

Austin, Texas

Economic Development Department



Business Information Form

For City Use Only:

Date Received: _____

Project: _____

Last Revised: August 19, 2015



Instructions

THE BUSINESS INFORMATION FORM

The Business Information Form (BIF) is a foundational document in your relationship with our community. This form is designed to collect all the critical information that enables City of Austin Economic Development Department staff to evaluate the scale of your project, research the potential impact on our city, and make recommendations for program eligibility. Every answer influences details in the final performance-based agreement, so it is imperative that this form be signed and submitted *only* when it is complete and ready for evaluation. While all information provided herein is intended for internal City of Austin economic development analysis, and efforts will be made to restrict circulation of the information included on the form, *this document will be posted publicly to the community if an agreement is reached.*

FILLING OUT THE BUSINESS INFORMATION FORM

Providing our department with a completed and signed BIF will initiate the process, but our team would like to take some time to learn more about your project and discuss our intentions behind some of the questions included in this form. Please use the contact information below to contact our division manager and set time for this brief conversation. This conversation will help to make a stronger connection between project managers and will eliminate any redundancy or confusion in the process of seeking incentives from the City of Austin. A staff member will be appointed to your project and will be responsible for answering questions, moving the applicant through our process.

NEXT STEPS

Once a complete BIF is signed and submitted, a qualifying project could receive a response within 25 business days. When a company accepts an incentive offer, Economic Development staff members will prepare agreement documents and secure a date to present the proposed agreement to City Council. The project is then announced to the public one week before the Council date, and the agreement and supporting materials are posted online for public disclosure purposes. Economic Development Department staff makes a presentation to City Council, and the Council subsequently conducts a public hearing before the economic development agreement can be signed. No agreement is final and not offer is valid until approved by Council.

David Colligan

Global Business Recruitment and Expansion Manager

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512-974-6381

The Texas Public Information Act provides that information collected, assembled, written, produced, or maintained by the City under a law or ordinance or in connection with the transaction of official business is public information. However, the Act does provide that information relating to economic development negotiations with a business prospect is withheld from disclosure unless and until an agreement is reached. If an agreement has been reached and is ready for City Council consideration, this document will be posted to the City of Austin's website for public disclosure.

Company and Contact Information

Legal Company Name: Merck & Co., Inc.
Headquarters Location: City: Kenilworth State: NJ
State of Incorporation: New Jersey
Business Description:

Description

Merck is an innovative, global healthcare leader that is committed to improving health and well-being around the world.

Our core product categories include diabetes, cancer, vaccines and hospital acute care. We continue to focus our research on conditions that represent some of today's most significant health challenges – like cancer, hepatitis C, cardio-metabolic disease, antibiotic-resistant infection and Alzheimer's disease, and we are on the front lines in the fight against emerging global pandemics, such as ebola.

We also devote extensive time and energy to increasing access to medicines and vaccines through far-reaching programs that donate and deliver our products to the people who need them.

Our company's core values inspired by a desire to achieve scientific excellence, operate with the highest standards of integrity, expand access to our products and employ a diverse workforce that values collaboration.

Employees: Approximately 68,000 (as of March 31, 2016)

Headquarters: Kenilworth, New Jersey

Businesses Lines: Pharmaceuticals, Vaccines, Animal Health

NAICS Code: 325412 SIC Code: 2834

Company Age: 125 Years

Business Structure: ☐ Private ☒ Public Ticker Symbol: MRK

Number of Austin Locations: 0 U.S. Locations: 14 Major Sites Global Locations:
Over 100 locations

Corporate credit rating and source: A / Fitch Rating

Will the Business be required to pay state sales and use tax on equipment? ☒ Yes ☐ No ☐ Undetermined

1. Project Manager for Company:

Contact Name: First: Marc Last: Sylvestre



Contact Title: Director, IT Strategy & Execution

Mailing Address: 3070 Route 22, Mail room 1161A

City: Branchburg State: NJ Zip: 08876

Phone: 908-243-6267 Fax: 908-823-3079 Mobile: _____

Email Address: marc_sylvestre@merck.com Website: www.merck.com

*The above Consultant is authorized to provide and obtain information related to this application.
However, the City of Austin reserves the right to contact the applicant business directly at any time.*

Minimum Requirements Checklist

The Project will locate in the Desired Development Zone (See Appendix A):	☒
The Firm will conduct its business in compliance with environmental regulations:	☒
The Firm will ensure that all construction workers hired for construction funded by the Firm will be provided Workers Compensation Insurance and OSHA 10 Training.	☒
The Firm will comply with the City of Austin's MBE/WBE Ordinance.	☒
The Firm will ensure that all construction work funded by the Firm complies with the City's established prevailing wage program that is used on City of Austin public works projects. Unless living wage is exempted through the exception process, the City of Austin's living wage will apply to any prevailing wage classification that falls below the living wage. (See Appendix B for definitions) <i>Firm may qualify for an exception from this requirement—please complete the Exception Application if you are not able to meet this requirement.</i>	☒
The Firm will ensure that all workers are paid at least the City of Austin's living wage, including full-time employees, contract employees, and construction workers hired for construction work funded by the Firm. (See Appendix B for definitions) <i>Firm may qualify for an exception from this requirement—please complete the Exception Application if you are not able to meet this requirement.</i>	☒
The Firm will extend benefits to domestic partners of employees and their dependents. (See Appendix B for definitions) <i>Firm may qualify for an exception from this requirement—please complete the Exception Application if you are not able to meet this requirement.</i>	☒
The Firm will provide health insurance benefits for all new full-time employees. <i>Firm may qualify for an exception from this requirement—please complete the Exception Application if you are not able to meet this requirement.</i>	☒

Project Information

1. Provide an overview of the project including the scope of planned operations and a description of work or operations on site after the development of a location:

For 125 years, Merck has been a global health care leader working to help the world be well. Merck IT has played an important role on that journey, and is always looking at how technology can help our company continue to save and improve lives.

