

SETTLEMENT AGREEMENT AND RELEASE

I PARTIES

This Settlement Agreement ("Agreement") is entered into by the State of Michigan and Schering-Plough Corporation ("Schering"), a New Jersey corporation with a principal place of business in Kenilworth, New Jersey, through their authorized representatives, (hereinafter referred to as "the Parties").

II. PREAMBLE

A. WHEREAS, at all relevant times, Schering distributed, marketed and sold pharmaceutical products in the United States, including the following prescription drug products: (1) loratadine rapidly dissolving tablets, a non-sedating antihistamine, marketed under the brand name Claritin Redi-Tabs; (2) potassium chloride 20 meq, an electrolytic and water balance agent, marketed under the brand name K-Dur 20; (3) temozolomide, a chemotherapeutic agent, marketed under the brand name Temodar; (4) interferon alfa-2b, a biologic, marketed under the brand name Intron A; (5) pegylated interferon alfa-2b, a biologic, marketed under the brand name PEG-Intron; (6) interferon alfa-2b marketed together with ribavirin, a nucleoside analogue, under the brand name Rebetron; and (7) pegylated interferon alfa-2b marketed together with ribavirin as PEG-Intron Combination Therapy (collectively, "the drugs"). Schering sold the drugs to various customers including, among others, health maintenance organizations ("HMOs"), hospitals, long term care providers, chain pharmacies, specialty pharmacies, and physicians.

B. WHEREAS, Schering Sales Corporation, a wholly owned subsidiary of Schering-Plough Corporation, has agreed to enter into a plea agreement with the United States Attorney for the District of Massachusetts (the "Plea Agreement"), under which, if the Plea Agreement is approved by the Court, Schering Sales Corporation will enter a plea of guilty pursuant to Fed. R. Crim. P.

11(c)(1)(C) to an Information to be filed in United States of America v. Schering Sales Corporation (District of Massachusetts)(the “Criminal Action”) that will allege that Schering Sales Corporation violated Title 18, United States Code, Section 371, by conspiring to make false statements in violation of Title 18, United States Code, Section 1001, to the Health Care Financing Administration (“HCFA”) in connection with Schering’s best price for Claritin Redi-Tabs for second quarter 1998 through fourth quarter 1999, and to the United States Food and Drug Administration (“FDA”) in response to an inquiry by the FDA in July 2001 regarding Schering’s off-label marketing activities.

C. WHEREAS, at all material times, Schering participated in the Medicaid Rebate Program, 42 U.S.C. § 1396r-8, which is part of the federal Medicaid Program, Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396v. As a participant in the Medicaid Rebate Program, Schering entered into a rebate agreement with HCFA, currently known as the Centers for Medicare and Medicaid Services (“CMS”), and Schering’s drug products were covered by state Medicaid plans that provided medical assistance for outpatient prescription drugs. 42 U.S.C. §§ 1396a(10)(A); 1396d(a)(12), and 1396r-8(a)(1). Under the Medicaid Rebate Program and rebate agreement with HCFA, Schering generally agreed: (i) to report quarterly to HCFA its average manufacturer price and, for single source and innovator multiple source drugs, best price for its drug products, as defined by 42 U.S.C. §§ 1396r-8(k)(1) and 1396r-8(c)(1)(C); and (ii) to pay quarterly rebates to the states based on the product of (a) the units of each dosage form and strength paid for under the State Medicaid plan during the rebate period as reported by the state, and (b) the greater of the difference between the average manufacturer price and best price, or a minimum rebate percentage of the average manufacturer price, as further defined in 42 U.S.C. § 1396r-8(c)(1).

D. WHEREAS, Schering has entered into or will be entering into a separate settlement agreement (hereinafter referred to as the “Federal Settlement Agreement and Release”) with the United States Department of Justice (hereinafter referred to as the “United States”) which will be receiving settlement funds from Schering pursuant to Paragraph 1(A) below for the Covered Conduct described in Paragraph F below.

