

Sample Calculations for Merck Common Stock Transactions

The following sample calculations have been provided to assist you in using the formula and tables set forth in the Plan of Allocation to calculate your Recognized Loss Amounts under the Plan of Allocation for transactions in Merck Common Stock. The examples are for informational purposes only and are not a guarantee of actual recovery in any particular circumstance.

- Claimant A buys 100 shares of Merck common stock on January 19, 2001 and sells those shares on August 15, 2003. Under ¶ 8A(i), the Recognized Loss Amount for this transaction is \$0.00 because the shares were sold before September 29, 2004.¹
- Claimant B buys 100 shares of Merck common stock on April 22, 2003 and sells those shares on September 30, 2004. Under ¶ 8B(i), the Recognized Loss Amount per share is the amount of artificial inflation on the date of purchase from Table 1 (\$10.97) *minus* \$0.54 (which was the amount of artificial inflation from September 30, 2004 to October 29, 2004), or \$10.43 per share. So, the Recognized Loss Amount for the transaction is \$1,043.00.
- Claimant C buys 100 shares of Merck common stock on July 14, 2003 for \$61.75 per share and sells those shares on November 9, 2004 for \$26.00 per share. Under ¶ 8C(i), the Recognized Loss Amount per share is the *lesser* of (a) the amount of artificial inflation on the date of purchase under Table 1 (\$11.20), *or* (b) the actual purchase price (\$61.75) *minus* the average closing price from November 1, 2004 through November 9, 2004 set forth in Table 2 (\$26.92), which difference is \$34.83. Because \$11.20 is less than \$34.83, that amount is used as the per-share Recognized Loss Amount, and the total Recognized Loss Amount for the transaction is \$1,120.00.
- Claimant D buys 100 shares of Merck common stock on December 1, 1999 and sells those shares on October 10, 2004. Under ¶ 8B(i), the Recognized Loss Amount per share is the amount of artificial inflation on the date of purchase from Table 1 (\$6.25) *minus* \$0.54 (which was the amount of artificial inflation from September 30, 2004 to October 29, 2004), or \$5.71 per share. However, because these shares were purchased during the period from May 21, 1999 through March 26, 2000, paragraph 9 applies, so the Recognized Loss Amount per share is 10% of the amount calculated or \$0.571 per share. Thus, the Recognized Loss Amount for the transaction is \$57.10.

Please note that once you have calculated your Recognized Loss Amounts (and any Recognized Gain Amounts) on individual transactions you must net the calculated Recognized Loss and Gain Amounts as set forth in ¶ 24(a) to determine your Net Recognized Loss or Gain Amount. In

¹ Under ¶ 8A(ii), a Recognized Gain Amount will be calculated that will be used to offset any Recognized Loss Amounts that Claimant A may have on other transactions. The Recognized Gain Amount is the amount of artificial inflation per share under Table 1 on the date of sale (\$11.20) *minus* the amount of artificial inflation per share under Table 1 on the date of purchase (\$9.06), or \$2.14 per share. So, the Recognized Gain Amount for the transaction is \$214.00.)

addition, you must calculate whether you had an overall Market Gain or Market Loss on your transactions in Merck Securities during the Settlement Class Period under ¶ 24(b). If you had a Net Recognized Gain Amount or a Market Gain, then your Recognized Claim will be \$0 and you will not be eligible for recovery. If you had both a Market Loss and a Net Recognized Loss Amount, the lower of those two amounts will be your Recognized Claim.

Finally, please keep in mind that your calculated Recognized Claim is *not* the amount that you can expect to receive in payment under the Settlement, but is just a value that will be used for making a *pro rata* distribution of the Net Settlement Fund to Authorized Claimants. The amount of your payment will depend on several factors that are not yet known, including the total value of the valid claims received.