

VIOXX SETTLEMENT PROGRAM CLAIMS ADMINISTRATION PROCEDURE			
Procedure Number	2009-4	Effective Date	June 15, 2009
Subject	Procedure for Allocating Merck Settlement Funds for Medicare Reimbursement Obligations		

1. **Purpose of this Procedure.** This Procedure defines the process for allocating funds in the Vioxx Settlement Fund for the payment of Medicare liens in the amounts identified by the Lien Resolution Administrator (“LRA”). References in this Procedure to Sections are to the sections of this Procedure, unless otherwise stated.

2. **Definitions and Section References.** Any capitalized terms used in this Procedure and not expressly defined in this Procedure shall have the meanings given to them in the Settlement Agreement. References to Sections are to sections of this Procedure, unless otherwise stated.

3. **The Medicare Sub-Fund.** After consultation with the LRA and in furtherance of the LRA’s lien resolution process with Medicare, Merck has agreed that the Escrow Agent shall place a total of \$60,000,000 into a sub-fund held by the Escrow Agent (the “Medicare Sub-Fund”) to facilitate the satisfaction of the reimbursement obligations of Qualifying Program Claimants to Medicare. The Escrow Agent shall consider that \$47,560,980 of the Medicare Sub-Fund was contributed by the MI Settlement Fund (the “MI Medicare Sub-Fund Amount”) and that \$12,439,020 of the Medicare Sub-Fund was contributed by the IS Settlement Fund (the “IS Medicare Sub-Fund Amount”). Within 30 days after the Effective Date of this Procedure, Merck shall deposit the MI Medicare Sub-Fund Amount into the MI Settlement Fund and shall deposit the IS Medicare Sub-Fund Amount into the IS Settlement Fund. In determining the MI Point Value and IS Point Value for purposes of Final Settlement Payments under Section 4.3 of the Settlement Agreement, the Claims Administrator shall consider all amounts in the Medicare Sub-Fund as available for distribution to Claimants in the same proportion as the MI Medicare Sub-Fund Amount and IS Medicare Sub-Fund Amount. If any unused funds remain in the Medicare Sub-Fund after the transfers to the Medicare Payment Fund under Section 5 have been concluded as to all Qualifying Program Claimants, such funds shall be considered to be part of the MI Settlement Fund or IS Settlement Fund in the same proportion as the MI Medicare Sub-Fund Amount and IS Medicare Sub-Fund Amount. All income earned on the assets in the Medicare Sub-Fund shall accrue to the benefit of the MI Settlement Fund or the IS Settlement Fund in the same proportion as the MI Medicare Sub-Fund Amount and IS Medicare Sub-Fund Amount and Medicare shall have no claim on any such income.

4. **Medicare Reimbursement Amounts.** The LRA has secured Medicare’s agreement that the Claimant’s reimbursement obligations to Medicare (the “Medicare Reimbursement Amount”) for MI Qualifying Program Claimants are as shown in Table 1 and the Medicare Reimbursement Amounts for IS Qualifying Program Claimants are as shown in Table 2:

<b>Table 1</b>		<b>Medicare Reimbursement Amounts for MI Claimants</b>	
		<b>Resolution Category</b>	<b>Reimbursement Amount</b>
1.	Medicare Entitled Pre Event (Part A&B)	Category 1	\$2,581.14
2.	<i>Medicare Entitled Post Event (Part A, B &amp; C)</i>	Category 2	\$116.62
3.	Medicare Entitled Pre Event - Part C Election Pre Event	Category 3	\$116.62
4.	Medicare Entitled Pre Event - Part C Election Post Event	Category 4	\$2,581.14
5.	Medicare Entitled - Fixed Payment	Category 5	\$126.76
6.	Medicare Entitled - Death	Category 6	\$143.27

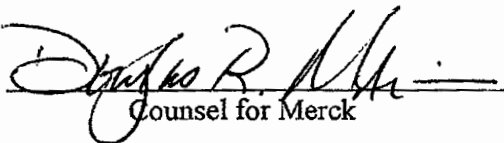
<b>Table 2</b>		<b>Medicare Reimbursement Amounts for IS Claimants</b>	
		<b>Resolution Category</b>	<b>Reimbursement Amount</b>
1.	Medicare Entitled Pre Event (Part A&B)	Category 1	\$4,251.00
2.	<i>Medicare Entitled Post Event (Part A, B &amp; C)</i>	Category 2	\$564.53
3.	Medicare Entitled Pre Event - Part C Election Pre Event	Category 3	\$564.53
4.	Medicare Entitled Pre Event - Part C Election Post Event	Category 4	\$4,251.00
5.	Medicare Entitled - Fixed Payment	Category 5	\$190.33
6.	Medicare Entitled - Death	Category 6	\$190.33