Three years ago we embarked on a brave IT Strategy that required us to restructure ourselves to be better positioned to serve our clients and our patients. A core component of that strategy was establishing IT Hubs so that our employees could co-locate to deliver innovative solutions and services. We have opened three hubs to date – one in Branchburg, NJ; one in Prague, Czech Republic; and one in Singapore. This model has helped reduce fragmentation of IT staff, globalize the organization, and recruit the skills required to deliver on our new value proposition.

Building on that success, we are exploring potential opportunities that could come from a secondary hub in a new US location. We believe that a secondary hub could provide us with a strong talent pool, partnerships with a vibrant ecosystem, and a gateway to the future of digital health and science. Through this initiative, we anticipate indirect benefits to be brought to the City through our relationships with surrounding suppliers and community partners.

Based on our experience at our three other IT innovation hubs, we anticipate that companies will be drawn to the digital health innovations that will become a central part of the important work that is done at this fourth hub. Our transformative technologies continue to challenge the healthcare ecosystem to provide care in the most efficient and cost effective manner to enable well-being of the patients we serve.

Austin, Texas is one of the locations being considered for this initiative. Within the City, places under consideration include the Dell Medical School along with other sites within the Innovation Zone. The Company will embark upon a short term space to be leased, while future long term space is constructed within the Innovation Zone.

See Addendum A for Indirect Benefits

2. Is the company considering other Texas Locations? ☐ Yes ☒ No
3. Is the company considering other U.S. Locations? ☒ Yes ☐ No
4. Is the company considering other Global Locations? ☐ Yes ☒ No
5. Please list the other communities the company is considering for locating this project:

The Company is evaluating several cities in various states.

6. Market for Product of Activity: ☐ Local ☐ State ☐ U.S. ☒ Global

7. Exact Location of Planned Investment in Austin (Provide street address and list multiple addresses if multiple properties are still under consideration):

An exact location has not been determined. However, the central business district or the Dell Medical Innovation Zone will be under consideration.

8. Is the Project located in the Austin Extra Territorial Jurisdiction? ☐ Yes ☒ No
9. Is the Project located in the City of Austin? ☒ Yes ☐ No
10. Is the Project located in the Desired Development Zone (See Appendix A)? ☒ Yes ☐ No
11. Will the Company conduct its business in compliance with environmental regulations? ☒ Yes ☐ No

12. Will the Project locate in any of the following areas designated in the IMAGINEAUSTIN Growth Concept Map (See Appendix A, check all that apply):

- | | |
|--|--|
| ☐ Regional Center | ☐ High Frequency Transit Corridor |
| ☐ Town Center | ☐ Transit Oriented Development |
| ☐ Neighborhood Center | ☐ Within ½ mile of Rail or bus stop |
| ☐ Job Center | ☐ Within ½ mile of bicycle routes |
| ☐ Activity Centers for Redevelopment in Sensitive Environmental Areas | |

13. Project Characteristics (check all that apply):

- | | |
|--|---|
| ☒ Construct New Facility | ☒ Expansion from outside Austin |
| ☒ Lease Facility | ☐ Relocation from outside Austin |
| ☐ Purchase New Facility | ☐ Expansion within Austin |
| ☐ Expand Existing Facility | ☐ Consolidation |
| ☐ Renovate Existing Facility | ☐ New Business/Start-up |

10. Anticipated Start Date for Construction: Late 2018

11. Anticipated Completion Date for Construction: 2020

12. Please include any additional benchmarks for the anticipated construction timeline, including any significant milestones related to permitting:

We anticipate occupying a temporary space starting in 2017. However, construction for the long term space is to commence in 2018 with projected completion in 2020.

13. Site specifications (include amounts for all that apply)

Total Acres: _____

Total Building Size: 90,000 square feet

Data Center Space: _____ square feet

Manufacturing Space: _____ square feet

Office Space: 90,000 square feet

Warehouse/Storage Space: _____ square feet

Other Non-Office Space (specify below): _____ square feet

Other Use type: _____

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Utility Service and Operational Requirements

1. Will the project involve any use other than typical office use (i.e., manufacturing, warehouse, data center)? ☐ Yes ☒ No

If yes, please answer the questions below in full or provide a sample electricity bill as an attachment to this application. If no, please provide answers below or the City of Austin can provide estimates of your utility requirements for your approval based on the square footage occupied by the project.

