SCHERING PLOUGH CORP
Form DEF 14A
April 27, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement
[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
[X] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to Section 240.14a-12

SCHERING-PLOUGH CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

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(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

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(3) Filing Party:

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A Message from the CEO

Dear Fellow Shareholders,

The transformational journey of our company since we began our Action Agenda six years ago has been a remarkable one. We have overcome great challenges to build a company that today has strength and diversity on many fronts.

Of all the many accomplishments by our people, I would like to highlight the strong R&D engine that we have built, and our rich late stage pipeline. In 2003 we had five late-stage entities. At the end of 2008, we had eight new entities in Phase III, with four more in pre-registration, for a total of 12 in late-stage development.

This impressive achievement, and all the other strengths that we have built, resulted from the talent and commitment of our people. Through their winning spirit, we have created our successes, and powered through many challenges.

On March 9, 2009, we announced our planned merger with Merck & Co., Inc. We look forward to a combined future in a science-centered company that will have great opportunities to do good things for health and wellness.

Meantime, our focus at Schering-Plough will be to keep executing against our goals until the merger closes.

We thank our people for their dedication.

We are grateful to our Board for their strong and independent oversight.

And we are grateful to you, our shareholders. We have learned much from our on-going, active engagement with shareholders as we worked to transform Schering-Plough. We thank our shareholders for your continuing trust.

Sincerely,

Kenilworth, New Jersey
April 24, 2009

Notice of Annual Meeting of Shareholders
May 18, 2009

The Annual Meeting of Shareholders of Schering-Plough Corporation will be held at the Field Museum, 1400 S. Lake Shore Drive, Chicago, Illinois 60605, on Monday, May 18, 2009, at 7:30 a.m. local time. Directions to the Field Museum are available at www.fieldmuseum.org/plan_visit/get_here.htm. The purposes of the meeting are to vote on the following matters and to transact such other business that may properly come before the meeting:

Elect eleven Directors for a one-year term. The Board recommends a vote **FOR** each of the Director nominees.

Ratify the designation of Deloitte & Touche LLP to audit Schering-Plough s books and accounts for 2009. The Board recommends a vote **FOR** this proposal.

Consider two shareholder proposals if properly brought before the meeting. The Board recommends a vote **AGAINST** each of these proposals.

Only holders of record of common shares at the close of business on April 6, 2009 will be entitled to vote at the meeting or any adjournments or postponements thereof.

For the security of everyone attending the meeting, a shareholder must present both an admission ticket and photo identification to be admitted to the Annual Meeting of Shareholders. The process for shareholders to obtain an admission ticket from Schering-Plough s transfer agent, BNY Mellon, is described in the proxy statement on page 61.

Your vote is important. Whether or not you plan to attend the meeting, please vote in advance by proxy in whichever way is most convenient in writing, by telephone or by the Internet.

We appreciate your investment in Schering-Plough. We encourage you to participate in Schering-Plough s governance by voting.

Susan Ellen Wolf
Corporate Secretary and
Vice President Governance

Kenilworth, New Jersey
April 24, 2009

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Proxy Statement

2009 Annual Meeting of Shareholders

The Field Museum
1400 S. Lake Shore Drive
Chicago, IL 60605

Monday, May 18, 2009
7:30 a.m.

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Schering-Plough Corporation to be voted at its Annual Meeting of Shareholders on May 18, 2009, and any adjournments or postponements of the Annual Meeting of Shareholders. At the 2009 Annual Meeting of Shareholders, holders of common shares will vote on the following matters:

Elect eleven Directors for a one-year term. The Board recommends a vote **FOR** each of the Director nominees.

Ratify the designation of Deloitte & Touche LLP to audit Schering-Plough s books and accounts for 2009. The Board recommends a vote **FOR** this proposal.

Consider two shareholder proposals if properly brought before the meeting. The Board recommends a vote **AGAINST** each of these proposals.

The Board of Directors has designated Fred Hassan, Robert J. Bertolini and Susan Ellen Wolf as proxies in connection with the 2009 Annual Meeting of Shareholders. With respect to any other matter that properly comes before the Annual Meeting of Shareholders, these proxies will vote as recommended by the Board of Directors or, if no recommendation is given, in their own discretion.

This proxy statement and the accompanying proxy and voting instruction card, together with the 2008 financial report to shareholders and company overview are being mailed beginning on or about April 24, 2009, to all holders of record of common shares as of the close of business on April 6, 2009. There were 1,632,070,533 common shares outstanding on April 6, 2009.

