a timely manner.
7. Any reference to "days" in Article XXVIII (Grievance Procedure) Subsection (A) of the CBA will mean business days.
8. Article XXX (Training) of the CBA will be supplemented and clarified as follows:
- a. Article XXX (C) (3) is supplemented by adding the following: It is generally understood that forcing an employee to either train or to be trained does not create a productive training scenario. It is also generally understood that employees should take advantage of training opportunities when they are offered to assure that the

designated timelines are met. Lastly, it is agreed that the bargaining Unit trainer should be flexible in order to help the trainee meet the training objectives.

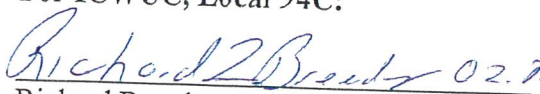
- b. Article XXX (C) (5) (a) is supplemented by adding the following: Every Proficient employee in a Work Group is expected to be a Bargaining-Unit Trainer.
 - c. Article XXX (C) (5) (f) is supplemented by adding the following: The following progression will be followed in regard to training activities:
 - i. Move the training task to a shift that does not require either the trainee or the trainer to move if the business allows.
 - ii. Offer overtime to the trainee when the task is scheduled to be performed.
 - iii. Offer overtime to the trainer to work when the task is being done and the trainee is present.
 - iv. If the task will not occur again within the next two weeks of the normal schedule, move the trainer to the time of the training task after review and approval by the Union, which will not be unreasonably withheld.
 - d. Article XXX (C) (5) (g) is supplemented by adding the following: The Union has the right to present a Bargaining- Unit Trainer for removal but the company will maintain final discretion over removal of a Bargaining Unit Trainer.
9. Appendix D (Attendance Matters) of the CBA is supplemented and clarified but adding the following to "Exclusions":
- a. Employees should notify their supervisor as soon as practicable of their intent to use this provision. However, Employees will not be counted absent for the purpose of this policy if they notify their supervisor no later than the first meeting held with their supervisor after the absence(s) to discuss the employees attendance.

Executed this 02 day of NOV 2018.

For Merck Sharpe & Dohme Corp.:

 02 NOV 2018
Jeff Ko, Plant Manager

For ICWUC, Local 94C:

 02 NOV 2018
Richard Breeden, President