2. Electric:

Peak Monthly Demand in Kilowatts (KW): 228,800
Average Monthly Usage in Kilowatt Hours (kWh): 192,633
Average Monthly Load Factor: ~.84
Dual Feed Required: ☐ Yes ☒ No
Current Rate (cents per kWh): \$.099 ☐ Primary Service ☒ Secondary Service

3. Water:

Average Monthly Usage (Kgal): 192.2
Meter Size (not required for leasing companies): N/A

4. Waste Water:

Average Monthly Discharge (Kgal): 192.2

5. Please list any service contracting opportunities, such as equipment rental or catering, that you anticipate will be acquired locally on a regular basis, once your location is operational. Please be as specific as possible and include all that are not mandated through an existing contract with a parent company or home office:

Category: <u>Custodial/Cleaning</u>	Annual Amount: \$ <u>290,000</u>
Category: <u>Grounds/Landscaping</u>	Annual Amount: \$ <u>559,000</u>
Category: <u>HVAC/AHU/BAS/BMS</u>	Annual Amount: \$ <u>275,000</u>
Category: <u>Power Generation & Dist</u>	Annual Amount: \$ <u>472,000</u>
Category: <u>Security Guards</u>	Annual Amount: \$ <u>157,000</u>
Category: <u>Site Overhead</u>	Annual Amount: \$ <u>198,000</u>

6. Please list any commodity purchasing opportunities, such as furniture and office supplies, that you anticipate acquiring locally on a regular basis, once your location is operational. Please be as specific as possible and include all that are not mandated through an existing contract with a parent company or home office:

Category: <u>Office Supplies/Equipment</u>	Annual Amount: \$ <u>86,500</u>
Category: <u>Telecommunications</u>	Annual Amount: \$ <u>123,000</u>
Category: <u>Water Utilities</u>	Annual Amount: \$ <u>36,400</u>
Category: <u>Command Ctr/Fire/EMS</u>	Annual Amount: \$ <u>37,675</u>
Category: <u>General Maintenance & Repair</u>	Annual Amount: \$ <u>186,000</u>

Job Creation and Employment Opportunities

1. Job Categories and Wage Distributions *(When project has reached full employment)*

Job Category	Number of Jobs (employed by company)	Number of Jobs (vendor or contract)	Average Annual Wages	Percent to be Locally Hired
Executive	6		\$193,783	17%
Manager	18		\$141,642	6%
Supervisor	36		\$117,181	56%
Staff	360		\$87,008	51%
Entry	180		\$64,047	51%
Total	600		\$84,544	

2. Provide job titles and descriptions for positions being created by the project:

Machine Learning Software Engineer
Digital Analytics and Tagging Specialist
E2E Information Management Analyst
U/I Web Developer, API Developer, Mobile Application Developer
Senior Experience Designer
Data Platform Architect
Data Science Competency Leader

3. Job Creation Schedule

(Please provide a 10-year list of new jobs created and wage information – EXCLUDE BENEFITS)

<u>Calendar Year</u>	<u>Existing Jobs</u>	<u>New Jobs</u>	<u>Total Jobs</u>	<u>Average Annual Wage</u>	<u>Median Annual Wage</u>
2017	0	119	119	\$84,570	\$79,485
2018	119	127	246	\$84,270	\$79,203
2019	246	44	290	\$84,078	\$79,022
2020	290	51	341	\$84,472	\$79,393
2021	341	51	392	\$84,764	\$79,668
2022	392	100	492	\$84,738	\$79,643
2023	492	108	600	\$84,637	\$79,548
2024	600	0	600	\$84,637	\$79,548
2025	600	0	600	\$84,637	\$79,548
2026	600	0	600	\$84,637	\$79,548

4. If the City of Austin is not selected for this project, will existing jobs leave the City?

☐ Yes ☒ No

5. How many of the new jobs created require less than a college degree? 10 to 15 positions

6. What is the expected average wage for the lowest paid 10% of local workers? \$54,511



Employee Benefits and Labor Force Practices*

1. Please check all benefits that the Company will provide:

- | | |
|--|---|
| ☒ Health Insurance** | ☒ Life Insurance |
| ☒ Dental Insurance | ☒ Prescription Drug Plan |
| ☒ Retirement Plan | ☒ Vision |
| ☒ 401(k) | ☒ Flexible Spending Accounts |
| ☒ Paid Leave | ☒ Tuition Reimbursements |
| ☒ Pension | ☒ Disability |
| ☒ Counseling | ☒ Other: Other benefits available such as educational assistance, college coach, and financial planning |

OTHER BENEFITS AND SERVICES

Our Company offers a Total Rewards program. At the majority of company sites, employees have the option of making an appointment to see a health care professional on site for such services as immunizations, biometric screenings and treatment for minor aches and pains. The vast majority of sites globally are tobacco-free and many encourage healthy behaviors.

*If benefits are not extended to domestic partners (see Appendix B), an Exception Application form will be required.

**If health insurance benefits are not provided to all new full-time employees, an Exception Application form will be required.

1. Please describe training provided to employees beyond onboarding:

To support our global employee base, we sponsor curriculum that builds leadership and management skills as well as providing technical and functional training to all employees.

Key Talent Programs

Key investments and programs that support the development of key talent include the Executive Development Program, Emerging Leaders Program, Women's Leadership Program and Business Leadership Program.

Management Foundations

Management Foundations is a comprehensive program that focuses on building core, common and critical knowledge and skills for new managers.

Team Development

There is a suite of programs for team development and team building, ranging from formal learning experiences to "action learning"-based activities that help team leaders and team members develop skills and competencies as they pursue real business goals.

myCareer

The primary business purpose of myCareer is to facilitate more effective, consistent and efficient company-wide performance management, talent reviews, succession planning, and associated employee performance and development processes through a single, integrated and automated global system of record for critical talent data about our employees.

Career & Learning Portal

The Career & Learning Portal provides employees with thousands of resources to support their career development and learning needs. Resources are available as "on-demand" web-based modules, classroom programs, articles, books (including audio books), webcasts and suggestions for "on-the-job" development activities.