E. WHEREAS, the State of Michigan alleges that Schering caused to be submitted claims for payment for the drugs to its Medicaid Program, established pursuant to or in connection with Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396v (the “Medicaid Program”);

F. WHEREAS, the State of Michigan contends that it has certain civil claims against Schering under the False Claims Act, 31 U.S.C. §§ 3729-33, the Medicaid Rebate Program, 42 U.S.C. § 1396r-8, the Drug Pricing Program, 42 U.S.C. § 256b, other federal and state statutes, and/or common law doctrines for engaging in the following conduct:

i. The State of Michigan contends that, from Second Quarter 1998 through Fourth Quarter 1999, Schering knowingly and willfully misreported its best price to HCFA and underpaid its Medicaid rebates for Claritin Redi-Tabs by omitting from its determination of best price the free Claritin Redi-Tabs contingent on future purchases that were provided to a certain managed care organization (“the HMO”) to effectuate an agreed-upon lower price;

ii. The State of Michigan contends that, from First Quarter 2000 through Fourth Quarter 2001, Schering knowingly misreported its best price to HCFA and underpaid its Medicaid rebates for Claritin Redi-Tabs by omitting from its determination of best price deeply discounted Claritin Redi-Tabs that were provided to the HMO to effectuate an agreed-upon lower price;

iii. The State of Michigan contends that, from Fourth Quarter 1995 through Fourth Quarter 2000, Schering knowingly misreported its best price to HCFA and underpaid its Medicaid rebates for K-Dur 20 by omitting from its determination of best price the price of K-Dur 20 that was private labeled for the HMO;

iv. The State of Michigan contends that, as part of Schering's sales and marketing practices for PEG-Intron, Rebetrone, and PEG-Intron Combination Therapy for patients with Hepatitis C from January 1999 through December 2002, Schering knowingly and willfully offered and paid illegal remuneration to induce physicians to start patients on drug therapy for Hepatitis C in violation of 42 U.S.C. §1320a-7b(b)(2) through three improper sales and marketing programs: the ReCAP Program, which paid physicians up to \$500 for each patient begun on drug therapy for Hepatitis C; the Physician Assistants ("PA") Fellowship Program, which placed Schering-funded physician assistants in busy physician practices; and Low Quintile Advisory Board programs, which paid physicians for attendance at Schering-sponsored events. Furthermore, the State of Michigan contends that during this time period, Schering knowingly caused the submission of false or fraudulent claims to its Medicaid program for PEG-Intron, Rebetrone, and PEG-Intron Combination Therapy by providing physicians with illegal remuneration through these three programs to induce them to prescribe these drugs to patients;

v. The State of Michigan contends that, as part of Schering's sales and marketing practices for Temodar, from September 1999 through December 2003, Schering knowingly and willfully offered and paid various forms of illegal remuneration to physicians and physicians' practices to induce utilization of Temodar for brain tumors and brain metastases, including, for

example, improper preceptorships, advisory boards, entertainment, and placement of clinical studies in violation of 42 U.S.C. §1320a-7b(b)(2). Furthermore, the State of Michigan contends that, during this time period, Schering knowingly caused the submission of false or fraudulent claims for Temodar to its Medicaid Program by providing physicians and physicians' practices with illegal remuneration to induce them to prescribe Temodar for patients;

vi. The State of Michigan contends that, during the period September 1999 through December 2003, Schering knowingly promoted the sale and use of Temodar for brain metastases and certain brain tumors (including, specifically, newly-diagnosed anaplastic astrocytomas and a certain subset of glioblastoma multiformes), uses for which the Food and Drug Administration ("FDA") had not approved Temodar; i.e., Schering promoted Temodar for "unapproved" or "off-label" uses. The State of Michigan further contends that such off-label marketing violated the Food, Drug & Cosmetic Act ("FDCA"), 21 U.S.C. §§ 331 (a) and (d). The State of Michigan further contends that the use of Temodar for brain metastases during this time period, and the use of Temodar for certain brain tumors during the portion of this time period prior to 2002, were not medically-accepted indications, as defined in 42 U.S.C. § 1396r-8(k)(6), and that certain State Medicaid Programs could not reimburse these uses. The State of Michigan further contends that Schering knowingly caused the submission of false or fraudulent claims for Temodar to its Medicaid Program for unapproved indications; and

