

Dear Sir or Madam,

Thank you for the opportunity to comment on the proposed changes to the Benchmark Voting Policy.

The new voting recommendations introduce two criteria for virtual Annual General Meetings (AGMs):

1. Assurance that virtual-only meetings will only be convened in extraordinary circumstances that necessitate restrictions on physical attendance.
2. The use of prior authorizations to hold virtual-only meetings and the rationale behind such decisions.

We view both criteria critically for the following reasons:

Voting recommendations should respect the national legislator's decision. In its new legislation for AGMs in 2022, after extensive consultations with all interested parties, the German legislator decided that both formats of AGMs – virtual or with shareholders' presence – are equivalent. Therefore, the German legislator deliberately decided not to tie the virtual AGM to any specific occasions because it guarantees all shareholder rights equally.

We understand that ISS aims to address concerns from certain investors. However, the voting recommendations do not accommodate the interests of the majority of investors. Even according to your own survey, at least 70% of investors do not support the required assurance. The survey indicates that the required assurance is only supported by two groups of investors who are very critical of the virtual AGM while the opinion of other investors is not taken into account. We also note that a significant number of investors recently supported the last authorizations for virtual AGMs, with an average of 87% of DAX40 shareholders voting in favor.

In addition to that, in our view, also the following reasons support the virtual format:

1. **Accessibility:** No travel is required, companies and shareholders have gained experience with the use of digital meetings over the past few years, inhibitions have been reduced and participation rates in recent AGM years have been good.
2. **Technology:** Technical AGM solutions have improved significantly due to the requirements of the pandemic years and have proven their stability.
3. **Costs:** The costs of an in person event are significantly higher than a virtual format. In addition, the costs for events have risen significantly in recent years.
4. **Sustainability:** It is important to Merck to minimize the impact of its business activities (in this case travel) on the environment and society.

Due to your great influence as the largest proxy advisor, we would highly appreciate if you were to consider the different aspects when deciding on new voting guidelines.

Please feel free to contact us if you have any questions.

Merck