2. Does the company provide opportunities for employee advancement: ☒ Yes ☐ No

Please describe and provide examples:

Merck & Co., Inc. is committed to fostering an environment that enables all employees to continuously develop their individual competencies (skills, knowledge and abilities). Merck's employee development strategy is focused on creating a motivated and skilled workforce that is capable of meeting new challenges and contributing to Merck's goals, both short-term and long-term. Employees are responsible for continuous learning and managing their careers, and managers are responsible for providing on-going support to employees in their development.

3. Are there funds for additional employee education (tuition match, etc.): ☒ Yes ☐ No

Please describe:

It is the policy of the Company to provide educational assistance in the reimbursement amount to eligible employees approved to enroll in eligible programs of study who meet all reimbursement criteria. Educational assistance is evaluated against several factors including demonstration that the desired course work or degree program is an eligible program of

study and is included in the employee's development plan.

4. Does the company actively promote diversity in hiring and promotion: ☒ Yes ☐ No
Please describe and provide examples:

Our company promotes and values global diversity and inclusion (GD&I) at every level of the organization—starting with the Office of the CEO—and strives for inclusiveness in every aspect of work. We are committed to evolving Global Diversity & Inclusion to create a fully integrated ecosystem where diversity and inclusion permeate our day-to-day operations and decisions, and one where business performance is exponentially enhanced by the power of inclusion.

We employ people of varied sexual orientation, gender expression, veteran and disability status, and ethnic, cultural and faith backgrounds to help us better understand the unique needs of global patients and to create a strong competitive advantage in the marketplace. This, in turn, delivers intrinsic, long-term value to society and to our shareholders.

See Addendum B for additional information.

5. Does the company provide non-discrimination policies that include both sexual orientation and gender identity in the State of Texas: ☒ Yes ☐ No
If so, please describe and attach the company policy(ies):

The Company's Corporate policy provides equal employment opportunities for all individuals without regard to their race, color, national origin, citizenship, ethnicity, gender, sexual orientation, gender identity or expression, genetic information, age, marital status, veteran status, religion, disability, or any other legally protected characteristic with respect to recruitment, selection, hiring, placement, promotion or any other human resources actions or activities.

6. Does the company have either of the following: (1) Historical data that demonstrates that the company has been successful in achieving diversity in hiring through its existing programs or policies, or (2) A policy or plan for establishing goals for diversity in hiring: ☒ Yes ☐ No

If so, please describe the historical data or policy/plan and attach the historical data or policy/plan:

See Addendum A.

Cultural/Quality of Life Considerations

1. Does the company have a cultural outreach program (i.e., outreach in schools, engagement with local arts groups, promotion of community diversity initiatives): ☒ Yes ☐ No

Please describe and provide examples:

We rely on local communities not only for our workforce, but also for some of our suppliers and for our ability to do business. Through ongoing engagement and dialogue, we work to understand the concerns and needs of our communities, and we seek to respond by addressing local challenges in ways that build stronger communities and support the sustainability of our business.

We contribute to our communities in three key ways:

- Making direct and indirect economic contributions, such as employment, training, support of local suppliers and local R&D, and paying taxes
- Managing our community impact—for example, by ensuring confidence in our environmental and safety performance and by respecting human rights
- Addressing community needs through philanthropy, social investments and community involvement

Below are examples of projects supported through the grants program.

The United Way of Greater Union County

The grant helped the United Way serve more than 100 low-to-moderate-income families by providing increased access to social services programs; emergency rental, gas and electrical assistance; parenting skills training; life-skills training; after-school tutoring, and adult literacy programs.

Susan G. Komen Breast Cancer Foundation

In October 2015, more than 20 employees helped Komen Nebraska raise over \$280,000 for breast cancer research through the “Race for the Cure®.”

Shenandoah National Park

With support from the site in Elkton, Virginia, the Shenandoah National Park adopted “Go Green” as among its highest priorities. The NOC grant enabled the installation of solar energy systems to power two comfort stations in the Big Meadows Campground.

These solar energy systems will generate electricity to power the buildings’ lighting, ventilation, heat, and hot water. In addition, the system will reduce Shenandoah National Park’s carbon output by over 6,000 pounds per year.

2. Does the company actively encourage employee volunteer/charitable efforts:

☒ Yes ☐ No

Please describe and provide examples:

Our Global Volunteerism Policy provides employees with the opportunity to take up to 40 hours of paid time off annually to engage in volunteer activities that support eligible nonprofit organizations. In celebration of our company's 125th anniversary, employees have been challenged to reach a companywide goal of 125,000 recorded volunteer hours in 2016.

Skills-Based Volunteer Program

In 2015 we launched an innovative skills-based volunteer program in the U.S. The program offers employees in the U.S. and Puerto Rico access to high-impact volunteer opportunities while providing nonprofit partners with much-needed skilled assistance to help build capacity for their organization.

MSD Fellowship for Global Health

The MSD Fellowship for Global Health is a three-month, field-based corporate pro bono program designed to leverage the skills and talents of our employees. It pairs employee skills with the needs of nonprofit partner organizations around the world to provide meaningful and systematic improvements in health service delivery for people in the greatest need.

Making Positive Choices

Through the Making Positive Choices program, employees from New Jersey and Pennsylvania volunteer to have a positive influence on the lives of underserved and at-risk children and young adults through three programs offered and administered by Street Law, Inc. During 2015, more than 150 employees contributed 898 volunteer hours, reaching more than 500 students in school and community settings.