vii. The State of Michigan contends that, as part of Schering's sales and marketing practices for Intron A for superficial bladder cancer from September 1999 through December 2003, Schering knowingly and willfully offered and paid various forms of illegal remuneration to

physicians and physicians' practices to induce the utilization of Intron A for superficial bladder cancer including, for example, improper preceptorships, advisory boards, entertainment, and placement of clinical studies in violation of 42 U.S.C. § 1320a-7b(b)(2), and encouragement of improper billing by physicians of Intron A vial overfill and free drugs. The State of Michigan further contends that Schering promoted Intron A for superficial bladder cancer although Schering did not have approval from the FDA for use in that indication. Furthermore, the State of Michigan contends that, during this time period, Schering knowingly caused the submission of false or fraudulent claims to its Medicaid Program by inducing physicians to prescribe it to patients with superficial bladder cancer by providing them with such illegal remuneration.

Schering's conduct as described in the Information in the Criminal Action and Preamble Paragraph F is hereafter referred to as the "Covered Conduct."

G. WHEREAS, this Agreement is neither an admission of facts or liability by Schering, with the exception of such admissions as Schering Sales Corporation makes in connection with a guilty plea to the Information referenced in Paragraph B above, nor a concession by the State of Michigan that its claims are not well founded.

H. WHEREAS, to avoid the delay, expense, inconvenience, and uncertainty of protracted litigation of these claims, the Parties mutually desire to reach a full and final settlement as set forth below.

III. TERMS AND CONDITIONS

NOW, THEREFORE, in reliance on the representations contained herein and in

consideration of the mutual promises, covenants, and obligations set forth below in this Agreement, and for good and valuable consideration as stated herein, the Parties agree as follows:

1. To satisfy Medicaid claims, Schering agrees to pay to the United States and the states which will be receiving settlement funds pursuant to this paragraph the ("Medicaid Participating States"), collectively, the sum of two hundred three million five hundred sixty thousand dollars (\$203,560,000), plus interest in an amount of 4.292% per annum on the Federal Settlement Amount and Medicaid State Settlement Amount as further set forth in subparagraphs A and B below from July 27, 2005 and continuing until and including the day before complete payment is made (the "Settlement Amount"). This sum shall constitute a debt immediately due and owing to the United States and the Medicaid Participating States on the Effective Date of this Agreement. This debt is to be discharged by payments to the United States and the Medicaid Participating States under the following conditions:

A. Schering shall pay to the United States the sum of one hundred eleven million nine hundred fifty eight thousand dollars (\$111,958,000), plus interest in an amount of 4.292% per annum from July 27, 2005, and continuing until and including the day before complete payment is made (the "Federal Settlement Amount"). The Federal Settlement Amount shall be paid by electronic funds transfer no later than seven business days after Schering receives written payment instructions from the United States and following the latest of the dates on which the following occurs: (1) the Federal Settlement Agreement and Release is fully executed by the Parties and delivered to Schering's attorneys; or (2) the Court accepts the Fed. R. Crim. P. 11(c)(1)(C) guilty plea in connection with the Criminal Action and imposes the agreed upon sentence.

B. Schering shall deposit into an interest bearing account it establishes for this

purpose (the "State Settlement Account") the sum of ninety-one million, six hundred two thousand, dollars (\$91,602,000), plus interest in an amount of 4.292% per annum (\$10,771 per day) from July 27, 2005, until and including the day before transfer into the State Settlement Account is made (the "Medicaid State Settlement Amount"), which represents the state-funded portions of the claims settled with the Medicaid Participating States.