The address of Schering-Plough s principal executive offices is 2000 Galloping Hill Road, Kenilworth, New Jersey 07033, and its Web site is www.schering-plough.com.

PROPOSAL ONE: ELECT ELEVEN DIRECTORS FOR A ONE-YEAR TERM

The Board has nominated eleven nominees for election as Directors for a one-year term expiring at the 2010 Annual Meeting of Shareholders. Directors are elected to serve for a one-year term and until their successors have been elected and qualified.(1)

In the event one or more of the named nominees is unable or unwilling to serve, the persons designated as proxies may cast votes for other persons as substitute nominees. The Board of Directors has no reason to believe that any of the nominees named below will be unavailable, or if elected, will decline to serve.

Biographical information is given below for each nominee for Director. All nominees are presently serving as Directors.

Hans W. Becherer and Carl E. Mundy Jr. will each retire as a Director at the 2009 Annual Meeting of Shareholders. Schering-Plough appreciates Mr. Becherer s twenty years of service as a Director and his significant contributions as the Chair of the Compensation Committee and his membership on the Audit and Nominating and Corporate Governance Committees. Schering-Plough appreciates General Mundy s fourteen years of service as a Director and his significant contributions as a member on the Business Practices Oversight, Finance and Nominating and Corporate Governance Committees.

Vote required. A plurality of the votes cast is required for the election of Directors. The Board has adopted a majority vote resignation By-Law. Under that By-Law, should a Director receive withhold votes from a majority of the votes cast for the election of Directors, he or she would promptly offer to resign from the Board; the Board s Nominating and Corporate Governance Committee (excluding the nominee in question) would recommend that the Board accept the resignation absent a compelling reason otherwise; the Board (excluding the nominee in question) would act on the Nominating and Corporate Governance Committee s recommendation within 30 days or at its next regularly scheduled meeting, whichever is earlier; and the Board s decision would be disclosed in a Form 8-K filed with the Securities and Exchange Commission. The majority vote resignation By-Law applies to the election of Directors at the 2009 Annual Meeting of Shareholders and all uncontested elections (where the number of nominees equals the number of Directors to be elected). This By-Law would not apply in a contested election (where the number of nominees exceeds the number of vacancies).

The Board recommends a vote FOR each of the nominees in proposal one.

All nominees are currently serving as Directors

THOMAS J. COLLIGAN, Age 64, Vice Dean of Executive Education, The Wharton School of the University of Pennsylvania since August 2007.
Prior History: Mr. Colligan is the Retired Vice Chairman of PricewaterhouseCoopers, LLP (accounting firm). He was associated with PricewaterhouseCoopers from 1969 until his retirement in 2004.
Other: Board of Advisors of the Silberman College of Business at Fairleigh Dickinson University
Director since: 2005

FRED HASSAN, Age 63, Chairman of the Board and Chief Executive Officer since April 2003.
Prior History: Mr. Hassan was Chairman of the Board and Chief Executive Officer of Pharmacia Corporation from February 2001 until April 2003, President and Chief Executive Officer of Pharmacia from March 2000 to February 2001, and President and Chief Executive Officer of Pharmacia & Upjohn, Inc. from May 1997 until March 2000. Mr. Hassan was Executive Vice President and a member of the Board of Directors of Wyeth, Inc. (formerly American Home Products Corporation) from 1995 to 1997.
Other Directorships: Avon Products, Inc.
Other: President of International Federation of Pharmaceutical Manufacturers & Associations (IFPMA)
Director since: 2003

(1) The proposed combination of Schering-Plough with Merck & Co., Inc. pursuant to the Agreement and Plan of Merger dated March 8, 2009, will be submitted to shareholders for approval at a special meeting expected to be scheduled later in 2009. Section 1.4 of that Agreement provides that at closing of the merger, all but three of the Schering-Plough Directors will resign and the Merck Directors will be elected to the Schering-Plough Board. The timing of the merger is dependent on the receipt of antitrust approvals and the satisfaction of other contingencies.