Volunteers were provided with training and support to enable their facilitation of three programs:

- **Community Works:** helping teens to prepare youth for participation in their communities in a positive way
- **Career Exploration:** preparing high school students to achieve academic and career goals
- **Youth in Transition:** providing youth in the foster care system with instruction in basic life skills and guidance to navigate community resources to help them live independently

Pro Bono Legal Program

Our company's Pro Bono Legal Program has been serving the poor and disadvantaged for over 21 years. Our legal professionals have been nationally recognized¹ for their commitment to providing pro bono assistance in areas such as guardianship, domestic violence, family law, child advocacy, Social Security disability benefits, veterans' affairs, and bankruptcy, as well as legal support for nonprofit organizations.

Partnership for Giving

The Partnership for Giving (P4G) is our company's year-round matching gift program. Contributions to eligible organizations are matched dollar-for-dollar by our company's Foundation in support of nonprofits that help to promote a healthier society, advance education, foster the arts, address the welfare of animals and preserve the environment.

3. Areas of interest for community involvement (check all that apply):

- | | |
|--|--|
| ☐ Minority and/or Business Chambers | ☐ Creative and Business Districts |
| ☒ STEM and Educational Outreach | ☒ Environmental and Sustainability |
| ☒ Workforce Development | ☐ International Relations |
| ☐ Arts and Music Development | ☒ Digital Inclusion and Innovation |
| ☒ Entrepreneurial/Small Business | Development |

Describe:

Women in STEMM (Science Technology Engineering Manufacturing Marketing): We hosted two Women in STEMM conferences, one in the United States and one in Prague for our women employees. The objectives of this conference were to:

- Learn how to effectively enhance leadership skills
- Introduce tools and resources to help leadership skills support career aspirations
- Grow a network of colleagues across different divisions and functions
- Understand the value women leaders provide to the future of our company

Environmental Sustainability

We have established three environmental sustainability goals related to climate change, water and waste that are aligned with our business and focused on addressing key environmental challenges.

We are focused on ensuring that our wastewater discharges comply with local and national standards; on reducing our operational water footprint; on publicly reporting our water use and goals; and on advocating for effective water policy. We conduct environmental risk assessments on our products to understand and manage impacts from development, product manufacturing, and patient use.

Inaugural Grand Business Challenge at North Carolina State University

Merck & Co., Inc. sponsored the inaugural North Carolina State University Grand Business Challenge on November 3 – 5. Teams from top business schools from around the world competed in three real-world business challenges regarding IT security in the life sciences industry. The MBA teams' mission: To solve a series of three real-world business challenges regarding cyber-security in the life sciences industry, a highly competitive market where the development of one product can take many years and cost billions of dollars to go to market.

Boston University Grand Business Challenge in Digital Health Case Competition

Merck & Co., Inc. partnered with Boston University School of Management for the second annual Boston University Grand Business Challenge in Digital Health, where teams of MBA students from outstanding business schools around the world started answering one of those big questions: How will information technology influence and transform global healthcare to create value for the world?

These types of events provide an opportunity for MBA students to work on actual challenges facing businesses in the healthcare community. It also offers insights to Merck leaders on

cutting edge, creative solutions that could realistically be implemented.

Merck's Version of Shark Tank or HITS Be Well Challenge 2016 – Bringing the Outside In

In early 2016 we embarked on an exciting new initiative to 'bring the outside in' by establishing the Health Innovation Technology Scouts (HITS). The team, comprised of 5 scouts distributed around the globe, was challenged to identify, with the guidance of the Commercial Innovation Office, prominent startup and early-stage companies with which we might co-create solutions.

4. How does the company plan to create or engage existing programs and empower its employees to demonstrate strong corporate citizenship in Austin, TX?

The company provides paid time off for employees to participate in volunteer activities. Our Global Volunteerism Policy provides employees with the opportunity to take up to 40 hours of paid time off annually to engage in volunteer activities that support eligible nonprofit organizations. In celebration of our company's 125th anniversary, employees have been challenged to reach a companywide goal of 125,000 recorded volunteer hours in 2016.

The Partnership for Giving program provides for employee donations to nonprofits with the possibility for Company matching. The Partnership for Giving (P4G) is our company's year-round matching gift program. Contributions to eligible organizations are matched dollar-for-dollar by our company's Foundation in support of nonprofits that help to promote a healthier society, advance education, foster the arts, address the welfare of animals and preserve the environment.

Please see representative community programs in 3. above that can also be implemented in Austin, TX.

Criteria for Additional Bonus Consideration

The City of Austin provides the opportunity for a firm to qualify for additional incentives based on values established by the City Council. If you would like your project to be considered for these additional incentives, please respond to the following questions.

1. Will at least 10% of the new full-time jobs created by the project be filled by economically disadvantaged workers (See Appendix B)? ☐ Yes ☒ No
2. Is the firm willing to develop and implement a program for recruiting formerly incarcerated individuals and provide these individuals with continuing education services (either toward the attainment of a high school diploma or GED or toward the attainment of an Associate's or Bachelor's degree) or ongoing mentoring services once employed? ☐ Yes ☒ No



If yes, please describe or attach the Company's policy regarding hiring formerly incarcerated individuals, including whether the company includes a question about an applicant's criminal record in its initial job application:

3. Is the company willing to commit to filling at least 75% of new, full-time jobs with City of Austin residents? ☐ Yes ☒ No
4. Does the company intend to locate in a high frequency transit corridor, TOD, or Regional Center, Town Center, or Neighborhood Center identified in the Growth Concept Map (see Appendix A) in the Imagine Austin Plan and/or locate within ½ mile of a rail or bus stop that is accessible by safe pedestrian and bicycle routes? ☒ Yes ☐ No

Does the company have, or would the company be willing to develop, a program to encourage employees to use alternative transportation modes through Transportation Demand Management strategies such as carpooling, flextime work schedules, and subsidizing transit costs for employees? ☒ Yes ☐ No

Please describe:

Global Flexible Work Arrangements

Our company offers a global Flexible Work Arrangement policy that allows employees to work remotely or on a different work schedule that best fits their needs. The company has had a flexible work arrangement policy globally since 2008. All regular full- or part-time employees are eligible to apply for a flexible work arrangement, which includes: Part-Time Work, Job Sharing, Flextime, Compressed Workweeks, Telework, Remote Work, and Summer Hours. Other: Other options include hybrid arrangements, seasonal work, and project-based approaches.

