ANIMAL WELFARE POLICY

RESOLVED, that the Board issue a report to shareholders on the feasibility of amending the Company’s policy on Animal Research to ensure that: i) it extends to all contract laboratories and is reviewed with such outside laboratories on a regular basis, and ii) it addresses animals’ social and behavioral needs. Further, the shareholders request that the report include information on the extent to which in-house and contract laboratories are adhering to the policy, including the implementation of enrichment measures.

Supporting Statement:

Our Company conducts tests on animals as part of its product research and development, as well as retaining independent laboratories to conduct such tests. Abuses in independent laboratories are not uncommon and have recently been exposed by the media. Merck has posted on its Web site a position statement on Animal Research. The Company, as an industry leader, is commended for its stated commitment to "the highest standards for humane handling, care and treatment of animals used throughout the company's laboratories."¹

However, the disclosure of atrocities recorded at Covance, Inc., an independent laboratory headquartered in Princeton, New Jersey,² has made the need for a formalized, publicly available animal welfare policy that extends to all outside contractors all the more relevant, indeed urgent.³ Filmed footage showed primates being subjected to such gross physical abuses and psychological torments that Covance sued to enjoin People for the Ethical Treatment of Animals in Europe

¹ http://www.merck.com/cr/science_innovation_and_quality/key_issues_in_research/animals_policy/home.html
² PETA’s undercover investigator videotaped the systematic abuse of animals at Covance’s laboratory in Vienna, VA over a six month investigation.
³ In October 2005, Covance’s Director of Early Development stated that “We've worked with just about every major company around the world” (http://www.azcentral.com/arizonarepublic/eastvalleyopinions/articles/1021cr-edit21.html)
from publicizing it. The Honorable Judge Peter Langan in the United Kingdom refused to stop PETA from publicizing the film, and instead ruled in PETA’s favor. The Judge stated in his opinion that two aspects of the video, namely the “rough manner in which the animals are handled and the bleakness of the surroundings in which they are kept … even to a viewer with no particular interest in animal welfare, at least cry out for explanation.”

Shareholders cannot monitor what goes on behind the closed doors of the animal testing laboratories, so the Company must. Accordingly, we urge the Board to commit to promoting basic animal welfare measures as an integral part of our Company’s corporate stewardship.

We urge shareholders to support this Resolution.

---

4 The case captioned *Covance Laboratories Limited v. PETA Europe Limited* was filed in the High Court of Justice, Chancery Division, Leeds District Registry, Claim No. 5C-00295. In addition to ruling in PETA’s favor, the Court ordered Covance to pay PETA £50,000 in costs and fees.