C. ROBERT KIDDER, Age 64, Chairman and Chief Executive Officer of 3Stone Advisors LLC (private investment firm) since August 2006.
Prior History: Mr. Kidder was a Principal of Stonehenge Partners, Inc. (private investment firm) from April 2004 to July 2006. He was Chairman and Chief Executive Officer of Borden, Inc. from 1995 to 2003. He was also a Founding Partner of Borden Capital Management Partners. Prior to that, he was at Duracell International Inc. from 1980 to 1994, assuming the role of President and Chief Executive Officer in 1984.
Other Directorships: Morgan Stanley
Other: Board of Trustees of Columbus Children s Hospital, President of Wexner Center Foundation and member of the Board of Ohio University.
Director since: 2005

EUGENE R. MCGRATH, Age 67, Retired Chairman, President and Chief Executive Officer and current Director of Consolidated Edison, Inc. (energy company).
Prior History: Mr. McGrath has been associated with Consolidated Edison since 1963. He served as Chairman, President and Chief Executive Officer from October 1997 until September 2005, and Chairman until February 2006. He served as Chairman and Chief Executive Officer of Consolidated Edison s subsidiary, Consolidated Edison Company of New York, Inc., from September 1990 until September 2005 and as Chairman until February 2006.
Other Directorships: AEGIS Insurance Services, GAMCO Investors, Inc. and Gabelli Entertainment & Telecommunications Acquisition Corp. (GENTA).
Director since: 2000

ANTONIO M. PEREZ, Age 63, Chairman of the Board and Chief Executive Officer of Eastman Kodak Company (Kodak) (imaging innovator).
Prior History: Mr. Perez has served Kodak as Chairman of the Board since January 2006, Chief Executive Officer since May 2005 and President from April 2003 to September 2007. Prior to joining Kodak, Mr. Perez served as an independent consultant for large investment firms, providing counsel on the effect of technology shifts on financial markets; served as President and Chief Executive Officer of Gemplus International from June 2000 to December 2001; and before that held several senior management positions over a twenty-five-year career with Hewlett-Packard Company.
Other: Member of Business Council and Business Roundtable. Mr. Perez also serves as Chairman of the Diversity Best Practices Initiative and as a member of the Board of Trustees of the George Eastman House.
Director since: 2007

PATRICIA F. RUSSO, Age 56, Former Chief Executive Officer and Director of Alcatel-Lucent (communications company) from December 2006 through August 2008.
Prior History: Ms. Russo served as Chairman from 2003 to 2006 and Chief Executive Officer and President from 2002 to 2006 of Lucent Technologies Inc. Ms. Russo was President and Chief Operating Officer of Eastman Kodak Company from April 2001 and Director from July 2001, and Chairman of Avaya Inc. since December 2000, until she rejoined Lucent in January 2002. Ms. Russo was Executive Vice President and Chief Executive Officer of the Service Provider Networks business of Lucent from November 1999 to August 2000 and served as Executive Vice President from 1996 to 1999. Prior to

that, she held various executive positions with Lucent and AT&T.
Other Directorships: Alcoa Inc.
Director since: 1995

JACK L. STAHL, Age 56, Retired President and Chief Executive Officer of Revlon, Inc. (cosmetics company).
Prior History: Mr. Stahl served as President and Chief Executive Officer of Revlon from February 2002 to September 2006 and Director from March 2002 to September 2006. Mr. Stahl also served as President and Chief Operating Officer of The Coca-Cola Company from February 2000 to March 2001. Prior to that, Mr. Stahl held various senior executive operational and financial positions at The Coca-Cola Company where he began his career in 1979.
Other Directorships: The Dr. Pepper-Snapple Group and The Delhaize Group.
Other: Chairman of the Board of the United Negro College Fund and a member of the Board of Governors of the Boys & Girls Clubs of America.
Director since: 2007

CRAIG B. THOMPSON, M.D., Age 56, Director of the Abramson Cancer Center and Professor of Medicine at the University of Pennsylvania School of Medicine.
Prior History: Dr. Thompson was a Professor of Medicine, Investigator in the Howard Hughes Medical Institute, and Director of the Gwen Knapp Center for Lupus and Immunology Research at the University of Chicago from 1993 to 1999. Dr. Thompson was a Professor, Department of Medicine, at the University of Michigan from 1987 to 1993, and Professor of Medicine at Uniformed Services University of the Health Sciences from 1982 to 1987. Prior to that, he was a Senior Fellow, Hematology & Oncology at the Fred Hutchinson Cancer Research Center from 1983 to 1985 and a physician at the National Naval Medical Center from 1981 to 1983.
Other: Chairman of the Medical Advisory Board at the Howard Hughes Medical Institute and a member of the advisory board of M.D. Anderson Cancer Center.
Director since: 2008