C. Schering shall make such deposit no later than seven (7) business days following the latest of the dates on which the following occurs: (1) the Federal Settlement Agreement and Release is fully executed by the Parties and delivered to Schering's attorneys; or (2) the Court accepts the Fed. R. Crim. P. 11(c)(1)(C) guilty plea in connection with the Criminal Action and imposes the agreed upon sentence.

D. The total portion of the Settlement Amount paid by Schering in settlement for the Covered Conduct to the State of Michigan is \$1,052,842.70, consisting of a portion paid to the State of Michigan under this agreement and another portion paid to the federal government as part of the Federal Settlement Agreement and Release. The individual portion of the Medicaid State Settlement Amount allocable to the State of Michigan under this agreement is the sum of \$519,762.71, plus applicable interest the ("Individual State Settlement Amount").

E. Upon the execution of state settlement agreements by all the Medicaid Participating States, or at any earlier date as otherwise agreed in writing between Schering and the National Association of Medicaid Fraud Control Units' Negotiating Team ("NAMFCU"), Schering shall transfer the Individual State Settlement Amount and all applicable interest from the State Settlement Account to an account designated by NAMFCU for distribution to the State. Any funds in the State Settlement Account not so disbursed to a state within two hundred (200) days following

deposit of the Medicaid State Settlement Amount into the State Settlement Account shall be disbursed to Schering.

F. If Schering Sales Corporation's agreed upon guilty plea pursuant to Fed. R. Crim. P. 11(c)(1)(C) in the Criminal Action described in Preamble Paragraph B is not accepted by the Court or the Court does not impose the agreed upon sentence for whatever reason, this Agreement shall be null and void at the option of either the State of Michigan or Schering. If either the State of Michigan or Schering exercises this option, which option shall be exercised by notifying all Parties, through counsel, in writing within five business days of the Court's decision, the Parties will not object and this Agreement will be rescinded. If this Agreement is rescinded, Schering will not plead, argue or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel or similar theories to any civil or administrative claims, actions or proceedings which are brought by the State of Michigan within 90 calendar days of notification to all other Parties of that rescission, except to the extent such defenses were available before February 5, 2003.

2. Subject to the exceptions in Paragraphs 3 and 4 below, and in consideration of the obligations of Schering set forth in this Agreement, conditioned upon Schering's payment in full of the Settlement Amount, subject to Paragraph 14 below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment under this Agreement), and subject to the acceptance by the United States District Court for the District of Massachusetts of Schering Sales Corporation's guilty plea described in Preamble Paragraph B, the State of Michigan, on behalf of itself, and its officers, agents, agencies, and departments, agrees to release Schering, its predecessors, and its current and former parents, affiliates, divisions, subsidiaries, successors and assigns, and their current and former directors, officers, and employees,

from any civil or administrative monetary claim that the State of Michigan has or may have for any claims submitted or caused to be submitted to the State Medicaid Program for the Covered Conduct.

The payment of the Settlement Amount fully discharges Schering from any obligation to pay Medicaid-related restitution, damages, and/or any fine or penalty to the State of Michigan for the Covered Conduct.

3. Notwithstanding any term of this Agreement, the State of Michigan specifically does not release any person or entity from any of the following claims or liabilities: (a) any criminal, civil, or administrative claims arising under State of Michigan revenue codes; (b) any criminal liability not specifically released by this Agreement; (c) any civil liability that Schering has or may have under any state statute, regulation, or rule not covered by this release; (d) any liability to the State of Michigan (or any agencies thereof) for any conduct other than the Covered Conduct; (e) any claims based upon obligations created by this Agreement; (f) except as explicitly stated in this Agreement, any administrative liability, including mandatory exclusion from the State of Michigan's Medicaid program; (g) any express or implied warranty claims or other claims for defective or deficient products and services provided by Schering; (h) any claims for personal injury or property damage or for other consequential damages arising from the Covered Conduct; (i) any claim based on a failure to deliver items or services due; (j) any civil or administrative claims against individuals, including current and former directors, officers, and employees of Schering, its predecessors, subsidiaries, and affiliates, who receive written notification that they are the target of a criminal investigation, are criminally indicted or charged, or are convicted, or who enter into a criminal plea agreement; (k) and any claims related to the improper inflation of Average Wholesale Prices and Wholesale Acquisition Costs used for Medicaid reimbursement; provided, however, that Schering

and its subsidiaries do not waive any rights or defenses that they may have with respect to liability or damages in connection with such claims.