5. Will the project qualify for a USGBC LEED Silver Certified rating or above? ☒ Yes ☐ No

Please describe:

Dell Medical School buildings will be at least LEED Silver Certified

6. Is the Company willing to ensure that employees and/or construction workers are provided workforce development services through nonprofits that contract with the City of Austin or apprenticeship/training programs registered with the Department of Labor, or will make a monetary donation (the amount to be included in the Agreement) to a workforce training program approved by the City of Austin? ☐ Yes ☒ No
7. Will the Company provide an on-site day care facility for employees that may be open to the public, and/or provide subsidized daycare for employees? ☐ Yes ☒ No



On-Site Compliance Review Notice

In the event that a Chapter 380 Economic Development agreement is executed between the City of Austin ("City") and a grantee, the City and an independent third party will conduct annual on-site compliance reviews and reserve the right to conduct additional on-site reviews as needed to monitor compliance.

Signature

Please provide any additional thoughts or comments related to your project that could be pertinent to the evaluation process.

For further information regarding Merck & Co., Inc.'s Corporate Citizenship and Responsibility, please see documentation at the following public site.

<http://www.msdrresponsibility.com/ethics-transparency/corporate-governance/>

Upon returning this form to the City of Austin, the company is declaring the following statement:
To the best of my knowledge, the information included in this City of Austin Business Information Form is true and correct, as evidenced by my signature below.

Signature:

Jan M. Cull
(Company Representative)

Date:

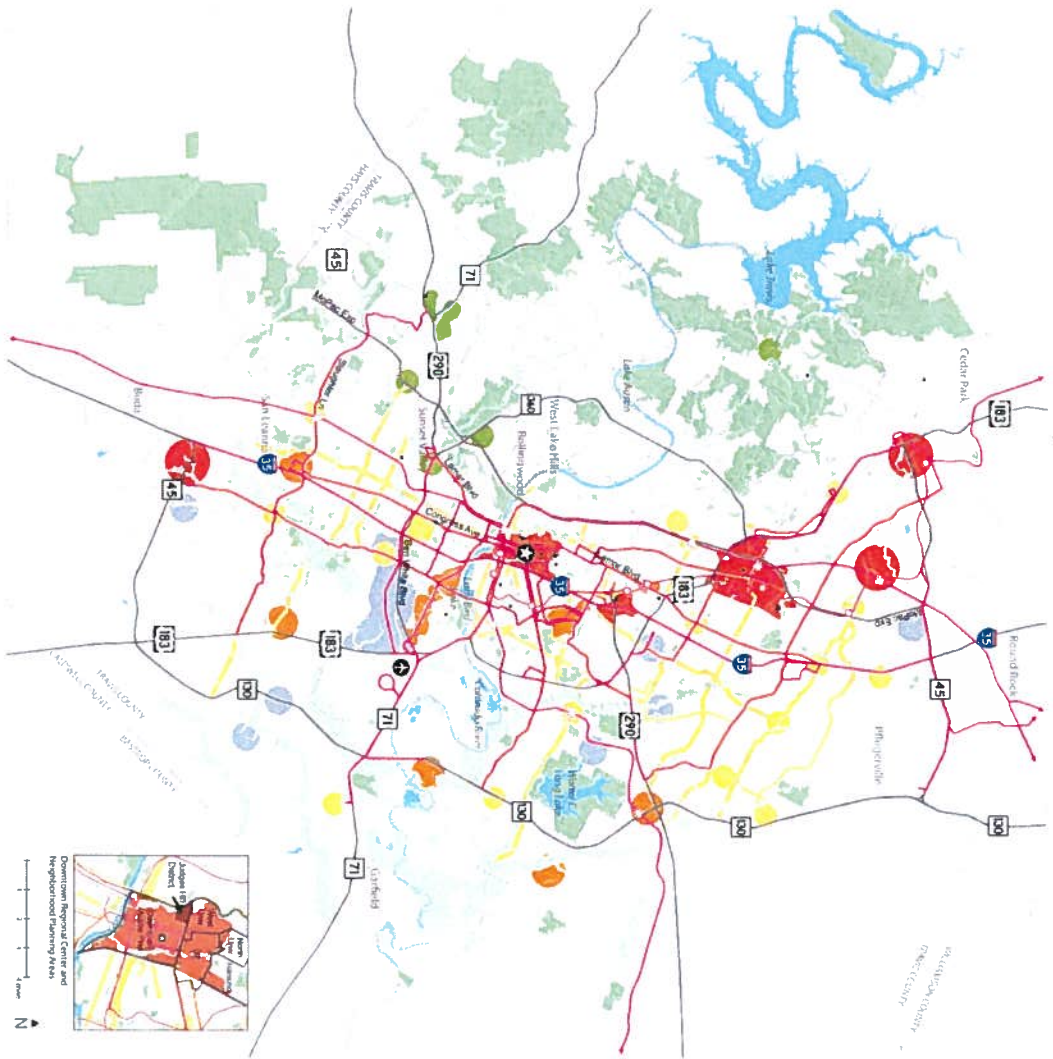
December 20, 2016

Desired Development Zone Map





To view larger map, visit <http://www.austintexas.gov/departments/Imagine-Austin-download-center>



IMAGINEAUSTON

Growth Concept Map

Legend

- Regional Center
- Town Center
- Neighborhood Center
- Activity Corridor
- Activity Centers for Redevelopment in
- Sensitive Environmental Areas
- Job Center
- Current Open Space
- Future Open Space
- Barton Springs Contributing Zone
- Barton Springs Recharge Zone
- College / University
- Transportation
 - High Capacity Transit Stop
 - Proposed High Capacity Transit Stop
 - High Capacity Transit
 - Highway
 - Other Streets
- Boundaries
 - City Limits
 - County Boundaries

The Growth Concept Map applies the Imagine Austin vision statement to the city's physical development. Generated through a public scenario building process, it defines how we plan to accommodate new residents, jobs, mixed use areas, open space, and transportation infrastructure over the next 30 years.

Map Description: A conceptual map showing the growth of Austin, Texas, over the next 30 years. The map is divided into several zones, including the Central Business District (CBD), the Downtown Core, and the surrounding areas. The map shows the current city limits and the proposed growth areas. The map is a conceptual map and does not show specific details of the growth.

Adopted June 15, 2012

Appendix B: Definitions

Domestic Partner

A domestic partner is defined as an individual who lives in the same household and shares the common resources of life in a close, personal, intimate relationship with an employee if under Texas law the individual would not be prevented from marrying the employee on account of age, consanguinity or prior undissolved marriage to another. A domestic partner may be of the same, or opposite, gender as the employee.

Economically Disadvantaged Worker

A person who meets one of the following descriptions:

- Is unemployed for at least three months before obtaining employment with the company;
- Has a household income of less than 80% of the area median income;
- Resides in a census tract with a rate of unemployment in excess of 150% of the Austin-MSA unemployment rate; or
- Faces or has overcome at least one of the following barriers to employment:
 - Being homeless
 - Being a custodial single parent
 - Receiving public assistance
 - Lacking a GED or high school diploma
 - Participation in a vocational English as a second language program
 - Having a criminal record or other involvement in the criminal justice system
 - Has a physical or mental disability

City of Austin Resident

Residents are defined as having a permanent address within the City of Austin and not having worked for the company prior to the effective date of the agreement.

Prevailing Wage

Prevailing wage refers to the federal and state law that requires public entities to establish certain wage rates. It applies to construction workers on contracts awarded by the public entity for public works projects and is described in chapter 2258 of the TEX. GOV'T CODE and the City has approved Ordinance No. 20030508-031, adopting the federal Davis Bacon wage rate schedule. The same prevailing wage rate schedule adopted by the City would be paid by the Company for all construction it funds unless an exception was approved.

Living Wage

Living wage refers to the concept of paying wages that are sufficient to provide the worker with housing and basic needs. The same living wage rate paid by the City (currently \$11/hour) would be paid by the Company unless an exception was approved. For any construction worker classifications that have a prevailing wage rate less than the current living wage rate, the Company would be expected to be paid no less than the living wage rate for all construction it funds.

Addendum A

Merck & Co., Inc. - Indirect Project Benefits

We rely on local communities not only for our workforce, but also for some of our suppliers and for our ability to do business. Based on our experience at our existing three IT innovation hubs, we anticipate that companies in various sectors will be drawn to the digital health innovations that will become a central part of the important work that is done at this fourth hub. We have experienced this with our previous hubs, and most recently at our innovation center in Prague, Czech Republic, where a clustering of biopharmaceutical companies has emerged including Sanofi, Teva, and Gilead Sciences, to name a few.

Based on supplier engagement information from our Branchburg, New Jersey IT Innovation center, we identified our top five suppliers that we interact with to help support our IT projects and growth. We employ our top tier IT suppliers to do planning and strategy development, program/project management, business analytics, application development across IT, along with testing services, and ongoing operations management (application, infrastructure, service desk, etc.). These positions require personnel at the staff and entry levels. Additionally, more specialized services such as data analytics, supplier management/sourcing support, IT financial transaction processing, security and risk management services, and merger/divestiture consulting, are also provided.

Our suppliers such as HCL, Cognizant, Accenture, Booz Allen and Ernst & Young have a constant presence at our hubs and execute most of their services from our onsite locations. At any given day, we will have 150 to 200 non-employee individuals present on our premises in Branchburg where we allocate appropriate working space.

We anticipate spending with these suppliers at our new Innovation hub to be approximately \$70 Million annually, based on spend data obtained from our Branchburg site. Our supplier partners at our site provide additional economic contributions to the surrounding community for the services they require such as hotel stays and catering.

We also organize high profile events in the area such as our annual Tech Innovation Summits at each of our hubs. These summits span 2 days in length at each site and are a venue to engage with our vendors/suppliers, healthcare partners, universities and the business community to discuss current business challenges, identify new technologies, and foster a conversation around specialized topics. In 2016, our Branchburg summit hosted 1,500 onsite participants at the Garden State Exhibit Center, and another 1,500 participants virtually from around the globe. Furthermore, we hosted approximately 50 exhibitors and 30 speakers at the Branchburg summit. Annual spending for these types of events range approximately \$750,000 and include contracting with local providers for services such as venue and equipment rental, catering, advertising/printing, registration needs, website hosting, and audio visual and tech support. Given that many of the speakers, exhibitors and participants are not local to the community, they require hotel stays averaging 1 night with an average nightly lodge room rate of \$80. Out of town visitors accounted for approximately 400 participants.

Finally, our annual operating spend at our Branchburg facility is approximately \$3.4 Million. Of this amount, we anticipate that \$2.2 Million will be incurred at our fourth Innovation center and will include services for landscaping, supplies, telecommunications, security, catering, etc. that will be acquired locally.

Addendum B

Merck & Co., Inc.

Diversity Practices

We are committed to evolving Global Diversity & Inclusion to create a fully integrated ecosystem where diversity and inclusion permeate our day-to-day operations and decisions, and one where business performance is exponentially enhanced by the power of inclusion.

We employ people of varied sexual orientation, gender expression, veteran and disability status, and ethnic, cultural and faith backgrounds to help us better understand the unique needs of global patients and to create a strong competitive advantage in the marketplace. This, in turn, delivers intrinsic, long-term value to society and to our shareholders.

Leadership Commitment

The single most significant driver of diversity and inclusion at our company resides at the very top—with our CEO, Kenneth C. Frazier.

By driving these initiatives across every facet of the business, we continuously seek to raise the performance bar for diversity and inclusion and drive accountability among leaders, integrating both as important drivers of our sustainable competitive advantage.

Talent Management and Development

Building a diverse workforce and executive population, and actively promoting opportunities for people of all backgrounds across race, gender, ethnicity, culture, age, disability, religion, gender identity, gender expression, and veteran status, is indispensable to the solid business performance and outstanding patient care provided at our company.

Training & Development

Throughout 2015, we continued to invest in diversity-related training for our employees. Employees have access to diversity and inclusion programs, conferences, other activities, and professional development resources to ensure their and the company's ongoing success.

Unconscious Bias Education: Using thought leadership related to unconscious bias in the workplace, all company vice presidents and above were introduced to Unconscious Bias Education (UBE) as an enabler to identify the hidden biases we all possess and to mitigate unconscious bias in processes, practices and behaviors.

Micro-Inequities: We offer employees training options to reinforce our commitment to diversity and inclusion. One in particular, micro-inequities training, helps to create a more fully inclusive work environment by providing employees with an opportunity to learn about and avoid non-inclusive behaviors.

Executive Leadership Council (ELC): We support the ELC, an organization that provides recognition, executive seminars, peer coaching and leadership opportunities to help African American mid-career and senior-level executives with their personal and professional development.

Simmons Leadership Forum: We partner with Simmons to inspire and empower women executives. We recognize that developing the leadership potential of women executives and positioning them for success delivers a tangible competitive advantage for their organizations.

Women's Sponsorship Program: The goal of the Women's Sponsorship Program is to accelerate the movement and improve the readiness and visibility of high-potential women and women of color at our company so they can attain positions of greater leadership and responsibility. This two-year engagement between the sponsor and protégée is also intended to help build the network and personal brand of high-potential women leaders and to further their development and career.

Women in STEMM (Science Technology Engineering Manufacturing Marketing): We hosted two Women in STEMM conferences, one in the United States and one in Prague for our women employees. The objectives of this conference were to:

- Learn how to effectively enhance leadership skills
- Introduce tools and resources to help leadership skills support career aspirations
- Grow a network of colleagues across different divisions and functions
- Understand the value women leaders provide to the future of our company

Recruiting

We partner with Hiring our Heroes, an organization that provides employment opportunities nationwide to veterans with disabilities. Through external media relations, the company is able to demonstrate that 80 percent of jobs in the private sector have a corresponding job in the military. Each branch of the military produces scientists, engineers, photographers and doctors, all of whom are aligned with our company's needs.

Creating a Culture of Full Inclusion for Employees with Disabilities

In 2015, we launched the Global Disability Inclusion Council to uphold the spirit of full disability inclusion. The Council is embarking on a five-year strategy encompassing our company's leaders from Information Technology, Benefits, Compliance, Staffing, Integrated Health Management and Facilities.

In addition to the creation of the Global Disability Inclusion Council, we leverage a comprehensive strategic platform to address full disability inclusion, titled Workplace EnABLEment. This is the first enterprise-wide, customized disability inclusion strategy that addresses the entire spectrum of the employee experience with a strategic road map that includes recruiting, retention and advancement, the Just-in-Time manager training toolbox, an employee education program, communications support, community outreach, supply-chain engagement, strategic alliance support, and a measurement system to track results.

We launched a self-ID campaign designed to comply with U.S. federal regulations and to reinforce a culture of inclusion by inviting employees in the U.S. and Puerto Rico to voluntarily self-identify disability, LGBT and veteran status. The program received a strong response from employees and was featured at the ILG Conference as a best practice in self-identification.

Employee Business Resource Group

The Employee Business Resource Group (EBRG) Executive Leadership Council was formed to help strengthen and diversify the global leadership pipeline, as well as to provide culturally relevant insights that drive innovation and our company's success. The Council is one part of a larger initiative to bring increased accountability, simplicity and focus to the GD&I model.

The EBRGs represent women, African Ancestry/Black, Hispanic/Latino, Asian/Pacific Islander, Native American/Native Indigenous, interfaith, LGBT, differently able, veteran, and millennial employees—our newest EBRG launched in 2015 with 1,400 active employee members worldwide.