KATHRYN C. TURNER, Age 61, Chairperson, Chief Executive Officer and President of Standard Technology, Inc. (management and technology solutions firm) since 1985.
Other Directorships: ConocoPhillips and Carpenter Technology Corporation.
Director since: 2001

ROBERT F.W. VAN OORDT, Age 72, Chairman of the Supervisory Board of Unibail-Rodamco S.A. (largest real estate investment, management and development company in Europe).
Prior History: Mr. van Oordt served as Chief Executive Officer of Rodamco Europe N.V. from March 2000 to June 2001. Mr. van Oordt served as Chairman of the Executive Board of NV Koninklijke KNP BT (producer of paper and distributor of graphic and office products) from March 1993, following the merger of three Dutch-based industrial corporations, including Bührmann-Tetterode N.V., until his retirement in April 1996. He has also served as a Director of Nokia Corporation.
Other Directorships: Fortis Bank S.A./N.V. (Be) and Supervisory Board of Draka Holding N.V. (N.L.).
Other: Member of the International Advisory Board of Nijenrode University
Director since: 1992

ARTHUR F. WEINBACH, Age 65, Executive Chairman and Chairman of the Board of Broadridge Financial Solutions, Inc. (financial services company). Mr. Weinbach assumed his current position in April 2007.

Prior History: Mr. Weinbach was associated with Automatic Data Processing, Inc. (ADP) since 1980, serving as Chairman and Chief Executive Officer from 1998 to 2006. Mr. Weinbach retired as Chief Executive Officer in 2006 and retired as Chairman in November 2007.

Other Directorships: CA, Inc. and The Phoenix Companies, Inc.

Other: Trustee of New Jersey Seeds

Director since: 1999

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Director Independence

Schering-Plough is subject to the New York Stock Exchange independence requirements for Directors and has adopted the more restrictive Schering-Plough Board Independence Standard, which is included in the Corporate Governance Guidelines. The Guidelines are available on Schering-Plough s Web site at www.schering-plough.com. The Standard requires that:

- A Director will not be independent until three years after Schering-Plough receives or makes payments to another company where the Director is an executive officer or employee or an immediate family member is an executive officer, which payments in any single fiscal year exceed the greater of $500,000 or 2% of such other company s consolidated gross revenue.
- A Director will not be independent until four years after the end of a relationship, where the Director was, or whose immediate family member was:
  - an executive officer of Schering-Plough; or
  - affiliated with or employed by the independent auditor; or
  - an executive officer of another company where any of Schering-Plough s current executives serve on that company s compensation committee.
- Directors are independent of any particular constituency and are able to represent all shareholders of Schering-Plough.
- In the event that a Director is an executive officer or an employee, or his/her immediate family member is an executive officer, of a charitable organization that receives payments from Schering-Plough which, in any single fiscal year, exceed the greater of $500,000 or 2% of the charitable organization s gross revenues, such payments will be disclosed in the proxy statement.

The Nominating and Corporate Governance Committee assists the Board with the assessment of Director independence. For more information about the procedures used to assess independence, see Procedures for Related Party Transactions and Director Independence Assessments on page 14.

The Nominating and Corporate Governance Committee and the Board have determined that (1) Hassan is not independent because as Chairman of the Board and CEO of Schering-Plough, he is an officer and employee of Schering-Plough; (2) all other Director nominees are independent under the New York Stock Exchange listing standards and the more restrictive Schering-Plough Board Independence Standard; and (3) each independent Director has no material relationship with Schering-Plough.

The Nominating and Corporate Governance Committee and the Board have determined that all members of the Audit Committee Directors Colligan, McGrath and van Oordt and former Director Becherer also are independent pursuant to the requirements of Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended (the Exchange Act).

Board Meetings and Attendance of Directors

The Board of Directors held 13 meetings in 2008, including a two-day strategic planning meeting. All Directors attended more than 75% of the aggregate of (1) the total number of meetings of the Board, and (2) the total number of meetings held by all Committees of the Board on which they served.

Director Attendance at Annual Meetings of Shareholders

Directors are expected to attend Annual Meetings of Shareholders unless an emergency or illness makes such attendance impossible or imprudent. Since 1990, only one Director has missed an Annual Meeting of Shareholders (due to illness), and all other Directors have attended all Annual Meetings of Shareholders, including the 2008 Annual

Meeting of Shareholders.