4. In consideration of the obligations of Schering set forth in this Agreement, and the Corporate Integrity Agreement and Addendum thereto that Schering has entered or will enter into with the Office of the Inspector General, United States Department of Health and Human Services (“HHS-OIG”) in connection with this matter (collectively, “CIA”), conditioned on Schering’s payment in full of the Settlement Amount, and subject to Paragraph 14 below (concerning bankruptcy proceedings commenced within 91 days of the effective date of this Agreement or any payment under this Agreement), the State of Michigan agrees to release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from the State of Michigan’s Medicaid Program against Schering, or, except for Schering Sales Corporation, any of its predecessors, current or former parents, affiliates, divisions, subsidiaries, successors, or assigns for the Covered Conduct or the conviction in the Criminal Action, except as reserved in this Paragraph. Nothing in this Agreement precludes the State of Michigan from taking such administrative action against Schering in the event that Schering is excluded from the Medicaid Program by the federal government, or for conduct and practices other than the Covered Conduct or the conduct underlying the conviction in the Criminal Action. State of Michigan does not have the authority to release Schering from any claims or actions which may be asserted by private payors or insurers, including those that are paid by a state’s Medicaid Program on a capitated basis.

5. In compromise and settlement of the rights of OIG-HHS to exclude Schering Sales Corporation pursuant to 42 U.S.C. § 1320a-7(a)(1)(mandatory exclusion for a criminal offense related to the delivery of an item or service under Medicare or Medicaid) based on the Plea

Agreement described in Paragraph II.B. above, and pursuant to 42 U.S.C. § 1320a-7(b)(7) based on the Covered Conduct described in Paragraph II.H above, Schering Sales Corporation agrees to be permanently excluded under these statutory provisions from Medicare, Medicaid, and all other Federal health care programs as defined in 42 U.S.C. § 1320a-7b(f). Such exclusion shall have national effect and shall also apply to all other federal procurement and nonprocurement programs. Federal health care programs shall not pay Schering Sales Corporation or anyone else for items or services, including administrative and management services, furnished, ordered or prescribed by Schering Sales Corporation in any capacity while Schering Sales Corporation is excluded. This payment prohibition applies to Schering Sales Corporation and anyone who employs or contracts with Schering Sales Corporation. The exclusion applies regardless of who submits the claims or other request for payment. Schering Sales Corporation shall not submit or cause to be submitted to any Federal health care program any claim or request for payment for items or services, including administrative and management services, furnished, ordered, or prescribed by Schering Sales Corporation during the exclusion. Violation of the conditions of the exclusion may result in criminal prosecution and imposition of civil monetary penalties and assessments. Schering Sales Corporation further agrees to hold the Federal health care programs, and all federal beneficiaries and/or sponsors, harmless from any financial responsibility for goods or services furnished, ordered, or prescribed to such beneficiaries or sponsors during the exclusion. Schering Sales Corporation waives any further notice of the exclusion and agrees not to contest such exclusion either administratively or in any state or federal court. Schering Sales Corporation has been excluded since October 20, 2005, and the exclusion, as set forth in this Paragraph, shall continue permanently hereafter.

6 The Parties each represent that this Agreement is freely and voluntarily entered into

without any degree of duress or compulsion whatsoever.

7. The State of Michigan agrees to dismiss with prejudice any lawsuit specifically as to Schering, including any *qui tam* "whistleblower" lawsuit, in which the state has intervened and/or has the authority to dismiss, currently pending against Schering in the courts of the State of Michigan or in Federal Court, for the Covered Conduct.