5. ***The Medicare Payment Fund.*** The Points Award Notice (“PAN”) issued by the Claims Administrator to a Qualifying Program Claimant notifies each Claimant of the Claimant’s Medicare Reimbursement Amount, if any (as described in Section 5) and of the Claimant’s opportunity to challenge or appeal the LRA’s determination of the Claimant’s reimbursement obligation. Beginning on the Effective Date of this Procedure, no later than the fifth Business Day following the end of each calendar month, the Claims Administrator shall notify the LRA of each Qualifying Program Claimant who has received and not appealed his/her PAN in the preceding month. Within five Business Days after such notice, the LRA shall itemize and notify the Claims Administrator of the Medicare Reimbursement Amounts of each such Claimant as an MI Claimant or IS Claimant, according to the Claimant’s Primary Injury. The Claims Administrator shall direct the Escrow Agent to transfer from the Medicare Sub-Fund to a sub-fund created for the benefit of Medicare (the “Medicare Payment Fund”) for each Medicare-entitled Claimant, with such transfers considered to be made from the MI Medicare Sub-Fund Amount and IS Medicare Sub-Fund Amount as applicable to the Claimant. All income on the assets in the Medicare Payment Fund shall accrue to the benefit of Medicare. All amounts in the Medicare Payment Fund shall be distributed to Medicare at such time and in such manner as directed by the LRA. If any funds in excess of \$60,000,000 are required to satisfy the Medicare Reimbursement Amounts of all Qualifying Program Claimants with such obligations,

such additional amounts shall be taken from the MI Settlement Fund and/or the IS Settlement Fund, as applicable.

**6. Transfers from the Medicare Sub-Fund to the Medicare Payment Fund for Previously Paid Claimants.** Within 20 days after the Effective Date of this Procedure, the LRA shall identify to the Claims Administrator the Medicare Reimbursement Amounts of all Qualifying Program Claimants who previously have received Interim Payments from the Claims Administrator, separately for MI Claimants and IS Claimants, according to the Claimant's Primary Injury. Within five Business Days after receipt of such information, the Claims Administrator shall direct the Escrow Agent to transfer such amounts from the Medicare Sub-Fund into the Medicare Payment Fund.

**APPROVED:**

By:   
Counsel for Merck

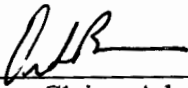
Date: June 16, 2009

Name: Douglas R. Marvin

By:   
NPC Representative

Date: June 19, 2009

Name: Andy Birchfield

By:   
Claims Administrator

Date: 6/22/09

Name: Orran L. Brown

June 15, 2009

Mr. Thomas E. Tabor  
Vice President  
U.S. Bank National Association  
Corporate Trust Services  
100 Wall Street, Suite 1600  
New York, NY 10005

**Re: Authority to Open Medicare Sub-Fund & Medicare Payment Fund**

Dear Mr. Tabor:

Reference is made to that certain Escrow Agreement, dated as of November 20, 2007, among Merck & Co., Inc. ("Merck"), Negotiation Plaintiffs' Counsel (the "NPC") and U.S. Bank National Association (the "Escrow Agent"), entered into with respect to the Vioxx Settlement Fund created pursuant to the Settlement Agreement dated November 9, 2007.

This letter confirms that Merck and the NPC approve the opening of a "Medicare Sub-Fund" and a "Medicare Payment Fund" by the Escrow Agent, as provided in Claims Administration Procedure 2009-4 ("CAP 2009-4") (attached as Exhibit A). Sections 3 and 5 of CAP 2009-4 describe the purpose and functions of these two funds.

Merck and the NPC hereby agree (i) that the Escrow Agent has the authority to proceed with establishing the two above-referenced funds as described in CAP 2009-4 and (ii) direct the Escrow Agent to establish such accounts.

It is further agreed that the Escrow Agreement shall otherwise remain in full force and effect, and the provisions thereof, including, without limitation, the rights, protections, privileges and immunities of the Escrow Agent set forth in Article II thereof, are hereby incorporated in this letter by this reference. It is further agreed that the Escrow Agent shall be fully indemnified and held harmless by Merck against any and all loss, liability, damage, claim or expense arising in connection with this letter and the establishment of the above-referenced funds, even if it is determined, by a court or otherwise, that this letter is ineffective to accomplish its stated purpose or that the provisions of the Escrow Agreement incorporated herein are inapplicable to this letter.

Mr. Thomas E. Tabor  
June 15, 2009  
Page 2

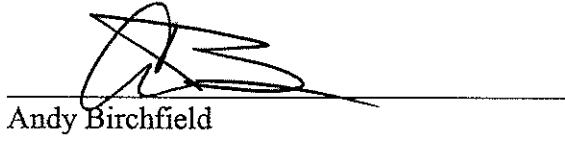
**FOR MERCK & CO., INC.:**

  
\_\_\_\_\_  
Douglas R. Marvin

Date: June 16, 2009

Enclosure

**FOR THE NEGOTIATING PLAINTIFF'S  
COMMITTEE:**

  
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Andy Birchfield

Date: June 19, 2009