

INTERIM MONITOR AGREEMENT

This Interim Monitor Agreement ("Monitor Agreement") entered into this 11th day of October, 2007 by and among Dr. David A. Espeseth, DVM, MS, and Schering-Plough Corporation ("Schering-Plough" or "Respondent"), provides as follows:

WHEREAS, the United States Federal Trade Commission (the "Commission"), in *In the Matter of Schering-Plough Corporation*, has accepted or will shortly accept for public comment an Agreement Containing Consent Order, incorporating a Decision and Order ("Order") which, among other things, requires Respondent to divest or transfer certain defined assets and, to ensure that Respondent complies with its obligations under the Order, provides for the appointment of an Interim Monitor;

WHEREAS, the Commission may appoint Dr. David A. Espeseth as such monitor (the "Interim Monitor") pursuant to the Order to monitor Respondent's compliance with the terms of the Order and with the Remedial Agreements referenced in the Order, and Dr. David A. Espeseth has consented to such appointment;

WHEREAS, the Order further provides or will provide that Respondent shall execute a Monitor Agreement, subject to the prior approval of the Commission, conferring all the rights, powers and authority necessary to permit the Interim Monitor to carry out such duties and responsibilities pursuant to the Order;

WHEREAS, this Monitor Agreement, although executed by the Interim Monitor and Schering-Plough, is not effective for any purpose, including but not limited to imposing rights and responsibilities on Respondent or the Interim Monitor under the Order, until it has been approved by the Commission; and

WHEREAS, the parties to this Monitor Agreement intend to be legally bound;

NOW, THEREFORE, the parties agree as follows:

1. Capitalized terms used herein and not specifically defined herein shall have the respective definitions given to them in the Order. The term "Monitored Assets" means Divestiture Assets.
2. The Interim Monitor shall have all the powers and responsibilities conferred upon the Interim Monitor by the Order. The Order is hereby attached as Exhibit A to this Monitor Agreement, the terms of which are incorporated herein by reference.
3. Respondent hereby agrees that it will fully and promptly comply with all terms of the Order requiring it to confer all rights, powers, authority and privileges upon the Interim Monitor, or to impose upon itself any duties or obligations with respect to the Interim Monitor, to enable the Interim Monitor to perform the duties and responsibilities of the Interim Monitor thereunder.

4. Respondent further agrees that:
- a. it designates _____ of Schering-Plough Animal Health as the primary Contact for the Interim Monitor and will provide a written list of the principal individuals to be involved in compliance with the Order, together with their locations, telephone numbers, electronic mail addresses (if available), and responsibilities, and will provide the Interim Monitor with written notice of any changes in such personnel occurring thereafter;
 - b. it will use reasonable efforts to provide the Interim Monitor with prompt notification (but not later than such notification is available to other meeting participants) of significant meetings, including date, time and venue scheduled after the execution of this Monitor Agreement, relating to compliance with the Order, and such meetings may be attended by the Interim Monitor or his representative, at the Interim Monitor's option or at the request of the Commission or staff of the Commission;
 - c. it will provide the Interim Monitor with the minutes, if any, of the above-referenced meetings as soon as practicable and, in any event, not later than those minutes are available to any employee of the Respondent;
 - d. it will provide the Interim Monitor with electronic or hard copies, as may be appropriate, of all reports submitted to the Commission pursuant to the Order, simultaneous with the submission of such reports to the Commission;
 - e. it will provide the Interim Monitor with any reports requested by the Interim Monitor pursuant to this Agreement;
 - f. it will provide the Interim Monitor with full and complete access to its personnel, books, documents, records kept in the normal course of business, facilities and technical information, and such other relevant information as the Interim Monitor may reasonably request, related to its compliance with its obligations under the Order;
 - g. it will comply with the Interim Monitor's reasonable requests for follow-up discussions or supplementary information concerning any reports requested by the Interim Monitor pursuant to this Agreement, including, as applicable, meetings and discussions with the principal staff involved in any activities relating to compliance with the Order, and will provide the Interim Monitor with access to and hard copies of all data, records or other information that the Interim Monitor reasonably believes are necessary to the proper discharge of his responsibilities under the Order; and

- h. it will provide the Interim Monitor with such other information, documents and the like requested by the Interim Monitor in order to carry out his responsibilities under this Monitor Agreement.
- 5. Respondent will promptly notify the Interim Monitor of any significant written or oral communication that occurs after the date of this Monitor Agreement between the Commission and Respondent related to the Order or this Monitor Agreement, together with electronic or hard copies (or, in the case of oral communications, summaries), as may be requested by the Interim Monitor, of such communications.
- 6. Respondent agrees that to the extent authorized by the Order, the Interim Monitor shall have the authority to employ, at the expense of Respondent, and with the consent of Respondent, which will not unreasonably be withheld, such consultants, accountants, attorneys and other representatives and assistants as are reasonably necessary to carry out the Interim Monitor's duties and responsibilities. Respondent hereby consents to the use of staff and resources at Espeseth Consulting ("Espeseth Consulting") to assist the Interim Monitor.
- 7. The Interim Monitor shall maintain the confidentiality of all information designated as confidential provided to the Interim Monitor by Respondent. Such information shall be used by the Interim Monitor only in connection with the performance of the Interim Monitor's duties pursuant to this Agreement. Such information shall not be disclosed by the Interim Monitor to any third party other than:
 - a. persons employed by, or working with, the Interim Monitor under this Agreement; or
 - b. persons employed at the Commission and working on this matter.
- 8. The Interim Monitor shall maintain a record and inform the Commission of all persons (other than representatives of the Commission) to whom confidential information related to this Monitor Agreement has been disclosed.
- 9. Following termination of the Interim Monitor's duties under this Monitor Agreement, upon the request of Respondent, the Interim Monitor shall promptly return to Respondent, at Respondent's expense, or destroy all material provided to the Interim Monitor by Respondent that is confidential to Respondent and that it is entitled to have returned to it under the Order, and shall destroy all material prepared by the Interim Monitor that contains or reflects any confidential information of Respondent; *provided, however*, that the Interim Monitor may retain a set of his work product and work papers, including any reports to the Commission. Nothing herein shall abrogate the Interim Monitor's duty of confidentiality, including the obligation to keep such material and information

confidential for a period of ten (10) years after the termination of this Monitor Agreement.

10. The Interim Monitor shall keep confidential for a period of ten (10) years all other aspects of the performance of his duties under this Monitor Agreement and shall not disclose any confidential or proprietary information relating thereto. To the extent that the Interim Monitor wishes to retain any employee, agent, consultant or any other third party to assist the Interim Monitor in accordance with the Order, the Interim Monitor shall ensure that, prior to being retained, such persons execute a confidentiality agreement in a form agreed upon by the Interim Monitor and Respondent. Before any member of the staff of Espeseth Consulting other than Dr. David Espeseth is permitted access to confidential information, he or she must review this Monitor Agreement and agree to be bound by the confidentiality provisions thereof, in lieu of executing a confidentiality agreement pursuant to the immediately preceding sentence.

For purposes of this Section, information shall not be considered confidential or proprietary to the extent that it is or becomes part of the public domain (other than as a result of any action by the Interim Monitor or by any employee, agent, affiliate or consultant of the Interim Monitor), or to the extent that the recipient of such information can demonstrate that such information was already known to the recipient at the time of receipt from a source other than the Interim Monitor, Respondent, or any director, officer, employee, agent, consultant or affiliate of the Interim Monitor or Respondent, when such source is legally entitled to make such disclosure to such recipient.

11. Nothing in this Monitor Agreement shall require Respondent to disclose any material or information that is subject to a legally recognized privilege or that Respondent is prohibited from disclosing by reason of law or an agreement with a third party.
12. The Interim Monitor shall not have a fiduciary responsibility to the Respondent, but shall have fiduciary duties to the Commission.
13. Each party shall be reasonably available to the other to discuss any questions or issues that either party may have concerning compliance with the Order as it relates to Respondent.
14. Respondent shall pay the Interim Monitor:
for all reasonable time spent in the performance of the Interim Monitor's duties and responsibilities, including all monitoring activities, all work in connection with the negotiation and preparation of this Monitor Agreement, all work in the nature of final reporting and file closure, and all reasonable and necessary travel time. Respondent shall pay the Interim Monitor within thirty (30) days of his presenting to Respondent an invoice for fees and disbursements

incurred in the performance of his duties, together with reasonable supporting detail and documentation.

- a. In addition, Respondent shall pay: (i) all out-of-pocket expenses reasonably incurred by the Interim Monitor in the performance of the Interim Monitor's duties and responsibilities, including any auto, train or air travel and international telephone calls made in the performance of the Interim Monitor's duties; and (ii) all fees and disbursements reasonably incurred by such consultants, accountants, attorneys and other representatives and assistants as are reasonably necessary to carry out the Interim Monitor's duties and responsibilities.
 - b. The Interim Monitor shall have full and direct responsibility for compliance with all applicable laws, regulations and requirements pertaining to work permits, income and social security taxes, unemployment insurance, worker's compensation, disability insurance, and the like.
15. Respondent hereby confirms its obligation to indemnify the Interim Monitor and hold the Interim Monitor harmless in accordance with and to the extent required by the Order. Respondent shall indemnify the Interim Monitor and any subcontractor and their respective agents, partners, principals, officers and employees (the "Indemnified Parties") and hold the Indemnified Parties harmless (regardless of form of action, whether in contract, statutory law, tort or otherwise) against all losses, claims, damages, liabilities or expenses arising out of or in connection with, the performance of the Interim Monitor's duties and responsibilities, including all reasonable fees of counsel and other reasonable expenses incurred in connection with the preparation for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from gross negligence, willful or wanton acts, or bad faith by the Interim Monitor. This Section shall survive the termination or expiration of this Monitor Agreement.
16. The Interim Monitor's maximum liability to the Respondent relating to services rendered pursuant to this Monitor Agreement (regardless of the form of the action, whether in contract, statutory law, tort, or otherwise) shall be limited to the total sum of the fees paid to the Interim Monitor by Respondent, except to the extent resulting from gross negligence, willful or wanton acts, or bad faith by the Interim Monitor or any of his subcontractors, agents, partners, principals, officers or employees, in which case the liability is not so limited.
17. In the event of a disagreement or dispute between Respondent and the Interim Monitor concerning Respondent's obligations under the Order and, in the event that such disagreement or dispute cannot be resolved by the parties, any party may seek the assistance of the responsible individual in the Commission's Compliance Division to resolve the issue. In the case of any disagreement or dispute between

Respondent and the Interim Monitor not relating to Respondent's obligations under the Order, and in the event that such disagreement or dispute cannot be resolved by the parties, the parties shall submit the matter to binding arbitration before the American Arbitration Association under its Commercial Arbitration Rules. Binding arbitration shall not be available, however, to resolve any disagreement or dispute concerning Respondent's obligations pursuant to the Order.

18. This agreement shall be subject to the substantive law of the (regardless of any other jurisdiction's choice of law principles).
19. This Monitor Agreement shall terminate at the later of: (i) the completion by Respondent of the divestiture of all Divestiture Assets required to be assigned, granted, licensed, divested, transferred, delivered, or otherwise conveyed pursuant to the Order in a manner that fully satisfies the requirements of the Order and notification by the Acquirer to the Interim Monitor that it is fully capable of producing the Divestiture Products acquired pursuant to the Order independently of Respondent; or (ii) the completion by Respondent of the last obligation under the Order pertaining to the Interim Monitor's service; *provided, however*, that the Commission may extend or modify this period of the Monitor Agreement as may be necessary or appropriate to accomplish the purposes of the Order; *and provided further*, that the Interim Monitor may terminate this Monitor Agreement by providing notice to Respondent and the Commission of his resignation. In such a case, the Interim Monitor shall cooperate and assist in a transition to any new Interim Monitor. The confidentiality obligations of this Monitor Agreement shall survive its termination.
20. In the performance of his functions and duties under this Monitor Agreement, the Interim Monitor shall exercise the standard of care and diligence that would be expected of a reasonable person in the conduct of his own business affairs.
21. It is understood that the Interim Monitor will be serving under this Monitor Agreement as an independent contractor and that the relationship of employer and employee shall not exist between Interim Monitor and Schering-Plough.
22. This Monitor Agreement is for the sole benefit of the Parties hereto and their permitted assigns and the Commission, and nothing herein express or implied shall give or be construed to give any other person any legal or equitable rights hereunder.
23. This Monitor Agreement contains the entire agreement between the parties hereto with respect to the matters described herein and replaces any and all prior agreements or understandings, whether written or oral.
24. Any notices or communication required to be given hereunder shall be deemed to have been properly given if sent by electronic mail and by mail or fax (with

acknowledgement of receipt of such fax having been received), to the applicable party at its address below (or to such other address as to which such party shall hereafter notify the other party):

If to the Interim Monitor:

Dr. David A. Espeseth
Espeseth Consulting
404 Long Leaf Drive
Perkasie, PA 18944
Telephone: (215) 453-9629
Facsimile: (215) 453-9629
Email: daespeseth1@verizon.net

If to Schering-Plough:

William A. Henry, Esq.
Howrey LLP
1299 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
Telephone: (202) 383-7290
Facsimile: (202) 383-6610
Email: henrywilliam@howrey.com

With a copy to:

Lauren Freeman-Bosworth, Esq.
Senior Counsel
Schering-Plough Corporation
2000 Galloping Hill Road
K-6-1 1800
Kenilworth, NJ 07033
Telephone:
Facsimile:
Email:

If to the Commission:

Federal Trade Commission
601 New Jersey Avenue, N.W.
Washington, D.C. 20001
ATTN: Arthur Strong, Esq.
Telephone: (202) 326-3478
Facsimile: (202) 326-3396
Email: astrong@ftc.gov

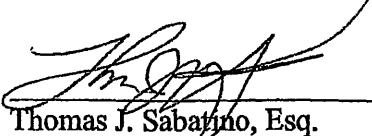
25. This Monitor Agreement shall not become binding until it has been approved by the Commission and the Order has been accepted for public comment.
26. This Monitor Agreement may be signed in counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Monitor Agreement as of the date first above written.

Dr. David A. Espeseth

Schering-Plough Corporation


President, Espeseth Consulting


Thomas J. Sabatino, Esq.
Executive Vice President and
General Counsel