8. This agreement is expressly conditioned upon acceptance of Schering Sales Corporation's plea of guilty in the Criminal Action. In consideration of the acceptance of Schering Sales Corporation's plea of guilty in the Criminal Action, the State of Michigan agrees that it will not investigate, prosecute, or refer for prosecution or investigation to any agency or other state authority, Schering, its predecessors, and its current and former parents, affiliates, divisions, subsidiaries, successors, and assigns, for the Covered Conduct.

9. Schering waives and shall not assert any defense it may have to criminal prosecution or administrative action relating to the Covered Conduct, which defense may be based in whole or in part on a contention that, under the Double Jeopardy Clause of the Fifth Amendment of the Constitution or the Excessive Fines Clause of the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

10. In consideration of the obligations of the State of Michigan set forth in this Agreement, Schering, on behalf of itself and its predecessors, its current and former parents, affiliates, divisions, subsidiaries, successors and assigns fully and finally releases, waives and discharges the State of Michigan, its agencies, employees, servants, and agents from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) which Schering has asserted, could have asserted, or may assert in the future against the State of Michigan,

its agencies, employees, servants, and agents, related to or arising from the State of Michigan's investigation and prosecution of the Covered Conduct.

11. The Settlement Amount that Schering must pay pursuant to Paragraph 1 above will not be decreased as a result of the denial of claims for payment now being withheld from payment by the State of Michigan's Medicaid Program or any other state payer, related to the Covered Conduct; and, if applicable, Schering agrees not to resubmit to the State of Michigan's Medicaid Program or any other state payer, any previously denied claims, which denials were based on the Covered Conduct, and agrees not to appeal or cause the appeal of any such denials of claims.

12. Schering agrees that it shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors. Schering waives any causes of action against these beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims for payment covered by this Agreement.

13. Schering expressly warrants that it has reviewed its financial condition and that it is currently solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(B)(ii)(I), and shall remain solvent following payment of the Settlement Amount. Further, the Parties expressly warrant that, in evaluating whether to execute this Agreement, the Parties (a) have intended that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to Schering within the meaning of 11 U.S.C. § 547(c)(1), and (b) have concluded that these mutual promises, covenants and obligations do, in fact, constitute such a contemporaneous exchange.

14. In the event Schering commences, or another party commences, within 91 days of the

Effective Date of this Agreement or any payment made hereunder, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors (a) seeking to have any order for relief of Schering's debts, or seeking to adjudicate Schering as bankrupt or insolvent, or (b) seeking appointment of a receiver, trustee, custodian or other similar official for Schering or for all or any substantial part of Schering's assets, Schering agrees as follows:

A. Schering's obligations under this Agreement may not be avoided pursuant to 11 U.S.C. §§ 547 or 548, and Schering shall not argue or otherwise take the position in any such case, proceeding or action that: (i) Schering's obligations under this Agreement may be avoided under 11 U.S.C. §§ 547 or 548; (ii) Schering was insolvent at the time this Agreement was entered into, or became insolvent as a result of the payment made to the State of Michigan hereunder; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Schering

B. If Schering's obligations under this Agreement are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the State of Michigan, at its sole option, may rescind the releases provided in this Agreement, and bring any civil and/or administrative claim, action or proceeding against Schering for the claims that would otherwise be covered by the releases provided in this Agreement. If the State of Michigan chooses to do so, Schering agrees that for purposes only of any claims, actions or proceeding referenced in this first clause of this Paragraph, (i) any such claims, actions, or proceedings brought by the State of Michigan (including any proceedings to exclude Schering from participation in the State of Michigan's Medicaid Program) are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceeding described in the first

clause of this Paragraph, and that Schering shall not argue or otherwise contend that the State of Michigan's claims, actions, or proceedings are subject to an automatic stay; (ii) Schering shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceedings which are brought by the State of Michigan within 90 calendar days of written notification to Schering that the releases herein have been rescinded pursuant to this Paragraph, except to the extent such defenses were available before February 5, 2003; and (iii) the United States and the Medicaid Participating States have a valid claim against Schering in the amount of two hundred three million five hundred sixty thousand dollars (\$203,560,000) plus applicable multipliers and penalties and they may pursue their claims, inter alia, in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action or proceeding; and