Lead Director

On the recommendation of the Nominating and Corporate Governance Committee, the Board has established a practice for appointing a Lead Director with the following duties:

- Leads non-management Board sessions;
- Leads any Board meeting where the Chairman is not present;
- If needed, serves as a liaison between the Chairman and the independent Directors; and
- May call a Board meeting if the Chairman is not available to do so.

The Lead Director service period is a calendar year. The Lead Director is designated from the independent Directors who chair Board Committees. Patricia F. Russo has been designated as the Lead Director for 2009.

Executive Sessions of the Board of Directors

As required by the Corporate Governance Guidelines, the Board periodically meets in executive session without any Director present who is also a member of management. During 2008, the Board held seven such sessions.

Executive sessions are chaired by the Lead Director, or in his or her absence, by another independent Director who chairs a Committee of the Board.

Board Turnover

In light of routine inquiries about Board turnover, the following information is provided:

Between 2002 (the year in which the Board announced the intention to replace R.J. Kogan as Chairman and CEO) and the date of the 2009 Annual Meeting of Shareholders, seven Directors have joined the Board and ten Directors will have left the Board.

Specifically, the following Directors left the Board: Herzlinger, Morley and Wood in 2002; Kogan in 2003; Komansky and Miller in 2004; Osborne in 2006; Dr. Philip Leder in 2008; and Becherer and Mundy are leaving the Board as of the date of the 2009 Annual Meeting of Shareholders.

Specifically, the following Directors joined the Board: Hassan and Leder in 2003; Colligan and Kidder in 2005; Perez and Stahl in 2007; and Thompson in 2008.

Director Education

During 2008, all Directors participated in three customized Director Education modules described below. Each Director earned at least 15 education credit hours by participating in these activities. All Directors attended:

- The Discovery and Early Clinical Research Strategy and Initial Outcomes module, which consisted of pre-reading, a presentation and an interactive session.
- The Clinical Trials Overview module, which consisted of pre-reading, a presentation and an interactive session.
- The Managed Care module, which consisted of pre-reading, a presentation and an interactive session.

During 2008, Directors also toured Schering-Plough s Memphis, Tennessee distribution and research facilities, which included a presentation about Schering-Plough s Consumer Health Care business.

Additional education is provided throughout the year, as needed, on matters pertinent to Committee work and Board deliberations. Subjects covered for the full Board or certain Board Committees during education sessions in 2008 included:

- A presentation by outside counsel about New Jersey corporation law requirements as to Director duties in 2008 and again in 2009; and
- Education modules for the Audit Committee, with outside counsel on trends and challenges facing audit committees of U.S. public companies in 2008, and with Robert H. Herz, Chairman of the Financial Accounting Standards Board (FASB), relating to International Financial Reporting Standards (IFRS) and other future audit issues in 2009.

Several Directors also attended general Director education programs offered by third parties during 2008 and to date in 2009.

Director Compensation

Hassan receives no compensation for his service as a Director.

All other Directors receive compensation pursuant to the Directors Compensation Plan as described in more detail below. These Directors receive no compensation, directly or indirectly, from Schering-Plough other than pursuant to the Directors Compensation Plan.

The Process for Reviewing and Determining Director Compensation. The Nominating and Corporate Governance Committee, pursuant to its charter, is responsible for conducting an annual assessment of non-employee Director compensation and benefits. The Committee members are all independent as defined in the New York Stock

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Exchange listing standards and the more restrictive Schering-Plough Board Independence Standard described in Director Independence on page 5.

As part of the assessment, the Committee considers the amount of Director compensation and the mix of compensation instruments. The Committee uses independent benchmarking data relating to Director compensation compiled by the National Association of Corporate Directors for similar-sized companies in both the pharmaceutical and health care industries. The Committee also considers feedback from shareholders about Director compensation.

Director Compensation Philosophy. The Nominating and Corporate Governance Committee targets Director compensation at the median of total compensation paid at the pharmaceutical and health care companies discussed above (the Formula). The Committee believes Directors at companies in these global industries face oversight and analytical issues similar to those faced by Schering-Plough Directors. The Committee believes the current compensation paid to Directors is reasonable in light of the service they provide to Schering-Plough.

As part of our active Shareholder Engagement Program, we are asking for shareholder views on our Director compensation program in a survey provided to shareholders with this proxy statement.

Directors Compensation Plan. In 2006, at the recommendation of the Committee and the Board, shareholders approved a new, more transparent Directors Compensation Plan. The Committee drew from the Non-Employee Director Compensation Policy published by the Council of Institutional Investors and outside counsel for plan design. The new Plan became effective June 1, 2006.

Under the Plan, non-employee Directors receive a set amount for service on the Board. The amount is paid in a mix of two-thirds in cash and one-third in common shares. Pursuant to the Formula, this base Director fee was raised from $200,000 to $229,500 in 2008. This fee was last increased in 2006.

Directors who serve either on the Audit Committee or as the Chair of any other Board Committee receive an additional service fee paid in cash. The additional service fee has not been increased since the Plan was adopted.

Directors may elect to defer receipt of their Director fees. Directors may elect to defer the cash component of their compensation in either an account that grows/diminishes in value as if invested in Schering-Plough common shares (with dividend equivalents reinvested) or in an account that earns interest at a market rate. Directors may also elect to defer the share component of their compensation in an account that grows/diminishes in value as if invested in Schering-Plough common shares (with dividend equivalents reinvested).

Director Stock Ownership. Director stock ownership is considered in conjunction with Director compensation. Director stock ownership is also a valuable tool to align Directors interests with those of Schering-Plough shareholders. The Nominating and Corporate Governance Committee considers Director ownership of Schering-Plough equity and recommends ownership requirements to the Board. In 2005, the Board established stock ownership requirements for all Directors and included the requirements in the Corporate Governance Guidelines. The current requirement is 5,000 common shares (including deferred stock units) within three years of joining the Board, and all Directors have achieved this stock ownership requirement, except for Thompson, who joined the Schering-Plough Board of Directors in 2008.

2008 Director Compensation. For 2008 service, Directors received (1) a base Director fee of $229,500, two-thirds of which was paid in cash and one-third of which was paid in Schering-Plough common shares; and (2) an additional service fee of $15,000 for each eligible Director who served either on the Audit Committee or as the Chair of any other Board Committee. Committee Chairs who were also members of the Audit Committee were only paid one additional service fee.

No Personal Benefits. Director compensation did not include personal benefits in 2008. Director compensation will not include personal benefits in 2009. Directors occasionally receive complimentary Schering-Plough consumer products, like Dr. Scholl s and Coppertone products, and spouses are invited to travel with Directors to meetings every few years, the last time being in 2007. At these meetings, the spouses typically attend certain portions of the business activities, such as touring Schering-Plough operations and Director education modules. In 2008, the total cost to Schering-Plough for all such items was under $10,000 per Director.

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2008 Director Compensation Table

The following table includes all compensation to outside Directors during 2008.

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Changes in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation ($)	Total ($)
Hans W. Becherer	$ 168,000.00	$ 76,500.00	$	$	$	$	$ 244,500.00
Thomas J. Colligan	168,000.00	76,500.00					244,500.00
C. Robert Kidder	153,000.00	76,500.00					229,500.00
Philip Leder, M.D.	168,000.00	76,500.00					244,500.00
Eugene R. McGrath	168,000.00	76,500.00					244,500.00
Carl E. Mundy, Jr.	153,000.00	76,500.00					229,500.00
Antonio M. Perez	153,000.00	76,500.00					229,500.00
Patricia F. Russo	168,000.00	76,500.00					244,500.00
Jack L. Stahl	168,000.00	76,500.00					244,500.00
Craig B. Thompson, M.D.	168,000.00	76,500.00					244,500.00
Kathryn C. Turner	153,000.00	76,500.00					229,500.00
Robert F.W. van Oordt	168,000.00	76,500.00					244,500.00
Arthur F. Weinbach	168,000.00	76,500.00					244,500.00
All Directors	$ 2,124,000.00	$ 994,500.00	$	$	$	$	$ 3,118,500.00

(1) Includes the cash portion of the Director fee (whether paid or deferred). Kidder, Mundy, Perez, and Turner did not serve on Schering-Plough s Audit Committee or serve as a Chair of any Board Committee, and, as a result, did not receive the $15,000 additional service fee.

(2) Includes the common share portion of the Director fee (whether currently received or deferred). Amounts represent the full grant date fair value of the common share portion of the Director fee, as computed pursuant to FAS 123R, due to the fact that those shares are fully vested.