C. Schering acknowledges that its agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

15. Except as otherwise stated in this Agreement, this Agreement is intended to be for the benefit of the Parties only, and by this instrument the Parties do not release any claims against any other person or entity.

16. Nothing in this Agreement constitutes an agreement by the State of Michigan concerning the characterization of the amounts paid hereunder for purposes of the State of Michigan's revenue code.

17. In addition to all other payments and responsibilities under this Agreement, Schering agrees to pay all reasonable travel costs and expenses of the NAMFCU Negotiating Team. Schering will pay this amount by separate check or wire transfer made payable to the National Association of

Medicaid Fraud Control Units after the Medicaid Participating States execute this agreement or as otherwise agreed by the parties.

18. This Agreement is governed by the laws of the State of Michigan.

19. The undersigned Schering signatory represents and warrants that he is authorized by the Board of Directors to execute this Agreement. The undersigned State of Michigan signatories represent that they are signing this Agreement in their official capacities and they are authorized to execute this Agreement on behalf of the State of Michigan through their respective agencies and departments.

20. The "Effective Date" of this Agreement shall be on the date of signature of the last signatory to the Agreement. Facsimiles of signatures shall constitute acceptable binding signatures for purposes of this Agreement.

21. This Agreement shall be binding on all successors, transferees, heirs, and assigns of the Parties.

22. This Agreement shall not be amended except by written consent of the Parties, except that only Schering and OIG-HHS must agree in writing to modification of the CIA, without the consent of any other party to this Agreement or the Plea Agreement.

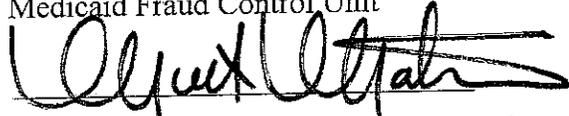
23. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which shall constitute one and the same Agreement.

THE STATE OF MICHIGAN

DATED: 8/7/2006

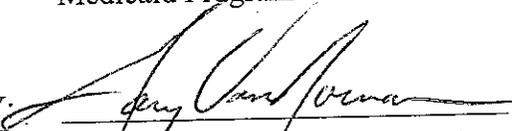
MARK W. MATUS

The State of Michigan
Office of the Attorney General
Medicaid Fraud Control Unit

BY: 
Title: Assistant Attorney General

DATED: _____

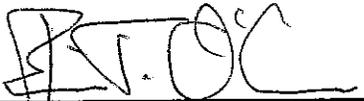
State of Michigan
Medicaid Program

BY: 
Title: Acting Director Bureau of Insurance, MDT MSA

SCHERING-PLOUGH CORPORATION

By: _____
Name:
Title:
Schering-Plough Corporation

Dated:

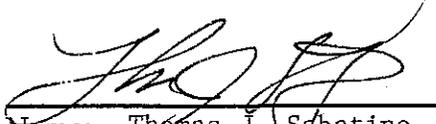
By: 

BRIEN O'CONNOR
JOAN MCPHEE
JOSHUA LEVY
Ropes & Gray
Counsel to Schering-Plough Corporation

Dated: 9/19/06

SCHERING-PLOUGH CORPORATION

By:



Dated: 9/20/06

Name: Thomas J. Sabatino
Title: Executive Vice President & General Counsel
Schering-Plough Corporation

By:

BRIEN O'CONNOR
JOAN MCPHEE
JOSHUA LEVY
Ropes & Gray
Counsel to Schering-Plough Corporation

Dated: