

PFIZER INC
Form DEF 14A
March 14, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

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))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Pfizer Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of filing fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Breakthroughs that
Change Patients' Lives

Proxy Statement for
2019 Annual Meeting
of Shareholders

2018 Financial Report¹

¹The 2018 Financial Report is not included in this filing. The portions of the 2018 Financial Report that are incorporated by reference in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (the "2018 Form 10-K") were filed, and the other portions of the 2018 Financial Report were furnished, solely for the information of the U.S. Securities and Exchange Commission, on Exhibit 13 to the 2018 Form 10-K. The 2018 Financial Report is contained in Appendix A to the Notice of 2019 Annual Meeting and Proxy Statement being mailed to our shareholders beginning on or about March 14, 2019. The Letter to Shareholders from our Executive Chairman and Chief Executive Officer and the Corporate and Shareholder Information contained in the materials being mailed to our shareholders beginning on or about March 14, 2019 are not included in this filing.

Table of Contents

Pfizer at a Glance

~\$53.6 Billion in revenues in 2018

10 Products with Direct Product and/or Alliance Revenues of Greater than \$1 Billion in 2018

	Pfizer Innovative Health	Pfizer Essential Health
2 Distinct Business Segments in 2018*	(~\$33.4 Billion 2018 Revenues)	(~\$20.2 Billion 2018 Revenues)
	6 Primary Therapeutic Areas:	4 Product Categories:
	Internal Medicine, Vaccines, Oncology, Inflammation & Immunology, Rare Disease and Consumer Healthcare	Global Brands (Legacy Established Products & Peri-LOE Products), Sterile Injectable Pharmaceuticals, Biosimilars and Pfizer CentreOne

125+ Countries Where We Sell Our Products

100 Projects in Clinical Research & Development**

~\$8 Billion 2018 Research & Development Expense

58 Manufacturing Sites Worldwide Operated by Pfizer Global Supply

~92,400 Employees Globally

Unless indicated otherwise, the information contained in this summary is as of December 31, 2018.

At the beginning of our fiscal year 2019, we began to manage our commercial operations through a new global * structure consisting of three businesses, each of which is led by a single manager – Pfizer Biopharmaceuticals Group, Upjohn and Consumer Healthcare.

** As of January 29, 2019.

Table of Contents

A MESSAGE FROM PFIZER'S LEAD INDEPENDENT DIRECTOR

A message from
Pfizer's Lead
Independent
Director

Shantanu Narayen

Dear Shareholders:

On behalf of Pfizer's Board of Directors, thank you for your investment and continued confidence in the company and our Board. I am honored to serve as Lead Independent Director and to work closely with my fellow Directors as we serve on your behalf to carry out our fiduciary duty to oversee our company.

Management Succession Planning

The past year has been significant for the Board as we considered organizational changes, including a successful CEO transition. In September 2018, the Board elected Dr. Albert Bourla as CEO and elected Mr. Ian Read as Executive Chairman, effective January 1, 2019. The Board's unanimous decision was part of a thoughtful, multi-year succession planning process involving every independent member of the Board.

Ever since Dr. Bourla became Chief Operating Officer and joined the Board in early 2018, the Board has been continually impressed with his contributions at both the management and Board level, which helped affirm our decision that he is the right person to lead Pfizer at this time. We believe Dr. Bourla's deep experience at Pfizer, strong track record of success, and commitment to innovation will drive advancements across the company and enhance shareholder value.

Board Oversight of Strategy

Throughout 2018, the independent Directors worked closely with our leadership to ensure that the Board effectively oversaw Pfizer's strategy and operations. We regularly discussed significant business and organizational initiatives, our R&D pipeline, capital allocation, business development opportunities, enterprise risk management and corporate culture.

Notably, these conversations included sessions focused on our commitment to explore strategic options for the Consumer Healthcare business and to make a decision by year-end. After careful deliberation and a thorough review process, in December 2018 Pfizer announced an agreement with GlaxoSmithKline plc to form a new consumer healthcare joint venture. The Boards of Directors of both companies unanimously approved the transaction.

Evaluation of Board Leadership Structure

Each year during our evaluation of the Board's leadership structure, the independent Directors carefully consider whether to maintain a combined Chairman/CEO or to separate the positions of Chairman and CEO. The Board concluded that having Dr. Bourla as CEO and Mr. Read as Executive Chairman provides continuity of leadership during this time of transition, while maintaining the role of Lead Independent Director ensures that the independent Directors continue to have robust leadership in the boardroom.

It is important to the Board that we maintain the flexibility to select the leadership structure best suited to meet the needs of our business and shareholders at any given time. We will, of course, continue to evaluate the Board's leadership structure on an annual basis. In addition, as Lead Independent Director, I am responsible for leading the independent Directors' annual evaluation of the effectiveness of the Executive Chairman and of the CEO.

Table of Contents

Board Refreshment

To ensure effective refreshment and proactively manage eventual vacancies on the Board due to upcoming retirements, the current Directors consider a diverse pool of qualified candidates who could potentially serve as Board members. We were pleased to announce in 2018 the elections of Dr. Dan Littman, a renowned immunologist and molecular biologist with achievements and recognition in both medicine and science, and Dr. Albert Bourla, Pfizer's current CEO.

Both candidates are excellent additions to the Board, further enhancing the diversity of backgrounds and expertise in the boardroom. Their elections were informed by the Board's continued focus on its composition and its annual evaluation process, which ensures the appropriate balance of skills, diversity, experience and tenure in light of our business needs.

After 13 years of service, Dr. Dennis Ausiello will retire from the Board and will not stand for re-election in 2019. We thank him for his service on the Board, and are grateful to have benefitted from his scientific expertise, valuable business insight and strong commitment to Pfizer and its shareholders.

In addition, as part of our ongoing commitment to proactive Committee refreshment, at the upcoming April 2019 Board Meeting, the Board will vote to elect Mr. Ronald Blaylock to the Audit Committee and Dr. Dan Littman to the Regulatory and Compliance Committee, contingent upon their election at the 2019 Annual Meeting of Shareholders.

Ongoing Commitment to Shareholder Engagement

In closing, the Board continues to prioritize engaging with shareholders and responding to your feedback. Members of the Board and senior management engaged with investors representing more than 30% of shares outstanding in 2018. As is detailed in this Proxy Statement, we covered a range of topics and the Board continues to use your input to inform our practices and policies.

We look forward to serving your interests in 2019 and beyond. Thank you for your continued support.

Sincerely,

Shantanu Narayen

Lead Independent Director

Table of Contents

Notice of 2019 Annual Meeting and Proxy Statement

Time and Date

9:00 a.m., Eastern Daylight Time (EDT),
on Thursday, April 25, 2019

Place

Hilton Short Hills Hotel, 41 John F. Kennedy Parkway,
Short Hills, New Jersey 07078, +1-973-379-0100

Record Date

You can vote your shares if you were a shareholder of
record at the close of business on February 26, 2019.

Audio Webcast

Available at www.pfizer.com, starting at 9:00 a.m.,
EDT, on Thursday, April 25, 2019. A replay will be
available through May 31, 2019.

ITEMS OF BUSINESS

- To elect 11 members of the Board of Directors, each until our next Annual Meeting and/or until his or her successor has been duly elected and qualified.
- To ratify the selection of KPMG LLP as our independent registered public accounting firm for the 2019 fiscal year.
- To conduct an advisory vote to approve our executive compensation.
- To approve the Pfizer Inc. 2019 Stock Plan.
- To consider 4 shareholder proposals, if properly presented at the Meeting.
- To transact any other business that properly comes before the Meeting and any adjournment or postponement of the Meeting.

VOTING YOUR SHARES QUICK AND EASY—YOU CAN EVEN VOTE USING YOUR SMARTPHONE OR TABLET.

HOW TO VOTE

For registered holders and Pfizer Savings Plan participants:

(Shares are registered in your name with Pfizer’s transfer agent, Computershare, or held in the Pfizer Savings Plan)

Internet* www.investorvote.com/PFE

Telephone* Within the U.S., U.S. territories & Canada
+1-800-652-VOTE (8683) – toll-free

For beneficial owners:

(Shares are held in a stock brokerage account or by a bank or other holder of record)

www.proxyvote.com

+1-800-454-VOTE (8683) – toll-free

Edgar Filing: PFIZER INC - Form DEF 14A

Outside of the U.S., U.S. territories & Canada
+1-781-575-2300 – standard rates apply

Complete, sign and return the voting
instruction card

Mail Complete, sign and return the proxy card

* You will need to provide your control number that appears on the right-hand side of the enclosed proxy card or voting instruction card.

MATERIALS TO REVIEW

This booklet contains our Notice of 2019 Annual Meeting and Proxy Statement. Our 2018 Financial Report is included as Appendix A and is followed by certain Corporate and Shareholder Information. None of Appendix A, the Corporate and Shareholder Information, or the accompanying Letter from our Executive Chairman and Chief Executive Officer, are a part of our proxy solicitation materials.

This Notice of 2019 Annual Meeting and Proxy Statement and a proxy or voting instruction card are being mailed or made available to shareholders starting on or about March 14, 2019.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 25, 2019

This Notice of 2019 Annual Meeting and Proxy Statement and the 2018 Financial Report and Corporate and Shareholder Information are available on our website at <https://investors.pfizer.com/financials/annual-reports/default.aspx>. Except as stated otherwise, information on our website is not considered part of this Proxy Statement.

Margaret M. Madden

Senior Vice President and Corporate Secretary, Chief Governance Counsel

March 14, 2019

Table of Contents

Table of Contents

<u>Proxy Statement Summary</u>	<u>1</u>
<u>Item 1 — Election of Directors</u>	<u>7</u>
<u>Criteria for Board Membership</u>	<u>7</u>
<u>Selection of Candidates</u>	<u>8</u>
<u>Retirement Policy</u>	<u>8</u>
<u>Our 2019 Director Nominees</u>	<u>8</u>
<u>Director Nominees</u>	<u>9</u>
<u>Governance</u>	<u>15</u>
<u>Overview</u>	<u>15</u>
<u>Board Information</u>	<u>15</u>
<u>Board Leadership Structure</u>	<u>15</u>
<u>The Board’s Role in Risk Oversight</u>	<u>19</u>
<u>The Board’s Oversight of Company Strategy</u>	<u>20</u>
<u>The Board’s Oversight of Company Culture</u>	<u>20</u>
<u>The Board’s Role in Succession Planning</u>	<u>20</u>
<u>Process for Selecting New Director Nominees</u>	<u>21</u>
<u>Evaluation of Board Effectiveness</u>	<u>22</u>
<u>Board and Committee Information</u>	<u>23</u>
<u>Corporate Governance Committee Report</u>	<u>27</u>
<u>Regulatory and Compliance Committee Report</u>	<u>28</u>
<u>Shareholder Outreach</u>	<u>29</u>
<u>Corporate Responsibility and Sustainability</u>	<u>31</u>
<u>Public Policy Engagement and Political Participation</u>	<u>32</u>
<u>Pfizer Policies on Business Conduct</u>	<u>34</u>
<u>Other Governance Practices and Policies</u>	<u>35</u>
<u>Non-Employee Director Compensation</u>	<u>37</u>
<u>2018 Director Compensation Table</u>	<u>39</u>
<u>Securities Ownership</u>	<u>40</u>
<u>Beneficial Owners</u>	<u>41</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>41</u>
<u>Related Person Transactions and Indemnification</u>	<u>42</u>
<u>Item 2 — Ratification of Selection of Independent Registered Public Accounting Firm</u>	<u>43</u>
<u>Audit and Non-Audit Fees</u>	<u>44</u>
<u>Audit Committee Report</u>	<u>45</u>
<u>Item 3 — 2019 Advisory Approval of Executive Compensation</u>	<u>46</u>
<u>Results of 2018 Advisory Vote on Executive Compensation</u>	<u>46</u>
<u>2018 Pay for Performance</u>	<u>46</u>
<u>2019 Advisory Vote on Executive Compensation</u>	<u>47</u>
<u>Item 4 — Approval of the Pfizer Inc. 2019 Stock Plan</u>	<u>48</u>

<u>Compensation Committee Report</u>	<u>56</u>
<u>Executive Compensation</u>	<u>57</u>
<u>Compensation Discussion and Analysis</u>	<u>58</u>
<u>Table of Contents</u>	<u>58</u>
<u>Executive Summary</u>	<u>59</u>
<u>Compensation Tables</u>	<u>90</u>
<u>Financial Measures</u>	<u>106</u>
<u>Shareholder Proposals</u>	<u>107</u>
<u>Item 5 — Right to Act by Written Consent</u>	<u>107</u>
<u>Item 6 — Report on Lobbying Activities</u>	<u>109</u>
<u>Item 7 — Independent Chair Policy</u>	<u>112</u>
<u>Item 8 — Integrating Drug Pricing into Executive Compensation Policies and Programs</u>	<u>115</u>
<u>Annual Meeting Information</u>	<u>118</u>
<u>Annual Meeting</u>	<u>118</u>
<u>Voting</u>	<u>119</u>
<u>Proxy Materials</u>	<u>121</u>
<u>Other Questions</u>	<u>122</u>
<u>Other Business</u>	<u>123</u>
<u>Submitting Proxy Proposals and Director Nominations for the 2020 Annual Meeting</u>	<u>123</u>
<u>Annex 1 — Corporate Governance Principles</u>	<u>i</u>
<u>Annex 2 — Pfizer Inc. 2019 Stock Plan</u>	<u>v</u>

Table of Contents

Proxy Statement Summary

Here are highlights of important information you will find in this Proxy Statement. As it is only a summary, please review the complete Proxy Statement before you vote.

SUMMARY OF SHAREHOLDER VOTING MATTERS

Voting Matters	Board Vote Recommendation	See Page
<u>Item 1 — Election of Directors</u>	FOR EACH NOMINEE	<u>7</u>
<u>Item 2 — Ratification of Selection of Independent Registered Public Accounting Firm</u>	FOR	<u>43</u>
<u>Item 3 — 2019 Advisory Approval of Executive Compensation</u>	FOR	<u>46</u>
<u>Item 4 — Approval of the Pfizer Inc. 2019 Stock Plan</u>	FOR	<u>48</u>
Shareholder Proposals		
<u>Item 5 — Right to Act by Written Consent</u>	AGAINST	<u>107</u>
<u>Item 6 — Report on Lobbying Activities</u>	AGAINST	<u>109</u>
<u>Item 7 — Independent Chair Policy</u>	AGAINST	<u>112</u>
<u>Item 8 — Integrating Drug Pricing into Executive Compensation Policies and Programs</u>	AGAINST	<u>115</u>

Our Director Nominees

You are being asked to vote on the election of the following 11 Directors. All Directors are elected annually by the affirmative vote of a majority of votes cast. For detailed information about each Director's background, skill sets and areas of expertise, please see "Director Nominees" later in this Proxy Statement.

Committee Memberships

Name	Age*	Director Since	Occupation and Experience	Independent	Audit	Compensation	Corporate Governance	Regulatory & Compliance	Science & Technology
Ronald E. Blaylock	59	2017	Founder, Managing	Yes		1			1

			Partner of GenNx360 Capital Partners					
Albert Bourla, DVM, Ph.D.	57	2018	Chief Executive Officer, Pfizer Inc.	No				
W. Don Cornwell	71	1997	Retired Chairman & Chief Executive Officer, Granite Broadcasting Corporation	Yes		1	CHAIR	1
Joseph J. Echevarria	62	2015	Retired Chief Executive Officer, Deloitte LLP Investigator, Howard Hughes Medical Institute &	Yes	1		CHAIR	1
Helen H. Hobbs, M.D.	66	2011	Professor, University of Texas Southwestern Medical Center Founding	Yes		1	1	CHAIR
James M. Kilts	71	2007	Partner, Centerview Capital	Yes		1		1
Dan R. Littman, M.D., Ph.D.	66	2018	Helen L. and Martin S. Kimmel Professor of Molecular Immunology at the Skirball Institute of Biomolecular Medicine of NYU Langone Medical	Yes		1		1

Shantanu Narayan	55	2013	Center & Investigator, Howard Hughes Medical Institute Chairman, President & Chief Executive Officer, Adobe Systems Incorporated	Yes				
Lead Independent Director			Retired Vice Chairman, Goldman Sachs Group, Inc.	Yes	CHAIR		1	1
Suzanne Nora Johnson	61	2007	Executive Chairman, Pfizer Inc.	No				
Ian C. Read	65	2010	President & Chief Executive Officer, Thomson Reuters Corporation	Yes	1	CHAIR		1
James C. Smith	59	2014						

* Age as of the date of the 2019 Annual Meeting

Table of Contents

PROXY STATEMENT SUMMARY

Chief Executive Officer Succession

In October 2018, we announced that the Board of Directors unanimously elected Dr. Albert Bourla, the company's Chief Operating Officer, to succeed Mr. Ian Read as Chief Executive Officer (CEO), effective January 1, 2019. Mr. Read was elected to the role of Executive Chairman of the Board of Directors, effective January 1, 2019. Mr. Shantanu Narayen will continue in his role as Lead Independent Director. The Board believes this structure will help ensure continuity of strong and effective leadership.

The election of Dr. Bourla was the result of a multi-year succession planning process, led by the independent Directors. During this timeframe, the Board had the opportunity to observe and evaluate Dr. Bourla in many different settings, including as a Board member since February 2018. The Board was continually impressed with Dr. Bourla's business performance, depth of experience, proven leadership and track record for success and, therefore, elected him to lead the company into the future as CEO.

Board Composition

Our goal is to maintain a diverse Board representing a wide range of experience and perspectives, which are important to enhancing the Board's effectiveness in fulfilling its oversight role. Below we highlight the composition of our Director nominees.

Table of Contents

PROXY STATEMENT SUMMARY

Corporate Governance Highlights

Pfizer is committed to exercising and maintaining strong corporate governance practices. We believe that good governance promotes the long-term interests of our shareholders, strengthens Board and management accountability and improves our standing as a trusted member of the communities we serve.

Shareholder Rights and Accountability

- Annual election of all Directors
- Majority voting for Directors
- Shareholder ability to call Special Meetings (10% ownership threshold)
- Proxy access rights to holders owning at least 3% of outstanding shares for 3 years
- Robust shareholder engagement program

Board and Committee Oversight

- Corporate strategy
- Risk assessment and risk management
- Corporate political expenditures and lobbying activities
- Cybersecurity; drug pricing, access and reimbursement; and sustainability

Independence

- 9 of our 11 Director nominees are independent
- Our Executive Chairman and our CEO are the only non-independent Directors
- All key Board Committee members are independent

Lead Independent Director

- Presides at regular executive sessions of independent Directors
- Leads annual independent Director evaluation of CEO
- Leads annual independent Director evaluation of Executive Chairman

Board Practices

- Annual Board and Committee evaluations
- Director orientation and continuing Director education on key topics and issues

- Mandatory Retirement Policy at age 73, absent special circumstances
- Code of Business Conduct and Ethics for Members of the Board of Directors

Pay for Performance

- Executive compensation program strongly links pay and performance
- Compensation Committee reviews the goal-setting processes to ensure targets are rigorous, yet attainable, thereby incentivizing performance
- Significant percentage of total target compensation is “at-risk” through short- and long-term incentive awards
- Compensation Committee structures our compensation program to align targets and goals with our overall business strategy and objectives

Robust Stock Ownership Requirements

Executive Chairman, CEO, Named Executive

- Officers (NEOs) and Directors are subject to robust Pfizer common stock ownership requirements:
 - oExecutive Chairman/CEO: 6x base salary
 - oOther NEOs: 4x base salary
 - oNon-employee Directors: 5x annual cash retainer

Our Corporate Governance and Executive Compensation practices are informed by our long-standing, comprehensive shareholder engagement program. In 2018, we engaged with more than 30 investors representing over 30% of our shares outstanding. The Chair of the Corporate Governance Committee participated in these discussions when requested.

Table of Contents

PROXY STATEMENT SUMMARY

2018 Shareholder Outreach

We believe that a robust shareholder outreach program is an essential component of maintaining our strong corporate governance practices. In our discussions with investors, we seek their input on a variety of corporate governance topics and other issues that may impact our business or reputation. We strive for a collaborative approach with investors to solicit and understand a variety of perspectives. During 2018, we solicited feedback from investors representing approximately 50% of our outstanding shares and engaged with more than 30 global institutional investors representing over 30% of our outstanding shares. Such engagement included the participation of the Chair of our Corporate Governance Committee when requested. Overall, investors' sentiment was positive with respect to our Board of Directors, our corporate governance practices, including the frequency of our shareholder outreach, and our executive compensation program. Shareholder feedback was summarized and shared with the Board of Directors.

Areas of particular focus during our engagements with investors included CEO succession planning, Board composition, with a focus on the recruitment process for new Director candidates, drug pricing, product safety, human capital management and the company's sustainability priorities.

For more information about our 2018 shareholder engagement program and the actions we took in response to shareholder feedback, see "Governance — Board Information — Corporate Governance Committee Report" and "Governance — Shareholder Outreach" later in this Proxy Statement.

Executive Compensation Highlights

Pfizer's pay-for-performance compensation philosophy is set by the Compensation Committee of the Board. Our goal is to align each executive's compensation with Pfizer's short-term and long-term performance and provide the compensation and incentives needed to attract, motivate and retain key executives crucial to Pfizer's long-term success.

TO ACHIEVE THESE OBJECTIVES:

- We position total direct compensation and each compensation element at approximately the median of our Pharmaceutical Peer and General Industry Comparator companies.
- We align annual short-term incentive awards with annual operating, financial and strategic objectives. We align long-term incentive awards with the interests of our shareholders by delivering value based on operating
- results and absolute and relative shareholder return, encouraging stock ownership and promoting retention of key talent.
-

We ensure that a significant portion of the total compensation opportunity for our executives is “at-risk” through both our short- and long-term incentive awards, the payout of which is directly related to the achievement of pre-established performance metrics directly tied to our business goals and strategies and, for long-term incentive awards, Pfizer’s total shareholder return (TSR).

Table of Contents

PROXY STATEMENT SUMMARY

2018 KEY ELEMENTS OF EXECUTIVE COMPENSATION

Direct compensation for our executives in 2018 consisted of the following key elements:

Element	Type/Description	Objective
Salary (Cash)	The fixed amount of compensation for performing day-to-day responsibilities is set based on market data, job scope and responsibilities, and experience	Provides competitive level of fixed compensation that helps to attract and retain high-performing executive talent
Annual Short-Term Incentive/ Global Performance Plan (GPP) (Cash)	Our annual incentive plan pool is funded based on performance against Pfizer's short-term financial goals (revenue, adjusted diluted earnings per share (EPS) and cash flow from operations). Individual awards are based on business/operating unit and individual performance measured over the performance year	Provides incentives for achieving short-term results that create sustained future growth

2018 Performance Metrics

Annual Long-Term Incentive Compensation (100% Performance-Based Equity)	• 5-Year Total Shareholder Return Units (TSRUs)	TSRUs provide direct alignment with shareholders as awards are tied to absolute total shareholder return over a five- or seven-year period
	• 7-Year Total Shareholder Return Units (TSRUs)	
	• Performance Share Awards (PSAs)	PSAs align executive compensation to operational goals through performance against a combination of operating income* over three one-year periods and TSR relative to the NYSE Arca Pharmaceutical Index (DRG Index) over a three-year performance period

2018 LTI Mix

*Operating income, as the PSA performance measure, is based on Pfizer's Non-GAAP Adjusted Operating Income (as calculated using the "Reconciliation of GAAP Reported to Non-GAAP Adjusted Information – Certain Line Items" table in our 2018 Financial Report), adjusted to reflect budgeted foreign exchange rates for the year and further refined to exclude other unbudgeted or non-recurring items. Effective in 2019, the Operating Income performance

measure will be replaced with an Adjusted Net Income performance measure for PSAs granted after 2017. For additional information, see the “*Compensation Discussion and Analysis*” section later in this Proxy Statement.

2018 NAMED EXECUTIVE OFFICER (NEO) PAY MIX

The illustration below uses year-end salary and target annual short-term and long-term incentive awards for the NEOs to show the percentage each pay element comprises of our NEOs’ target direct compensation for 2018.

**2018 Target Direct Compensation for Ian Read
(CEO)**

**2018 Target Direct Compensation (Average) for Other
NEOs**

Table of Contents

PROXY STATEMENT SUMMARY

KEY PLANNING CYCLE

The below graphic illustrates key elements of the annual compensation planning cycle*:

APPROVE REVIEW ENGAGE

JANUARY–MARCH

- Complete Executive Leadership Team (ELT) year-end performance assessments for prior year
- Review and approve prior year’s incentive plan performance results and funding level
- Review and approve annual ELT compensation (salary, bonus and long-term incentive awards)
- Conduct annual risk assessment on our global compensation programs and policies
- Review and approve proxy materials
- Review ELT goals for current performance period
- Approve various incentive plan metrics and targets for current performance period

OCTOBER–DECEMBER

- Commence ELT year-end performance assessments
- Conduct annual executive stock ownership review

APRIL–JUNE

- Consider shareholder feedback from outreach discussions and the results of the say-on-pay vote
- Review year-to-date performance relating to the annual incentive plan and the performance share plan
- Conduct an annual proxy analysis of NEO pay of comparator companies
- Review proxy advisory firms’ analyses of current proxy statement

JULY–SEPTEMBER

- Review year-to-date performance relating to the annual incentive plan and the performance share plan
- Conduct CEO mid-year performance assessment

- Review year-to-date performance relating to the annual incentive plan and the performance share plan
- Review potential NEOs for the upcoming proxy statement
- Engage in shareholder outreach discussions
- Review and approve Committee Charter
- Review and approve composition of the Pharmaceutical Peer and General Industry Comparator groups

*Includes actions with respect to our Executive Chairman, as applicable.

OUR COMPENSATION PRACTICES

Pfizer continues to implement and maintain leading practices in its compensation program, including these practices:

WHAT WE DO

- ü Risk Mitigation
- ü Compensation Recovery (“Clawback”)
- ü Stock Ownership Requirements
- ü Minimum Stock Vesting Required
- ü Robust Investor Outreach
- ü Independent Compensation Consultation

WHAT WE DO NOT DO

- û Hedging or Pledging
- û Employment Agreements
- û Change in Control Agreements
- û Repricing
- û “Gross-ups” for Excise Taxes or Perquisites

For additional information about Pfizer, please view our 2018 Financial Report (see “*Appendix A*”) and our 2018 Annual Review at www.pfizer.com/annual. Please note that neither our 2018 Financial Report, nor our 2018 Annual Review is a part of our proxy solicitation materials.

Table of Contents

Item 1 – Election of Directors

Eleven members of our Board are standing for re-election, to hold office until the next Annual Meeting of Shareholders. A majority of the votes cast is required for the election of Directors in an uncontested election (which is the case for the election of Directors at the 2019 Annual Meeting). A majority of the votes cast means that the number of votes cast “for” a Director nominee must exceed the number of votes cast “against” that nominee. Our Corporate Governance Principles contain detailed procedures to be followed in the event that one or more Directors do not receive a majority of the votes cast “for” his or her election at the Annual Meeting.

Each nominee elected as a Director will continue in office until our next Annual Meeting and until his or her successor has been duly elected and qualified, or until his or her earlier death, resignation, removal or retirement.

We expect each nominee for election as a Director to be able to serve if elected. If any nominee is not able to serve, the persons appointed by the Board of Directors and named as proxies in the proxy materials or, if applicable, their substitutes (the Proxy Committee) may vote their proxies for substitute nominees, unless the Board chooses to reduce the number of Directors serving on the Board.

The Board has determined that all Director nominees (other than Mr. Ian C. Read and Dr. Albert Bourla) are independent of the company and management and meet Pfizer’s criteria for independence (see “Director Independence” below).

Criteria for Board Membership

The Corporate Governance Committee focuses on Board succession planning on a continuous basis. In performing this function, the Committee recruits and recommends the nominees for election as Directors to the full Board of Directors. The goal is to achieve a Board that provides effective oversight of the company with the appropriate diversity of perspectives, experience, expertise, skills, specialized knowledge, and other qualifications and attributes of the individual Directors.

Important general criteria and considerations for Board membership include:

General Criteria

- Proven integrity and independence, with a record of substantial achievement in an area of relevance to Pfizer
- Ability to make a meaningful contribution to the Board’s advising, counseling and oversight roles
- Prior or current leadership experience with major complex organizations, including within the scientific, government service, educational, finance, marketing, technology or not-for-profit sectors, with some members of the Board being widely recognized as leaders in the fields of medicine or biological sciences
- Commitment to enhancing Pfizer’s long-term growth
- Broad experience, diverse perspectives, and the ability to exercise sound judgment, and a judicious and critical temperament that will enable objective appraisal of management’s plans and programs
- Diversity with respect to gender, ethnicity, background, professional experience and perspectives

The Committee also considers, on an ongoing basis, the background, experience and skills of the incumbent Directors that are important to Pfizer’s current and future business needs, including, among others, experience and skills in the following areas:

Director Skills Criteria

Business Leadership & Operations	Finance & Accounting	Government & Public Policy
Medicine & Science	International Business	Academia
Healthcare & Pharma	Risk Management	Technology
Human Capital Management		

Table of Contents

ITEM 1 – ELECTION OF DIRECTORS

The Board and each Committee conduct rigorous annual evaluations to help ensure satisfaction of the criteria for Board membership (see “*Evaluation of Board Effectiveness*” below). Based on these activities and their review of the current composition of the Board, the Corporate Governance Committee and the Board determined that the criteria for Board membership have been satisfied.

Selection of Candidates

Director Skill Set Considerations; Use of Matrix

In recruiting and selecting Board candidates, the Corporate Governance Committee takes into account the size of the Board and considers a skills matrix. This skills matrix helps the Committee determine whether a particular Board member or candidate possesses one or more of the skill sets, as well as whether those skills and/or other attributes qualify him or her for service on a particular committee. The Committee also considers a wide range of additional factors, including each Director’s and candidate’s projected retirement date, to assist in Board succession planning; other positions the Director or candidate holds, including other boards of directors on which he or she serves; the results of the Board and Committee evaluations; the company’s current and future business needs; and the independence of each Director and candidate, to ensure that a substantial majority of the Board is independent. While the company does not have a formal policy on Board diversity, we believe the composition of the Board should be diverse in terms of gender, ethnicity, background, professional experience and perspectives.

Potential Director Candidates

On an ongoing basis, the Corporate Governance Committee considers potential Director candidates identified on its own initiative, as well as candidates referred or recommended to it by other Directors, members of management, search firms, shareholders and other sources (including individuals seeking to join the Board).

Shareholders who wish to recommend candidates may contact the Corporate Governance Committee as described in “*How to Communicate with Our Directors*” below. All candidates are required to meet the criteria outlined above, as well as those discussed under “*Director Independence*” below and in our Corporate Governance Principles and other governing documents, as applicable, as determined by the Corporate Governance Committee. Shareholder nominations must be made according to the procedures required under our By-laws (including via our proxy access by-law) and described in this Proxy Statement under the heading “*Submitting Proxy Proposals and Director Nominations for the 2020 Annual Meeting*.” Shareholder-recommended candidates and shareholder nominees whose nominations comply with these procedures and who meet the criteria referred to above will be evaluated by the Corporate Governance Committee in the same manner as the Corporate Governance Committee’s nominees.

Retirement Policy

Under Pfizer's Corporate Governance Principles, a Director is required to retire when he or she reaches age 73. A Director elected to the Board prior to his or her 73rd birthday may continue to serve until the annual shareholders meeting following his or her 73rd birthday. On the recommendation of the Corporate Governance Committee, the Board may waive this requirement as to any Director if it deems a waiver to be in the best interests of the company.

Our 2019 Director Nominees

The Corporate Governance Committee and the Board believe that each nominee for Director brings a strong and unique set of perspectives, experiences and skills to Pfizer. The combination of these nominees creates an effective and well-functioning Board that has an optimal balance of experience, leadership, competencies, qualifications and skills in areas of importance to Pfizer and serves the company and our shareholders well.

**YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR
THE ELECTION OF EACH OF THESE NOMINEES AS DIRECTOR.**

Table of Contents

ITEM 1 – ELECTION OF DIRECTORS

Director Nominees

DIRECTOR SINCE: 2017	Ronald E. Blaylock Founder, Managing Partner of GenNx360 Capital Partners, a private equity firm focused on investing in industrial and business services companies in the U.S. middle market, since 2006. Prior to launching GenNx360 Capital Partners, Mr. Blaylock founded and managed Blaylock & Company, an investment banking firm. Also held senior management positions at UBS, PaineWebber Group and Citicorp.	KEY SKILLS & EXPERIENCE: Business Leadership & Operations/Risk Management: Mr. Blaylock’s extensive experience in private equity and investment banking brings business leadership, financial expertise and risk management skills to the Board. In addition, Mr. Blaylock’s service on the compensation committees of other public companies enables him to bring valuable insights to Pfizer’s Board and Compensation Committee.
AGE: 59		
BOARD COMMITTEES: Compensation and Science and Technology	Director of CarMax, Inc., Urban One, Inc. (formerly Radio One, Inc.) and W.R. Berkley, Inc., an insurance holding company. Director of Syncreon U.S., a for-profit private company. Member of the Board of Trustees of Carnegie Hall. Member of the Board of Overseers of New York University Stern School of Business.	Finance & Accounting: Mr. Blaylock’s significant financial background, including as the founder and managing partner of GenNx360 Capital Partners and the founder of Blaylock & Company, brings substantial financial expertise and a unique perspective on issues of importance relating to finance to the Board.
KEY SKILLS: Business Leadership & Operations		
 Risk Management		
 Finance & Accounting		

**OTHER
CURRENT
PUBLIC BOARDS:**

CarMax, Inc., Urban
One, Inc.
and W.R. Berkley,
Inc.

Chief Executive Officer

Albert Bourla, DVM, Ph.D.
Chief Executive Officer of Pfizer since January 2019; Chief Operating Officer of Pfizer from January 2018 to December 2018; Group President, Pfizer Innovative Health from June 2016 until December 2017; Group President, Global Innovative Pharma Business of Pfizer from February 2016 until June 2016 (responsible for Vaccines, Oncology and Consumer Healthcare since 2014). President and General Manager of Established Products Business Unit of Pfizer from 2010 until 2013. Area President Europe, Africa, Asia and Pacific of Pfizer Animal Health from 2009 until 2010. Area President Europe, Africa and Middle East of Pfizer Animal Health from 2005 until 2009. Since joining Pfizer in 1993, Dr. Bourla has served in various leadership positions with increasing responsibility within Pfizer’s former Animal Health and global commercial organizations.

KEY SKILLS & EXPERIENCE:
Business Leadership & Operations/Human Capital Management/International Business/Healthcare & Pharma:
Dr. Bourla has over 25 years of leadership experience and a demonstrated track record for delivering strong business results. Dr. Bourla has deep knowledge of the healthcare industry as he has held a number of senior global positions across a range of businesses in five different countries (including eight different cities) over the course of his career, which enables him to provide important insights and perspectives to our Board on the company’s commercial, strategic, manufacturing and global product development functions. As CEO, Dr. Bourla provides an essential link between management and the Board regarding management’s business perspectives. In addition, his experiences on the board of PhRMA enable him to bring a broad perspective on issues facing our industry to the Board.

DIRECTOR SINCE: 2018

AGE: 57

KEY SKILLS:
Business Leadership & Operations
Board member of Pharmaceutical Research and Manufacturers of America (PhRMA).
Board member of the Pfizer Foundation, which promotes access to quality healthcare.
Member of the Board of the Partnership for New York City and Catalyst, a global non-profit organization accelerating progress for the advancement of women in leadership.

Human Capital Management

Medicine & Science:
Dr. Bourla brings expertise in medicine and science to the Board as he is a Doctor of Veterinary Medicine and holds a Ph.D. in the Biotechnology of Reproduction from the Veterinary School of Aristotle University.

International
Business

Healthcare &
Pharma

Medicine &
Science

**OTHER
CURRENT
PUBLIC
BOARDS:**

None

Table of Contents

ITEM 1 – ELECTION OF DIRECTORS

W. Don Cornwell

Chairman of the Board and Chief Executive Officer of Granite

DIRECTOR SINCE: Broadcasting Corporation (Granite) from 1988 until his retirement in August 2009, and served as Vice Chairman of the Board until December 2009.

AGE: 71

BOARD COMMITTEES: Director of American International Group, Inc. and Avon Products, Inc. Director of Corporate Governance, Regulatory and Compliance (Chair) and Science and Technology

Business Leadership & Operations/Human Capital Management/Risk Management:

Through Mr. Cornwell’s 38-year career as an entrepreneur driving the growth of a consumer-focused media company, an executive in the investment banking industry and a director of several significant consumer product and healthcare companies, he has valuable business, leadership and management experience and brings important perspectives on the issues facing Pfizer. Mr. Cornwell founded and built Granite, a consumer-focused media company, through acquisitions and operating growth, enabling him to provide insight and guidance on strategic direction and growth.

KEY SKILLS:

Finance & Accounting:

Business Leadership & Operations

Mr. Cornwell’s strong financial background, including his work at Goldman Sachs prior to co-founding Granite, and his service and leadership on the audit, finance and investment committees of other companies, also provides financial expertise to the Board, including an understanding of financial statements, corporate finance, accounting and capital markets.

Human Capital Management

Risk Management

Finance & Accounting

OTHER CURRENT PUBLIC BOARDS:

American International Group, Inc. and Avon Products, Inc.

Joseph J. Echevarria

Chief Executive Officer of Deloitte LLP (Deloitte), a global provider of professional services, from 2011 until his retirement in 2014. During his 36-year tenure with Deloitte, served in various leadership roles, including Deputy Managing Partner, Southeast Region Audit Managing Partner and U.S. Managing Partner and Chief Operating Officer.

DIRECTOR SINCE: 2015

AGE: 62

Business Leadership & Operations/International Business/Risk Management:

BOARD COMMITTEES: Audit, Corporate Governance (Chair) and Science and Technology

Director of The Bank of New York Mellon Corporation, Unum Group, a provider of financial protection benefits, and Xerox Corporation. Member of the President’s Export Council and former member of the Presidential Commission on Election Administration. Former Chair of My Brother’s Keeper Alliance. Member of the Board of Trustees of the University of Miami.

Mr. Echevarria’s 36-year career at Deloitte brings financial expertise and international business, leadership and risk management skills to the Board.

KEY SKILLS:

Business Leadership & Operations

Finance & Accounting:

Mr. Echevarria’s financial acumen, including his significant previous audit experience, expertise in accounting issues and service on the audit committee of another public company, is an asset to Pfizer’s Board and Audit Committee.

International Business

Government & Public Policy:

Pfizer also benefits from Mr. Echevarria’s breadth and diversity of experience, which includes his public service on the President’s Export Council.

Risk Management

Finance & Accounting

Government & Public Policy

**OTHER CURRENT
PUBLIC BOARDS:**

The Bank of New York
Mellon Corporation, Unum
Group and Xerox Corporation

10 / Pfizer 2019 PROXY STATEMENT

Table of Contents

ITEM 1 – ELECTION OF DIRECTORS

<p>DIRECTOR SINCE: 2011</p> <p>AGE: 66</p> <p>BOARD COMMITTEES: Corporate Governance, Regulatory and Compliance and Science and Technology (Chair)</p> <p>KEY SKILLS:</p>	<p>Helen H. Hobbs, M.D. Investigator, the Howard Hughes Medical Institute since 2002, Professor of Internal Medicine and Molecular Genetics and Director of the McDermott Center for Human Growth and Development at the University of Texas Southwestern Medical Center.</p> <p>Member of the American Society for Clinical Investigation and the Association of American Physicians. Elected to the National Academy of Medicine in 2004, the American Academy of Arts and Sciences in 2006, and the National Academy of Sciences in 2007. Received both the Clinical Research Prize (2005) and Distinguished Scientist Award (2007) from the American Heart Association. In 2012, received the inaugural International Society of Atherosclerosis Prize. Received: the Pearl Meister Greengard Award and the Breakthrough Prize in Life Sciences (2015); the Passano Award (2016); the Harrington Prize for Innovation in Medicine (2018); the Lefoulon-Delalande Grand Prize in Science (2018); the Gerald D Aurbach Award for Outstanding Translational Research (2019); and the Anitschkow Prize (2019).</p>	<p>KEY SKILLS & EXPERIENCE:</p> <p>Academia/Medicine & Science/Healthcare & Pharma:</p> <p>Dr. Hobbs’ background reflects significant achievements in academia and medicine. She has served as a faculty member at the University of Texas Southwestern Medical Center for more than 30 years and is a leading geneticist in metabolism and heart disease, areas in which Pfizer has significant investments and experience. Pfizer benefits from her experience, expertise, achievements and recognition in both medicine and science.</p>
---	---	---

Academia

Medicine & Science

Healthcare & Pharma

OTHER CURRENT PUBLIC BOARDS:

None

James M. Kilts

Founding Partner, Centerview Capital, a private equity firm, since 2006. Vice Chairman, The Procter & Gamble Company (Procter & Gamble), from 2005 to 2006. Chairman and Chief Executive Officer, The Gillette Company (Gillette), from 2001 to 2005 and President, Gillette, from 2003 to 2005. President and Chief Executive Officer, Nabisco Group Holdings Corporation (Nabisco), from 1998 until its acquisition in 2000.

KEY SKILLS & EXPERIENCE:

Business Leadership & Operations/International Business:

Mr. Kilts' tenure as CEO of Gillette and Nabisco and as Vice Chairman of Procter & Gamble provides valuable business, leadership and management experience, including expertise in cost management, value creation and resource allocation. In addition, his knowledge of consumer businesses has given him insights into reaching consumers and the importance of innovation—both important aspects of Pfizer's business. Through his service on various compensation committees, including ours, Mr. Kilts has a strong understanding of executive compensation and related areas.

Healthcare & Pharma:

Through his service on the board of MetLife, Inc., an insurance company, Mr. Kilts offers a view of healthcare from another perspective.

DIRECTOR SINCE: 2007

AGE: 71

BOARD COMMITTEES:

Compensation and Science and Technology

Director of MetLife, Inc., The Simply Good Foods Company and Unifi, Inc. Executive Chairman of the Board of Conyers Park Acquisition Corporation from 2016 until its merger with The Simply Good Foods Company in 2017. Non-Executive Director of the Board of Nielsen Holdings PLC from 2006 until 2017, Chairman of the Board of Nielsen Holdings from 2011 until 2013 and Chairman of the Nielsen Company B.V. from 2009 until 2014. Chairman of Big Heart Pet Brands until 2015 and Director of MeadWestvaco Corporation until 2014. Life Trustee of Knox College and Trustee of the University of Chicago. Member of the Board of Overseers of Weill Cornell Medicine and Founder and Co-Chair, Steering Committee, of the Kilts Center for Marketing at the University of Chicago Booth School of Business.

KEY SKILLS:

Business Leadership & Operations

International Business

Healthcare & Pharma

OTHER CURRENT PUBLIC BOARDS:

MetLife, Inc., The
Simply Good Foods
Company and Unifi,
Inc.

Pfizer 2019 PROXY STATEMENT / **11**

Table of Contents

ITEM 1 – ELECTION OF DIRECTORS

<p>DIRECTOR SINCE: 2018</p> <p>AGE: 66</p> <p>BOARD COMMITTEES: Corporate Governance and Science and Technology</p> <p>KEY SKILLS:</p>	<p>Dan R. Littman, M.D., Ph.D. Helen L. and Martin S. Kimmel Professor of Molecular Immunology at the Skirball Institute of Biomolecular Medicine of NYU Langone Medical Center since 1995 and an Investigator of the Howard Hughes Medical Institute since 1987. Professor of Microbiology and Immunology at the University of California, San Francisco from 1985 to 1995.</p> <p>Member of the National Academy of the Sciences and the Institute of Medicine. Fellow of the American Academy of Arts and Sciences and the American Academy of Microbiology. Founding Scientific Advisory Board Member of Vedanta Biosciences and Vor Biopharma. Member of Scientific Advisory Boards at ChemoCentryx, Inc., the Cancer Research Institute and the Ragon Institute of MGH, MIT and Harvard. Founder and a scientific advisor to Orca Pharmaceuticals. Awarded the New York City Mayor’s Award for Excellence in Science and Technology (2004), the Ross Prize in Molecular Medicine (2013) and the Vilcek Prize</p>	<p>KEY SKILLS & EXPERIENCE:</p> <p>Medicine & Science/Healthcare & Pharma/Academia:</p> <p>Dr. Littman’s background reflects significant achievements in medicine, healthcare and academia. He has served as a faculty member at the NYU Langone Medical Center for more than 20 years and is a renowned immunologist and molecular biologist. Pfizer benefits from his experience, expertise, achievements and recognition in both medicine and science. In addition, his experiences as a member of the National Academy of the Sciences and the Institute of Medicine enable him to bring a broad perspective of the scientific and medical community to the Board.</p>
<p>Healthcare & Pharma</p> <p>Academia</p>		
<p>OTHER CURRENT</p>		

**PUBLIC
BOARDS:**

None

<p>Lead Independent Director</p>	<p>Shantanu Narayen Chairman, President and Chief Executive Officer of Adobe Systems Incorporated (Adobe), a producer of creative and digital marketing software. Prior to his appointment as CEO in 2007, held various leadership roles at Adobe, including President and Chief Operating Officer, Executive Vice President of Worldwide Products, and Senior Vice President of Worldwide Product Development.</p>	<p>KEY SKILLS & EXPERIENCE:</p> <p>Business Leadership & Operations/International Business/Finance & Accounting/Human Capital Management:</p> <p>Mr. Narayen’s experience as Chairman, President and CEO of Adobe brings strong leadership and management skills to the Board, and his past roles in worldwide product development provide valuable global operations experience. He also serves as a member and Vice Chairman of US-India Strategic Partnership Forum. His experiences as a director on another public board provide a broad perspective on issues facing public companies and governance matters.</p>
<p>DIRECTOR SINCE: 2013</p>	<p>President of the Board of Adobe Foundation, which funds philanthropic initiatives around the world. Vice Chairman of US-India Strategic Partnership Forum. Named one of the world’s best CEOs by Barron’s magazine in 2016, 2017 and 2018.</p>	<p>Technology/Risk Management:</p> <p>Pfizer benefits from Mr. Narayen’s extensive knowledge in technology, product innovation and leadership in the digital marketing category through his experience in the technology industry. In addition, his deep knowledge and understanding of business risks through his leadership at a global technology company provide further insight and perspective to the Board.</p>
<p>AGE: 55</p>	<p>Business Leadership & Operations</p>	
<p>KEY SKILLS:</p>	<p>International Business</p>	
<p>Business Leadership & Operations</p>		
<p>International Business</p>		
<p>Finance & Accounting</p>		

Human Capital
Management

Technology

Risk
Management

**OTHER
CURRENT
PUBLIC
BOARDS:**

Adobe Systems
Incorporated

12 / Pfizer 2019 PROXY STATEMENT

Table of Contents

ITEM 1 – ELECTION OF DIRECTORS

Suzanne Nora Johnson

Retired Vice Chairman, Goldman Sachs Group, Inc. (Goldman Sachs),

DIRECTOR SINCE: since 2007. During her 21-year tenure with Goldman Sachs, served

in various leadership roles, including Chair of the Global Markets Institute, Head of Global Research, and Head of Global Health Care.

AGE: 61

BOARD COMMITTEES: Audit (Chair), Regulatory and Compliance and Science and Technology

Director of American International Group, Inc., Intuit Inc. and Visa Inc. Co-Chair, Board of Trustees of The Brookings Institution; Co-Chair of the Board of Trustees of the Carnegie Institution of Washington and Co-Chair of the Investment Committee of the Board of Trustees of the University of Southern California.

KEY SKILLS:

Business Leadership & Operations

Risk Management

International Business

KEY SKILLS & EXPERIENCE:

Business Leadership & Operations/Risk Management/International Business:

Ms. Nora Johnson’s careers in law and investment banking, including serving in various leadership roles at Goldman Sachs, provide valuable business experience and critical insights into the roles of the law and finance when evaluating strategic transactions.

Finance & Accounting: Ms. Nora Johnson also brings financial expertise to the Board, providing an understanding of financial statements, corporate finance, accounting and capital markets.

Healthcare & Pharma: Ms. Nora Johnson’s extensive knowledge of healthcare through her role in healthcare investment banking and her involvement with not-for-profit organizations, such as in scientific research (The Carnegie Institution) and healthcare policy (The Brookings Institution) provide touchstones of public opinion and exposure to diverse, global points of view.

Finance & Accounting

Healthcare & Pharma

OTHER CURRENT PUBLIC BOARDS:

American International Group, Inc., Intuit Inc. and Visa Inc.

Ian C. Read

Executive Chairman of Pfizer since January 2019; Chairman of the Board and Chief Executive Officer from December 2011 to December 2018.

President and Chief Executive Officer from December 2010 until December 2011. Previously, he served as Senior Vice President and Group President of the Worldwide Biopharmaceutical Businesses, which he led from 2006 through December 2010. In that role, he oversaw five global business units—Primary Care, Specialty Care, Oncology, Established Products and Emerging Markets.

Executive Chairman

DIRECTOR SINCE: 2010

AGE: 65

KEY SKILLS:

Chair of the Pfizer Foundation. Director of Kimberly-Clark Corporation.

KEY SKILLS & EXPERIENCE:

Business Leadership & Operations/International Business/Healthcare & Pharma/Finance & Accounting/Government & Public Policy/Human Capital Management/Risk Management: Mr. Read brings over 35 years of business, operating and leadership experience to the Board. His extensive knowledge of the biopharmaceutical industry in general, and Pfizer’s worldwide biopharmaceutical business in particular, provides crucial insight to our Board on the company’s strategic planning and operations. Mr. Read provides advice and counsel to management and the Board, and the combination of his knowledge of the business and his leadership skills makes his role as Executive Chairman optimal at this time. In addition, his experience as a member of another public company board provides him with an enhanced perspective on issues applicable to public companies.

Business Leadership & Operations

International
Business

Healthcare &
Pharma

Finance &
Accounting

Government &
Public Policy

Human Capital
Management

Risk
Management

**OTHER
CURRENT
PUBLIC
BOARDS:**

Kimberly-Clark
Corporation

Table of Contents

ITEM 1 – ELECTION OF DIRECTORS

<p>DIRECTOR SINCE: 2014</p> <p>AGE: 59</p> <p>BOARD COMMITTEES: Audit, Compensation (Chair) and Science and Technology</p>	<p>James C. Smith President, Chief Executive Officer and Director of Thomson Reuters Corporation, a provider of intelligent information for businesses and professionals, since 2012, and its Chief Operating Officer from September 2011 to December 2011 and Chief Executive Officer, Thomson Reuters Professional Division, from 2008 to 2011. Prior to the acquisition of Reuters Group PLC by The Thomson Corporation (Thomson) in 2008, served as Chief Operating Officer of Thomson and as President and Chief Executive Officer of Thomson Learning’s Academic and Reference Group.</p>	<p>KEY SKILLS & EXPERIENCE:</p> <p>Business Leadership & Operations/Finance & Accounting/Human Capital Management/International Business: Mr. Smith’s experience as President and CEO of Thomson Reuters brings valuable leadership, finance, international business, and human capital management skills to our Board. Pfizer benefits from Mr. Smith’s organizational expertise and leadership experience, honed in numerous senior management roles and on notable merger and acquisition activity, including the acquisition and subsequent integration of two of the information industry’s preeminent firms, as well as his strong operational and international expertise. Mr. Smith’s previous experience running global Human Resources for the Thomson Corporation informs his strong advocacy for culture and talent development.</p>
<p>KEY SKILLS:</p>	<p>Member of the International Business Council of the World Economic Forum, the International Advisory Boards of British American Business and the Atlantic Council.</p>	
<p>Business Leadership & Operations</p>		
<p>Finance & Accounting</p>		
<p>Human Capital Management</p>		

International
Business

**OTHER
CURRENT
PUBLIC
BOARDS:**

Thomson Reuters
Corporation

14 / Pfizer 2019 PROXY STATEMENT

Table of Contents

Governance

Overview

Pfizer is committed to exercising strong corporate governance practices. Good governance promotes the long-term interests of our shareholders, strengthens Board and management accountability and improves our standing as a trusted member of the communities we serve. We maintain and enhance our long record of excellence in corporate governance by regularly refining our corporate governance policies and procedures to reflect evolving practices and issues raised by our shareholders and other stakeholders.

Our governance structure and processes are guided by key governance documents, including our Corporate Governance Principles and Committee Charters, which govern the operation of the Board of Directors and its Committees in the execution of their responsibilities. The Principles are reviewed at least annually by the Corporate Governance Committee and the full Board and are updated periodically in response to changing regulatory requirements, evolving practices, issues raised by our shareholders and other stakeholders, and otherwise as circumstances warrant. Our Corporate Governance Principles are included as “Annex I” to this Proxy Statement.

Board Information

Board Leadership Structure

The Board recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure to ensure both independent oversight of senior management and a highly engaged and high-functioning Board. Based on its experience, considerable engagement with shareholders, and an assessment of research on this issue, the Board understands that numerous viewpoints concerning a board’s optimal leadership structure exist.

Given the dynamic and competitive environment in which we operate, the Board believes that the right leadership structure may vary as circumstances warrant. Under our By-laws and Corporate Governance Principles, the Board can and will change its leadership structure if it determines that doing so is appropriate and in the best interest of Pfizer and its shareholders at any given time. Consistent with this understanding, the independent Directors do not view any particular board leadership structure as preferred and consider the Board’s leadership structure on at least an annual basis. This consideration includes the evaluation of alternative leadership structures in light of the company’s current operating and governance environment, a review of peer company leadership structures, and investor feedback, with

the goal of achieving the optimal model for Board leadership and effective oversight of senior leaders by the Board.

The Board recognizes that in circumstances where the positions of Chairman and CEO are combined or the Chairman is not independent, investors believe it is imperative that the Board elect a strong Lead Independent Director with a clearly defined role and set of responsibilities. Our Corporate Governance Principles align with the Board's goal of achieving the optimal model for Board leadership and investor preferences. See "*Our Lead Independent Director*" below.

Table of Contents

GOVERNANCE BOARD INFORMATION

2018 Annual Review of Leadership Structure

Following a thorough review by the Corporate Governance Committee and the independent Directors, the independent Directors most recently reconsidered the Board's leadership structure in September 2018 and determined that the positions of Executive Chairman and Chief Executive Officer would not be combined and that the role of Lead Independent Director would continue to be held by Mr. Shantanu Narayen. Dr. Albert Bourla was elected Chief Executive Officer, effective January 1, 2019. Dr. Bourla's election was the result of a vigorous multi-year management succession planning process by the Board. Dr. Bourla succeeded Mr. Ian Read, who transitioned into the role of Executive Chairman on January 1, 2019. In this role, Mr. Read focuses on the leadership of the Board, provides advice and counsel to the CEO and Executive Leadership Team, and participates in selected engagements with government officials and key customers, as requested by the CEO. We believe that our leadership structure is optimal at this time and will help ensure continuity of strong and effective leadership.

OUR BOARD LEADERSHIP STRUCTURE IS FURTHER STRENGTHENED BY:

- **the strong, independent oversight function exercised by our Board**—which consists entirely of independent Directors other than Mr. Read and Dr. Bourla (see "*Director Independence*" below);
- **the independent leadership provided by Pfizer's Lead Independent Director**, who has robust well-defined responsibilities under a Board-approved charter;
- **the independence of all members of our key Board Committees**—Audit, Compensation, Corporate Governance, Regulatory and Compliance and Science and Technology;
- **the company's corporate governance principles, policies and practices;** and
- **Board and committee processes and procedures that provide substantial independent oversight of our CEO and Executive Chairman's performance**, including regular executive sessions of the independent Directors, an annual evaluation of our CEO's performance against predetermined goals, and an evaluation of our Executive Chairman that, among other things, assesses the Executive Chairman's ability to provide leadership and direction to the full Board.

EXECUTIVE SESSIONS

Executive sessions of the independent Directors generally take place at every regular Board meeting. Led by our Lead Independent Director, the independent Directors review and discuss, among other things, management succession planning, the criteria to evaluate the performance of the CEO and other senior management, the performance of the CEO against those criteria, the compensation of the CEO and other members of senior management, and the performance of the Executive Chairman.

Table of Contents

GOVERNANCE BOARD INFORMATION

Executive Chairman, Chief Executive Officer and Lead Independent Director Roles and Responsibilities

At Pfizer, the positions of Executive Chairman, Chief Executive Officer and Lead Independent Director (LID) each have clear mandates, significant authority and well-defined responsibilities. These responsibilities and authority include the following:

Executive Chairman of the Board

ROLE ON BOARD OF DIRECTORS

- Call meetings of the Board and work with management as part of the Board meeting planning process to plan and review Board meeting and Board committee meeting agendas and materials
- Participate in Board planning calls with the CEO and LID and in feedback sessions to the CEO after each Board meeting
- Lead Board meetings, participate in Board committee meetings, as appropriate, and conduct the Annual Meeting of Shareholders
- Lead certain Executive Sessions of the Board
- Assist in screening candidates being considered by the Corporate Governance Committee for membership on the company's Board of Directors
- Facilitate, with the Compensation Committee Chair and the LID, the Board's review and discussion of the CEO's performance

ADVICE AND COUNSEL TO CEO AND ELT/MANAGEMENT

- Meet regularly with the CEO to advise across a wide range of issues facing the business
- Engage in strategic planning guidance and conduct additional calls or meetings between scheduled meetings to provide timely advice and counsel
- Be available to members of the ELT and other management to provide feedback, answer questions and provide perspective and business expertise to issues they face
- Serve as representative of Pfizer for select engagements with key customers, governmental officials, non-government organizations or community-oriented activities, as requested by the CEO, generally focusing on policies that impact the pharmaceutical industry globally and healthcare delivery domestically; represent biopharmaceutical industry interests in global conferences

Chief Executive Officer

- Lead the affairs of the company, subject to the oversight of the Board of Directors and its Committees
- Attend the Board of Directors meetings
- May attend all Board Committee meetings
- Communicate with shareholders, government entities and the public
- Lead the development of the company's short- and long-term strategy
- Create and implement the company's vision and mission
- Maintain awareness of the competitive market landscape and industry developments

- Assess potential risks to the company and strive to ensure they are monitored and minimized
- Set measurable and meaningful strategic goals

Table of Contents

GOVERNANCE BOARD INFORMATION

Lead Independent Director

- Lead Board meetings when the Executive Chairman is not present
- Lead executive sessions of the independent Directors
- Serve as an ex-officio member of each Committee and regularly attend meetings of the various Committees
- Call meetings of the independent Directors
- Lead the independent Directors' evaluation of the CEO's effectiveness
- Lead the evaluation by the independent Directors of the Executive Chairman that, among other things, assesses the Executive Chairman's ability to provide leadership and direction to the full Board
- Serve as liaison between the independent Directors and the Executive Chairman and the CEO
- Approve information sent to the Board, including the quality, quantity and timeliness of such information
- Contribute to the development of and approve meeting agendas
- Facilitate the Board's approval of the number and frequency of Board meetings and approve meeting schedules to ensure sufficient time for discussion of all agenda items
- Authorize the retention of outside advisors and consultants who report directly to the Board
- Keep apprised of inquiries from shareholders and involved in correspondence responding to those inquiries, when appropriate
- If requested by shareholders or other stakeholders, ensure that he is available, when appropriate, for consultation and direct communication

OUR LEAD INDEPENDENT DIRECTOR

At Pfizer, the Lead Independent Director position has a clearly defined role and set of responsibilities and provides significant independent Board leadership. Mr. Shantanu Narayen has served as our Lead Independent Director since the 2018 Annual Meeting of Shareholders. Upon becoming Lead Independent Director, Mr. Narayen also became an ex-officio member of each of the Board's Committees.

During Mr. Narayen's nearly six years of service on Pfizer's Board and one year as Pfizer's Lead Independent Director, he has consistently demonstrated strong leadership skills and risk oversight abilities in addition to deep expertise in technology and innovative product development. The independent Directors are confident in Mr. Narayen's ability to continue to serve as Lead Independent Director.

The Charter of the Lead Independent Director can be found on our website at

<https://investors.pfizer.com/corporate-governance/the-pfizer-board-policies/default.aspx>.

Table of Contents

GOVERNANCE BOARD INFORMATION

The Board’s Role in Risk Oversight

Management is responsible for assessing and managing risk, including through the Enterprise Risk Management (ERM) program, subject to oversight by the Board. The ERM program provides a framework for risk identification and management. Each risk is assigned to a member or members, as appropriate, of our Executive Leadership Team (ELT) — the heads of our principal businesses and corporate functions. The Board believes that its leadership structure and the ERM program support the risk oversight function of the Board.

The Board executes its oversight responsibility for risk assessment and risk management directly and through its Committees:

THE BOARD

The Board considers significant enterprise risk topics, including, among others, risks associated with our strategic plan, our capital structure, our research and development activities, and drug pricing, access and reimbursement. In addition, the Board receives regular reports from members of our ELT that include discussions of the risks involved in their respective areas of responsibility. The Board is routinely informed of developments that could affect our risk profile or other aspects of our business.

The Board is kept informed of its Committees’ risk oversight and other activities through reports of the Committee Chairs to the full Board. These reports are presented at every regular Board meeting.

AUDIT COMMITTEE

The Audit Committee has primary responsibility for overseeing Pfizer’s ERM program. Pfizer’s Chief Internal Auditor, who reports to the Committee, facilitates the ERM program in coordination with the Legal Division and Compliance Division and helps ensure that ERM is integrated into our strategic and operating planning process. The Committee’s meeting agendas throughout the year include discussions of individual risk areas, including areas posing

REGULATORY AND COMPLIANCE COMMITTEE

The Regulatory and Compliance Committee is responsible for reviewing and overseeing Pfizer’s compliance program, including but not limited to evaluating its effectiveness. The Committee reviews and receives information and briefings about current and emerging risks and regulatory and enforcement trends that may affect our business operations, performance, or

OTHER BOARD COMMITTEES

Compensation Corporate Governance Science and Technology

The Board’s other Committees oversee risks associated with their respective areas of responsibility. For example, the Compensation

potential reputational risk to Pfizer, as well as an annual summary of the ERM process. In connection with this, the Committee reviews and receives briefings concerning risks to Pfizer associated with drug pricing, access and reimbursement.

strategy. The Committee has primary responsibility for overseeing and reviewing significant risks associated with Pfizer's healthcare law compliance programs and the status of compliance with applicable laws, regulations and internal procedures.

Committee considers the risks associated with our compensation policies and practices for both executive compensation and compensation generally.

The Committee also reviews and receives regular briefings concerning Pfizer's information security and technology risks (including cybersecurity), including discussions of the company's information security and risk management programs. In 2018, Pfizer's Chief Information Officer led our cybersecurity risk management program, which is fully integrated into the overall ERM program and overseen by the Committee. Since the beginning of 2019, our cybersecurity risk management program has been led by our Chief Digital and Technology Officer.

Periodically, the Regulatory and Compliance Committee and the Audit Committee hold joint sessions to discuss risks relevant to both Committees' areas of risk oversight, including an annual discussion of the ERM program.

Table of Contents

GOVERNANCE BOARD INFORMATION

The Board's Oversight of Company Strategy

The Board and its Committees are involved in overseeing our corporate strategy, including major business and organizational initiatives, capital allocation priorities and potential business development opportunities. The Board engages in discussions regarding our corporate strategy at nearly every Board meeting and, at least annually, receives a formal update on the company's short- and long-term objectives, including the company's operating plan and long-term corporate strategic plan. The Board's Committees oversee elements of our strategy associated with their respective areas of responsibility.

The Board's Oversight of Company Culture

Management establishes and reinforces the company's culture, which the Board and its Committees oversee. The Board recognizes the value of Pfizer's colleagues and the need for the company to build and sustain a culture where colleagues of diverse backgrounds and abilities contribute their unique viewpoints and perspectives to all aspects of the business. The PfizerVoice survey, conducted annually, is one way that the company measures colleague engagement on an anonymous basis. The results of this survey are reported to the Board annually and compared with results from prior years. The Board also meets with colleagues during annual site visits and attends an annual dinner with high performing colleagues.

The Board's Committees oversee elements of our culture associated with their respective areas of responsibility. The Compensation Committee is kept informed of Pfizer's compensation practices, including pay equity, through regular updates from Human Resources leaders. In addition, matters involving company culture, including steps taken to appropriately address matters such as inappropriate workplace behavior, harassment and retaliation, are routinely reported to the Audit Committee. The Regulatory and Compliance Committee, responsible for oversight of the company's Compliance Program, receives updates on the company's culture of integrity and the tone set by leaders throughout the organization.

The Board's Role in Succession Planning

MANAGEMENT SUCCESSION PLANNING

Succession planning for Pfizer's senior management positions, which ensures continuity of leadership over the long-term, is critical to the company's success. The Board is responsible for planning for CEO succession, as well as

certain other senior management positions. The topic is discussed regularly in executive sessions. To assist the Board, the CEO annually provides the Board with an assessment of other senior managers and their potential to succeed him. The CEO also provides the Board with an assessment of persons considered potential successors to certain senior management positions.

As a result of the CEO succession planning process, in October 2018, we announced that the Board of Directors unanimously elected Dr. Albert Bourla, the company's Chief Operating Officer, to succeed Mr. Ian Read as CEO, effective January 1, 2019. Mr. Read was elected to the role of Executive Chairman of the Board of Directors, effective January 1, 2019. Mr. Shantanu Narayen will continue in his role as Lead Independent Director. The Board believes this structure will help ensure continuity of strong and effective leadership.

The election of Dr. Bourla was the result of a multi-year succession planning process, led by the independent Directors. During this timeframe, the Board had the opportunity to observe and evaluate Dr. Bourla in many different settings, including as a Board member since February 2018. The Board was continually impressed with Dr. Bourla's business performance, depth of experience, proven leadership and track record for success and, therefore, elected him to lead the company into the future as CEO.

In addition, the Corporate Governance Committee will review periodically with the CEO the succession plans relating to positions held by elected corporate officers and will make recommendations to the Board with respect to the selection of individuals to hold these positions.

In October 2018, Pfizer announced the members of the ELT that report to Dr. Bourla, effective January 1, 2019.

BOARD SUCCESSION PLANNING

The Corporate Governance Committee focuses on Board succession planning on a continuous basis. In performing this function, the Committee is responsible for recruiting and recommending nominees for election as Directors to the full Board of Directors. The goal is to achieve a Board that provides effective oversight of the company with the appropriate diversity of perspectives, experience, expertise, skills, specialized knowledge, and other qualities and attributes of the individual Directors.

Table of Contents

GOVERNANCE BOARD INFORMATION

Process for Selecting New Director Nominees

Throughout 2018, the Committee identified and reviewed a comprehensive list of non-employee Director candidates and followed the rigorous process set forth below:

<p>1. NEEDS ASSESSMENT</p> <p>Define skills & diversity criteria based on:</p> <ul style="list-style-type: none"> • Gaps to fill from board turnover / succession planning • Evolving company and market capability demands • Results of Board evaluation • Management Team priorities 	<p>2. IDENTIFICATION OF QUALIFIED CANDIDATES</p> <p>Identify a list of candidates through:</p> <ul style="list-style-type: none"> • Board member nominations • ELT nominations • Search agencies and recruiters • Shareholders and other sources 	<p>3. DUE DILIGENCE SCREENING</p> <p>Review of qualifications:</p> <ul style="list-style-type: none"> • Skills matrix • Integrity & independence requirements • Past experience and perspectives • Other positions the candidate holds • Diversity 	<p>4. MEETINGS WITH SHORTLISTED CANDIDATES</p> <p>Committee members, and, as appropriate, other Board members and management interview the shortlisted candidates.</p>
<p>5. DECISION AND NOMINATION</p>			

Selection of Director nominees best suited to serve the interests of the company and its shareholders.

Resulting from this process, in March 2018, the Committee recommended and the Board elected Dr. Dan R. Littman as a Director and a member of the Corporate Governance and Science and Technology Committees.

Table of Contents

GOVERNANCE BOARD INFORMATION

Evaluation of Board Effectiveness

The Board is committed to continuous improvement and utilizes annual evaluations to evaluate performance and improve effectiveness.

2018 EVALUATION PROCESS

PROCESS BEGINS

FEBRUARY

The Corporate Governance Committee initiates and oversees the process, which consists of each Director's evaluation of the Board as a whole, and an evaluation of each Committee by its members.

EVALUATION FORMAT

FEBRUARY

During the Board and Committees' evaluations, the Corporate Governance Committee reviews the effectiveness of the overall evaluation process and considers whether to:

- incorporate individual Director evaluations into the process; or
- conduct the evaluation through an external third-party provider.

PRESENTATION OF EVALUATION RESULTS

BOARD: APRIL; COMMITTEES: JUNE

The Committee also assesses other factors, including:

- The results of the full Board evaluation are presented by the Chair of the Corporate Governance Committee, and
- Director independence and qualifications to serve on various Committees; and

discussed in executive session, at a subsequent Board meeting.

- Committee Chair assignments and membership rotations.

- The results of each Committee evaluation are presented and discussed at subsequent Committee meetings for the relevant Committee.

FOLLOW-UP

JUNE – DECEMBER

Any results requiring additional consideration are addressed at future Board and Committee meetings, where appropriate.

EVALUATION OUTCOME

DECEMBER

The Corporate Governance Committee determined that no modifications to the existing process were warranted for 2019 and to maintain the evaluation process in its current format.

Table of Contents**GOVERNANCE BOARD INFORMATION**

Board and Committee Information

During 2018, the Board of Directors met seven times. Each of our incumbent Directors attended at least 75% of the total meetings of the Board and the Board Committees on which he or she served that were held during the time he or she was a Director in 2018. In accordance with our Corporate Governance Principles, all Directors then in office attended our 2018 Annual Meeting.

The table below provides the current membership of each of the standing Board Committees and the number of meetings held in 2018:

Name	Audit	Compensation	Corporate Governance	Regulatory & Compliance	Science & Technology
Dennis A. Ausiello, M.D. ⁽¹⁾	1			1	1
Ronald E. Blaylock		1			1
Albert Bourla, DVM, Ph.D.					
W. Don Cornwell			1	CHAIR	1
Joseph J. Echevarria	1		CHAIR		1
Helen H. Hobbs, M.D.			1	1	CHAIR
James M. Kilts		1			1
Dan R. Littman, M.D., Ph.D.			1		1
Shantanu Narayen					
Suzanne Nora Johnson				CHAIR	1
Ian C. Read					
James C. Smith	1	CHAIR			1
Meetings in 2018	11	6	5	4	3

⁽¹⁾ Effective as of the 2019 Annual Meeting, Dr. Ausiello will retire from the Board and as a member of the Audit Committee, the Regulatory and Compliance Committee and the Science and Technology Committee.

COMMITTEE REFRESHMENT

The Board, upon recommendation from the Corporate Governance Committee, reviews and determines the composition of the Committees and Committee Chairs. Through periodic committee refreshment, we balance the benefits derived from continuity and depth of experience with the benefits gained from fresh perspectives and enhancing our Directors' understanding of different aspects of our business.

As part of our ongoing commitment to proactive Committee refreshment, at the upcoming April 2019 Board Meeting, the Board will vote to elect Mr. Blaylock to the Audit Committee and Dr. Littman to the Regulatory and Compliance Committee, contingent upon their election as Directors at the 2019 Annual Meeting of Shareholders.

Table of Contents

GOVERNANCE BOARD INFORMATION

BOARD COMMITTEES

THE AUDIT COMMITTEE

Chair:

Suzanne Nora Johnson

Additional Committee Members:

Dennis A. Ausiello
Joseph J. Echevarria
James C. Smith

Meetings Held in 2018: **11**

All Members Are Independent and Financially Literate

Ms. Nora Johnson, Mr. Echevarria and Mr. Smith qualify as “Audit Committee Financial Experts”

Governed by a Board-Approved Charter

The Audit Committee is primarily responsible for:

- reviewing and discussing, with the independent registered public accounting firm, Internal Audit and management, the adequacy and effectiveness of internal control over financial reporting;
- reviewing and consulting with management, Internal Audit and the independent registered public accounting firm on matters related to the annual audit, the published financial statements, earnings releases and the accounting principles applied;
- reviewing reports from management relating to the status of compliance with laws, regulations and internal procedures and policies;
- reviewing and approving, based on discussion with the Chief Financial Officer, the appointment, replacement or dismissal of the Chief Internal Auditor and reviewing, with the Chief Financial Officer, the performance of the Chief Internal Auditor;
- reviewing and discussing the scope and results of the internal audit program; and
- reviewing and discussing with management the company’s policies with respect to risk assessment and risk management.

The Audit Committee also is directly responsible for the appointment, compensation, retention and oversight of our independent registered public accounting firm.

The Audit Committee has established policies and procedures for the pre-approval of all services provided by the independent registered public accounting firm. The Audit Committee also has established procedures for the receipt, retention and treatment, on a confidential basis, of complaints received by Pfizer regarding its accounting, internal controls and auditing matters. Further details of the role of the Audit Committee, as well as the Audit Committee Report, may be found in *“Item 2—Ratification of Selection of Independent Registered Public Accounting Firm”* on page 43.

The Audit Committee Charter is available on our website at <https://investors.pfizer.com/corporate-governance/board-committees-and-charters/default.aspx>.

THE COMPENSATION COMMITTEE

Chair:

James C. Smith

Additional Committee Members:

Ronald E. Blaylock

James M. Kilts

Meetings Held in 2018: 6

All Members Are Independent

Governed by a Board-Approved Charter

The Compensation Committee reviews and approves the company’s overall compensation philosophy and oversees the administration of Pfizer’s executive compensation and benefit programs, policies and practices. Its responsibilities also include:

- establishing annual and long-term performance goals and objectives for the CEO and the Executive Chairman and reviewing the goals approved by the CEO for our executive officers, including the NEOs

identified in the 2018 Summary Compensation Table;

- evaluating the performance and setting compensation for the CEO and the Executive Chairman;
- annually reviewing and approving Pfizer's peer companies and data sources for purposes of evaluating our compensation competitiveness and mix of compensation elements;
- reviewing and assessing annually, potential risks to the company from its compensation program and policies;
- reviewing and approving annually, all compensation decisions for the company's executive officers, including the NEOs; and
- overseeing the administration of the company's cash-based and equity-based compensation plans that are shareholder-approved and/or where participants include executive officers or other members of senior management (including reviewing and approving equity grants), including consideration of pay equity and non-discrimination by gender or against protected groups.

Each Committee member is a "non-employee director" as defined in Rule 16b-3 under the Securities Exchange Act of 1934 and an "outside director" as defined in Section 162(m) of the Internal Revenue Code.

The Compensation Committee has the authority to delegate any of its responsibilities to another committee, officer and/or subcommittee, as the Committee may deem appropriate in its sole discretion, subject to applicable law, rules, regulations and New York Stock Exchange (NYSE) listing standards.

The Compensation Committee Charter is available on our website at <https://investors.pfizer.com/corporate-governance/board-committees-and-charters/default.aspx>.

Compensation Committee Interlocks and Insider Participation. During 2018 and as of the date of this Proxy Statement, none of the members of the Compensation Committee was or is an officer or employee of Pfizer, and no executive officer of the company served or serves on the compensation committee or board of any company that employed or employs any member of Pfizer's Compensation Committee or Board of Directors.

Table of Contents

GOVERNANCE BOARD INFORMATION

THE CORPORATE GOVERNANCE COMMITTEE

Chair:

Joseph J. Echevarria

Additional Committee Members:

W. Don Cornwell

Helen H. Hobbs

Dan R. Littman

Meetings Held in 2018: 5

All Members Are Independent

Governed by a Board-Approved Charter

The Corporate Governance Committee oversees the practices, policies and procedures of the Board and its committees. Responsibilities include:

- developing criteria for Board membership and Board succession planning;
- recommending and recruiting Director candidates to ensure diversity of experience, skills, specialized knowledge and attributes of the Directors;
- assessing Director and candidate independence;
- considering possible conflicts of interest of Board members and senior executives;
- reviewing related person transactions; and
- monitoring the functions of the various Committees of the Board.

The Committee advises on the structure of Board meetings, recommends matters for consideration by the Board and also reviews, advises on and recommends Director compensation, which is approved by the full Board.

The Committee is directly responsible for:

- overseeing the evaluations of the Board and its Committees;
- reviewing our Corporate Governance Principles and Director Qualification Standards;
- establishing and overseeing compliance with Director retirement policies; and
- assisting management by reviewing the functions and outside activities of senior executives.

The Committee is also directly responsible for maintaining an informed status on: (i) the company's lobbying priorities and activities; (ii) company issues related to public policy, including political spending policies and practices; and (iii) company issues related to corporate social responsibility, sustainability and philanthropy.

The Corporate Governance Committee Charter is available on our website at <https://investors.pfizer.com/corporate-governance/board-committees-and-charters/default.aspx>.

THE REGULATORY AND COMPLIANCE COMMITTEE

Chair:

W. Don Cornwell

Additional Committee Members:

Dennis A. Ausiello
Helen H. Hobbs
Suzanne Nora Johnson

Meetings Held in 2018: **4**

All Members Are Independent

Governed by a Board-Approved Charter

The Regulatory and Compliance Committee's primary responsibilities include:

- assisting the Board with overseeing and reviewing Pfizer's significant healthcare-related regulatory and compliance issues, including its compliance programs and the status of compliance with applicable laws, regulations and internal procedures;
- overseeing Pfizer's compliance with the obligations of the May 2018 U.S. Corporate Integrity Agreement;
- consulting with management and evaluating information and reports on compliance-related activities and matters;

•overseeing the integration and implementation of the company's compliance programs in acquired entities; and
•receiving information about current and emerging risks and regulatory and enforcement trends in healthcare-related areas that may affect the company's business operations, performance or strategy.

The Committee makes recommendations to the Compensation Committee regarding the extent to which, if any, incentive-based compensation of any executive, senior manager, compliance personnel and/or attorney involved in any significant misconduct resulting in certain government or regulatory action, or other person with direct supervision over such employee, should be reduced, cancelled or recovered.

The Regulatory and Compliance Committee Charter is available on our website at <https://investors.pfizer.com/corporate-governance/board-committees-and-charters/default.aspx>.

Table of Contents

GOVERNANCE BOARD INFORMATION

THE SCIENCE AND TECHNOLOGY COMMITTEE

Chair:

Helen H. Hobbs, M.D.

Additional Committee Members:

Dennis A. Ausiello
Ronald E. Blaylock
W. Don Cornwell
Joseph J. Echevarria
James M. Kilts
Dan R. Littman
Suzanne Nora Johnson
James C. Smith

Meetings Held in 2018: 3

All Members Are Independent

Governed by a Board-Approved Charter

The Science and Technology Committee is responsible for periodically examining management's strategic direction of and investment in the company's biopharmaceutical R&D and technology initiatives.

Responsibilities include:

- monitoring progress of Pfizer's R&D pipeline;
- evaluating the quality, direction and competitiveness of the company's R&D programs; and
- reviewing Pfizer's approach to acquiring and maintaining key scientific technologies and capabilities.

The Committee also identifies emerging issues, assesses the performance of R&D leaders, and evaluates the sufficiency of review by external scientific experts.

The Science and Technology Committee Charter is available on our website at <https://investors.pfizer.com/corporate-governance/board-committees-and-charters/default.aspx>.

Table of Contents

GOVERNANCE BOARD INFORMATION

Corporate Governance Committee Report

The Corporate Governance Committee seeks to maintain and enhance Pfizer's record of excellence in corporate governance by regularly reviewing and refining, when appropriate, Pfizer's corporate governance policies and practices. The following are examples of how we worked to achieve these objectives in 2018.

Board Leadership Structure: In connection with the multi-year CEO succession planning process, the Committee and the independent Directors conducted a thorough annual review of the Board's leadership structure. In connection with the election of Dr. Bourla as CEO, Mr. Read transitioned to the role of Executive Chairman of the Board and Mr. Narayan continued in his role as Lead Independent Director.

Board and Committee Matters; Director Evaluations: During 2018, we assessed Director qualifications for serving on various committees, assessed Director independence, conducted a comprehensive evaluation process for the Board and its Committees and recommended changes to the leadership and composition of certain committees. In addition, the Committee reviewed and, where appropriate, recommended changes to our governing documents, including certain Committee Charters, and continued to review the functioning of the Board and Committees to help ensure their effectiveness.

Recruitment and Assessment of Potential New Directors: In 2018, we continued an ongoing Board succession planning process to identify and assess potential Director candidates, based upon a skills matrix and other criteria. We considered a diverse pool of potential Director candidates based on recommendations provided by our Chairman and CEO, the independent Directors, management, external advisors and other resources. Resulting from this process, in March 2018, the Committee recommended and the Board elected Dr. Dan R. Littman as a Director and a member of the Corporate Governance and Science and Technology Committees. The Committee considered the election of Dr. Littman as a Director upon recommendation by certain Board members and evaluation by a third-party search firm. Among other qualifications, Dr. Littman brings significant depth of experience in medicine and science, healthcare and pharma and academia to the Board. We also considered unsolicited requests to join the Board.

Corporate Social Responsibility: At year-end, we received an update concerning the company's social investment strategy, progress on sustainability initiatives and external non-financial reporting trends. Further, we received an update on Pfizer's environmental sustainability initiatives and position on climate change.

Public Policy/Corporate Political Spending/Lobbying Activities: Under our Charter, we also maintain an informed status on company issues related to public policy, including political spending practices. We were informed of Pfizer's public policy and corporate political spending practices through periodic discussions and reviews of the company's

annual Political Action Committee and Corporate Political Contributions Report. The Committee also received a report from management regarding the company's federal and state lobbying priorities and activities, including an overview of the benefits derived from the company's association with certain trade and other organizations, in accordance with our Charter.

Legislative and Regulatory Developments: We continued to monitor and evaluate corporate governance and executive compensation developments, including U.S. Securities and Exchange Commission (SEC) rules and NYSE listing standards through reports provided by management.

Shareholder Engagement: We engaged in reviews of shareholder and stakeholder communications at each of our meetings and were informed of shareholder feedback received during Pfizer's year-round investor outreach. The Chair of the Corporate Governance Committee, Mr. Joseph Echevarria, participated in discussions with several investors at their request. The Committee was also kept apprised of all shareholder proposals submitted during the proxy season and discussions with the proponents.

The Corporate Governance Committee

Joseph J. Echevarria, Chair

W. Don Cornwell

Helen H. Hobbs

Dan R. Littman

Table of Contents

GOVERNANCE BOARD INFORMATION

Regulatory and Compliance Committee Report

The Committee assists the Board of Directors with the oversight of significant healthcare-related regulatory and compliance issues. Under the terms of its Charter, the Committee receives reports regarding Pfizer's compliance program, for which management has primary responsibility.

In 2018, we received reports and discussed with management, including the Chief Compliance, Quality and Risk Officer, significant healthcare-related regulatory and compliance risks and related compliance program initiatives, functions and risk management.

Among the matters considered were:

- potential healthcare-related regulatory or compliance risks in connection with the development, manufacture and marketing of Pfizer products, and efforts to mitigate those risks;
- certain compliance-related government investigations and other legal proceedings involving Pfizer;
- certain internal investigations of potential healthcare-related compliance or regulatory matters;
- results of internal audits conducted in areas within the Committee's oversight;
- updates regarding Food and Drug Administration (FDA) Warning Letters and other significant regulatory communications;
- updates regarding compliance with the requirements of Pfizer's Corporate Integrity Agreement;
- the integration of acquired companies into Pfizer's compliance program;
- Pfizer's anti-retaliation policies and procedures and the retaliation claims received by Pfizer; and
- Pfizer's incentive compensation practices for sales and marketing personnel.

In our activities, we considered potential risks and steps Pfizer has taken to mitigate risk in areas within our oversight.

The Regulatory and Compliance Committee

W. Don Cornwell, Chair

Dennis A. Ausiello

Helen H. Hobbs

Suzanne Nora Johnson

28 / Pfizer 2019 PROXY STATEMENT

Table of Contents

GOVERNANCE SHAREHOLDER OUTREACH

Shareholder Outreach

CONNECT	COLLABORATE	COMMUNICATE
Investor engagement is fundamental to good governance.	A collaborative approach helps foster a mutual understanding of governance priorities.	Investor feedback keeps the Board of Directors informed of shareholder sentiment.

Connect

Engaging with investors is fundamental to our commitment to good governance and essential to maintaining our strong corporate governance practices. Throughout the year, we seek opportunities to connect with our investors to gain and share valuable insights into current and emerging global governance trends.

During 2018, we engaged with more than 30 global institutional investors representing over 30% of shares outstanding to discuss various corporate governance and related matters, including executive compensation, sustainability initiatives and other industry-specific issues. We also engaged with major proxy advisory firms. Those meetings were conducted in person, via teleconference or one-on-one at conferences throughout the year. Although shareholder outreach is primarily a function of management, members of the Board also participate when appropriate. In late 2018, Mr. Joseph Echevarria, Chair of the Corporate Governance Committee, met with several institutional investors to discuss, among other things, Board oversight of risk, drug pricing and executive compensation. In addition to speaking with our institutional investors, we are responsive to individual investors' and other stakeholders' inquiries.

Collaborate

We strive for a collaborative approach to shareholder outreach and value the variety of investors' perspectives received, which deepens our understanding of their interests and motivations and fosters a mutual understanding of governance priorities. Items on the meeting agendas covered a range of topics, including, but not limited to, those listed below.

Summary of Certain 2018 Shareholder Discussions

New Leadership Structure: The election of Dr. Albert Bourla as CEO and Mr. Ian Read as Executive Chairman was a key area of interest for many investors. Investors sought details about the succession planning process, the respective roles of the Executive Chair, CEO and Lead Independent Director, and in particular, how they will work together during this transition period. In addition, we received questions about Dr. Bourla's leadership style, background, expertise and views on corporate culture.

Action taken: *This feedback was shared with the Board. We provided additional disclosure concerning the roles and responsibilities of the Executive Chair, CEO and Lead Independent Director in this Proxy Statement.*

Board-related: Board composition continues to be of strong interest. Investors inquired about Board succession planning, both in terms of particular skills the Board is seeking, and its process and resources for identifying board candidates, especially qualified female candidates. We also received inquiries about the Board's annual evaluation process, including its consideration of third-party providers and use of individual Director evaluations in the process. Several investors inquired about Pfizer's policy regarding outside directorships and provided feedback on the maximum number of outside directorships they believe to be optimal. In general, investors were positive about the Board, including its mix of skill sets, tenure and diversity.

Action taken: *This feedback was shared with the Board. See disclosures regarding Board composition, Board Committee refreshment and Director skills throughout this Proxy Statement.*

Table of Contents

GOVERNANCE SHAREHOLDER OUTREACH

Risk Oversight: With respect to risk oversight, investors inquired about our overall ERM program. Several investors sought clarity about the specific roles of the Board and the Audit and Regulatory and Compliance Committees, as well as management, in the risk oversight process. Investors were interested in discussing Board and Committee oversight of risks related to reputation, drug pricing, product safety and human capital management. Questions were also asked about regular and emerging risk factors that the company considers most significant.

Action taken: This feedback was shared with the Board. In response, the disclosures concerning Board and Committee oversight of risks have been modified to provide greater clarity. See disclosures regarding risk oversight throughout this Proxy Statement.

Executive Compensation: During 2018, we engaged with investors to solicit comments and answer questions on our executive compensation program, our disclosures regarding the Compensation Committee's decision-making processes and recent trends/events related to executive compensation. Overall, investors continued to show support for our program and generally commented that they viewed it as aligned with performance and shareholder interests. Investors were interested in discussing the long-term components of our program and the various financial and operational performance metrics used in our short-term and long-term incentive plans.

Action taken: See "Compensation Discussion and Analysis" section later in this Proxy Statement.

Sustainability Factors: Investor interest in the company's sustainability priorities and reporting of non-financial performance metrics remains strong as they strive to gain a broader understanding of the company's strategic objectives. Some investors expressed interest in Pfizer's position on climate change and the use of the Task Force on Climate-related Financial Disclosures reporting framework. Certain investors were interested in how the company and the Board of Directors monitor our corporate culture and human capital priorities. In terms of reporting on non-financial performance metrics, investors were generally positive about our reports and understanding of the challenges facing Pfizer and other companies to expand environmental and social performance disclosures.

Action taken: This feedback was shared with the Board. The Corporate Governance Committee receives an update at least annually on Pfizer's corporate responsibility initiatives. For additional information about the company's corporate responsibility and sustainability efforts, please see the "Corporate Responsibility and Sustainability" section later in this Proxy Statement and Pfizer's 2018 Annual Review at www.pfizer.com/annual. Please note that our 2018 Annual Review is not a part of our proxy solicitation materials. We also provide disclosure regarding Board and Committee oversight of company culture in "The Board's Oversight of Company Culture" section earlier in this Proxy Statement.

Communicate

At least quarterly, we share investor and other stakeholder feedback directly with the Corporate Governance Committee. We view communication between our shareholders and the Board as a dialogue and, when appropriate, members of our Board engage directly with our shareholders.

We communicate with our shareholders through various platforms, including via our website, in print and in person at shareholder meetings or investor presentations. In 2018, in addition to meeting with institutional investors, we responded to more than 600 inquiries from individual shareholders sent to the Board of Directors or Corporate Secretary.

HOW TO COMMUNICATE WITH OUR DIRECTORS

Shareholders and other interested parties may communicate with any of our Directors, including the Lead Independent Director and the Audit Committee Chair, as follows:

By mail: Write to the Corporate Secretary, Pfizer Inc., 235 East 42nd Street, New York, New York 10017-5703; or

By e-mail: Go to Pfizer's website at <https://investors.pfizer.com/corporate-governance/contact-our-directors/default.aspx>.

Shareholder communications are distributed to the Board, or to any individual Director or Directors, as appropriate, depending on the facts and circumstances outlined in the communication. The Board has requested that certain items that are unrelated to the duties and responsibilities of the Board be redirected or excluded, as appropriate.

Table of Contents

GOVERNANCE CORPORATE RESPONSIBILITY AND SUSTAINABILITY

Corporate Responsibility and Sustainability

Corporate responsibility and sustainability are integral to Pfizer's business strategy and our commitment to be a responsible corporate citizen. We have always focused on delivering strong financial results, and we remain committed to doing so in a way that respects the communities and environments in which we operate.

We are actively engaged in a dialogue with investors around their interest in Environmental, Social and Governance (ESG) performance and the impact on financial results. Today, we strive to have these principles permeate Pfizer at every level – including our Board of Directors – which maintains oversight for these issues through the Corporate Governance Committee. The Committee maintains an informed status on our corporate social responsibility, sustainability and philanthropic efforts through regular updates from management.

We continue to evolve our approach to issues relevant to our business strategy, reputation and key stakeholders. For example, we are committed to helping achieve the 17 Sustainable Development Goals (SDGs) established by the United Nations in 2016. Pfizer supports the SDGs and works to align its scientific focus and corporate objectives to improve global public health impact and sustainable development. Achieving good health and well-being is integral to all 17 of the goals and is specifically addressed in Goal 3, which states that every person deserves access to quality healthcare.

1 Access to Medicines

As a global biopharmaceutical company, we are committed to discovering, developing and bringing to market medicines and vaccines that change patients' lives while helping to ensure that individuals have and maintain uninterrupted access to our products. We believe all individuals deserve access to quality healthcare, and we have an important role to play in positively impacting global health by making our therapies more accessible. We combine creative commercial strategies with philanthropic approaches and strive to create a sustainable and meaningful impact on global health. Pfizer is also focused on addressing most of the top 21 global burdens of disease, as identified by the World Health Organization, through our products and pipeline.

2 Environment, Health and Safety

We believe that a sustainable future is essential to ensuring the health and well-being of our colleagues, the people who use our products and the communities we touch.

Our environmental sustainability goals focus on three areas: reducing carbon emissions, reducing the water used in our operations and looking for innovative ways to minimize waste. While these goals were established for our internal operations, we also recognize the need to drive sustainability performance across our extended environmental footprint. Therefore, we implemented an environmental sustainability goal for a subset of our suppliers.

In addition, we leverage our culture to help protect colleagues' health and safety, the environment and the communities in which we operate.

3 Culture and Human Capital

We strive to foster a culture that allows our colleagues to discover career success and, at the same time, drive positive business results. Our ownership culture emphasizes accountability and holistic leadership, growth and learning, and opportunity and innovation. We believe that diversity and inclusion are just as crucial to building a successful business as they are to building a vibrant culture. We have implemented programs to ensure we have a diverse workforce and an environment where all of our colleagues feel valued for their unique personal characteristics and perspectives. Please view Pfizer's 2018 Annual Review at www.pfizer.com/annual for further information. Please note that our 2018 Annual Review is not a part of our proxy solicitation materials.

For information regarding Board and Committee oversight of company culture, see "*The Board's Oversight of Company Culture*" section earlier in this Proxy Statement.

Table of Contents

GOVERNANCE PUBLIC POLICY ENGAGEMENT AND POLITICAL PARTICIPATION

Reporting on Our Progress

We understand that our investors and other stakeholders may be interested in evaluating Pfizer's performance on a broader level to include financial, social and environmental perspectives. We provide information on Pfizer's activities in the following areas:

- Access to Medicines
- Colleague Safety
- Environmental Sustainability Goals
- Supply Chain Environmental Sustainability Goal
- Culture and Employee Engagement/Retention
- United Nations Sustainable Development Goals
- Manufacturing and Supply Chain
- Governance and Ethics

Additionally, we continue to evaluate our overall approach to non-financial reporting, including reference to several existing, globally recognized external frameworks. These include the Global Reporting Initiative (GRI) and the International Integrated Reporting Council (IIRC).

Please view Pfizer's 2018 Annual Review at www.pfizer.com/annual for further information about the company's corporate responsibility and sustainability efforts. Please note that our 2018 Annual Review is not a part of our proxy solicitation materials.

Public Policy Engagement and Political Participation

BOARD OVERSIGHT

The Corporate Governance Committee is responsible for maintaining an informed status on public policy and corporate political spending practices through periodic discussions and reviews of the company's annual Political Action Committee (PAC) and Corporate Political Contributions report. Management also informs the Committee of the company's lobbying priorities and activities through semi-annual reports, including a year-end report on lobbying priorities for the coming year.

ENGAGING IN PUBLIC POLICY

We operate in a highly regulated and competitive industry. It is fundamental to our business, our patients and our shareholders that we engage on public policy issues that may affect our ability to meet patients' needs and enhance shareholder value. These issues include advancing biomedical research and healthcare innovation; advocating for protecting intellectual property rights; and improving patient access to care. We regularly work with policy makers to help create and maintain an innovative environment where we can cultivate new medicines, bring them to market and ensure that patient health and safety remain a priority.

Our support of these organizations is evaluated annually by the company's Government Affairs leaders based on these organizations' expertise in healthcare policy and advocacy and support of key issues of importance to Pfizer. Pfizer is also a member of several industry and trade groups, including the Pharmaceutical Research and Manufacturers of America, the National Association of Manufacturers, the Biotechnology Innovation Organization, the U.S. Chamber of Commerce and the Business Roundtable. These organizations, along with the others to which we belong, represent both the pharmaceutical industry and the business community at large in an effort to bring about consensus on broad policy issues that can impact our business. Our support of these organizations is evaluated annually by the company's Government Affairs leaders based on these organizations' expertise in healthcare policy and advocacy and support of key issues of importance to Pfizer. In addition to their positions on healthcare policy issues, we realize these organizations may engage in a broad range of other issues that extend beyond the scope of issues of primary importance to Pfizer. If concerns arise about a particular issue, we are able to convey our concerns, as appropriate, through our colleagues who serve on the boards and committees of these groups. We believe there is value in making sure our positions on issues important to Pfizer and our industry are communicated and understood within those organizations. Pfizer's participation as a member of these groups comes with the understanding that we may not always agree with the positions of the organization and/or its members.

Table of Contents

GOVERNANCE PUBLIC POLICY ENGAGEMENT AND POLITICAL PARTICIPATION

CORPORATE POLITICAL CONTRIBUTIONS

Pfizer complies fully with all federal, state and local laws and reporting requirements governing corporate political contributions. We also request that trade associations receiving total payments of \$100,000 or more from Pfizer annually report the portion of Pfizer dues or payments used for expenditures or contributions that, if made directly by Pfizer, would not be deductible under section 162(e)(1)(B) of the Internal Revenue Code. All corporate political contributions are published annually in the PAC and Corporate Political Contributions report in compliance with Pfizer corporate policy. Withum Smith & Brown, PC, a certified public accounting and advisory firm, audits the report every two years, at the end of each federal election cycle.

We regularly discuss our political contributions reporting practices with investors and other stakeholders to ensure that our disclosures continue to meet their needs. Shareholder engagement has influenced our level of disclosure and helped us create or modify corporate policies related to political expenditures.

INDEPENDENT EXPENDITURES

We have adopted a strict policy precluding Pfizer from making direct independent expenditures in connection with any federal or state election.

Our company does not make direct independent expenditures. An independent expenditure is the use of corporate treasury funds to pay for a television, print or social media communication that expressly advocates the election or defeat of a clearly identified candidate.

POLICIES AND PROCEDURES FOR APPROVAL AND OVERSIGHT OF CORPORATE AND PAC POLITICAL EXPENDITURES

The PAC Steering Committee evaluates candidates to whom we contribute on the basis of their views on issues that impact not only Pfizer, but our patients as well. The Committee also takes note of whether Pfizer facilities or colleagues reside in a candidate's district or state.

The PAC is a non-partisan employee-run organization that provides opportunities for employees to participate in the American political process. All corporate and PAC political spending decisions undergo a rigorous review process conducted by the PAC Steering Committee. The PAC Steering Committee is composed of colleagues from various divisions throughout the company to ensure that each contribution we make advances our business objectives and is not based on the political preferences or views of any individual colleague within Pfizer.

All PAC and corporate contribution requests are shared with the Pfizer Political Contributions Policy Committee (PCPC), which is chaired by the Chief Corporate Affairs Officer, and composed

of senior leaders from different divisions
in the organization.

Table of Contents

GOVERNANCE PFIZER POLICIES ON BUSINESS CONDUCT

Federal and State Lobbying Activity

The company's U.S. Government Relations leaders are responsible for the company's lobbying activities, and the Corporate Governance Committee maintains an informed status on the company's lobbying priorities and activities through periodic reports from management. All colleague communications with government and regulatory officials are governed by Pfizer's internal policies and procedures, which include guidelines that are available on our website at <https://www.pfizer.com/purpose/transparency/code-of-conduct>.

REPORTING AND COMPLIANCE FEATURES:

FEDERAL LOBBYING

We file quarterly reports on our federal lobbying activity in compliance with the Honest Leadership and Open Government Act of 2007. In addition to Pfizer's federal lobbying activity, the amount we report also includes the amount spent on federal lobbying activity by trade associations of which Pfizer is a member.

Compliant with Honest Leadership and Open Government Act of 2007

•These reports may be viewed at <https://investors.pfizer.com/corporate-governance>.

STATE LOBBYING

Compliant with state registration and reporting requirements

•Pfizer complies with state registration and reporting requirements in all states where Pfizer is currently active.

Pfizer Policies on Business Conduct

All of our employees, including our Chief Executive Officer, Chief Financial Officer and Controller, are required to abide by Pfizer's policies on business conduct to help ensure that our business is conducted in a consistently legal and ethical manner. Pfizer's policies form the foundation of a comprehensive process that includes compliance with corporate policies and procedures, an open relationship among colleagues to foster ethical business conduct, and a high level of integrity. Our policies and procedures cover all major areas of professional conduct, including employment practices, conflicts of interest, intellectual property and the protection of confidential information, and require strict adherence to laws and regulations applicable to the conduct of our business. Code of Conduct training is

assigned to all new colleagues upon hire and to existing colleagues regularly. In addition, the Pfizer Integrity Pledge is issued annually to all colleagues to confirm that they are familiar with and agree to abide by the Code of Conduct and that they have reported, pursuant to the provisions of the Code of Conduct, any suspected or potential violations of law or Pfizer policy.

Employees are required to report any conduct that they believe to be an actual or apparent violation of Pfizer's policies on business conduct. Retaliation against any employee who seeks advice, raises a concern, reports misconduct, or provides information in an investigation is strictly prohibited. Our Audit Committee has procedures to receive, retain and treat complaints received regarding accounting, internal accounting controls, or auditing matters and to allow for confidential and anonymous submissions by employees with concerns regarding questionable accounting or auditing matters.

The full text of our Code of Conduct, including information regarding how to report allegations of misconduct, is posted on our website at <https://www.pfizer.com/purpose/transparency/code-of-conduct>. We will disclose any future amendments to, or waivers from, provisions of these ethics policies and standards affecting our Chief Executive Officer, Chief Financial Officer, Controller and executive officers on our website as promptly as practicable, as may be required under applicable SEC and NYSE rules.

Code of Conduct for Directors

Our Directors are required to comply with a Code of Business Conduct and Ethics for Members of the Board of Directors (the Director Code). The Director Code is intended to focus the Board and the individual Directors on areas of ethical risk, help Directors recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and foster a culture of honesty and accountability. The Director Code covers all areas of professional conduct relating to service on the Pfizer Board, including conflicts of interest, unfair or unethical use of corporate opportunities, strict protection of confidential information, compliance with applicable laws and regulations, and oversight of ethics and compliance by employees of the company.

The full text of the Code of Business Conduct and Ethics for Members of the Board of Directors is posted on our website at <https://investors.pfizer.com/corporate-governance/the-pfizer-board-policies/default.aspx>.

Table of Contents

GOVERNANCE OTHER GOVERNANCE PRACTICES AND POLICIES

Other Governance Practices and Policies

Director Independence

Our Board of Directors has adopted Director Qualification Standards (Standards) to evaluate and determine Director independence. Our Standards meet, and in some respects exceed, the independence requirements of the NYSE.

Director Qualification Standards. To qualify as independent under our Standards, a non-employee Director must have no material relationship with Pfizer other than as a Director. The Standards include strict guidelines for Directors and their immediate families regarding employment or affiliation with Pfizer or its independent registered public accounting firm; prohibitions against Audit Committee members having any direct or indirect financial relationship with Pfizer; considerations for evaluation of Compensation Committee member independence; and restrictions on both commercial and not-for-profit relationships between non-employee Directors and Pfizer. Directors may not receive personal loans or extensions of credit from Pfizer, must deal at arm's length with Pfizer and its subsidiaries, and must disclose any circumstance that might be perceived as a conflict of interest. Our Director Qualification Standards can be found on our website at <https://investors.pfizer.com/corporate-governance/the-pfizer-board-policies/default.aspx>.

Under our Standards, certain relationships and transactions are not considered to be material transactions that would impair a Director's independence, including the following:

the Director is an employee, or an immediate family member of the Director is an executive officer, of another company that does business with Pfizer, and our annual sales to or purchases from the other company in each of the last three fiscal years amounted to less than 1% of the annual revenues of the other company; and the Director, or an immediate family member of the Director, is an executive officer of another company, and our indebtedness to the other company or its indebtedness to Pfizer amounts to less than 1% of the total consolidated assets of the other company.

In 2018, no indebtedness existed between Pfizer and any entity of which a Director or an immediate family member of a Director was an executive officer.

Drs. Ausiello, Hobbs and Littman are employed at medical or academic institutions with which Pfizer engages in ordinary-course business transactions. Mr. Narayen is the chief executive officer of Adobe Systems Incorporated and Mr. Smith is the chief executive officer of Thomson Reuters Corporation, companies with which Pfizer engages in

ordinary-course business transactions. We reviewed our transactions with each of these entities and found that these transactions were made in the ordinary course of business and were below the levels set forth in our Standards (1% of the annual revenues of these entities in each of the last three years).

Under our Standards, contributions to not-for-profit entities in which a Director of the company, or a Director's spouse, serves as an executive officer, amounting to less than 2% of that organization's latest publicly available total revenues (or \$1 million, whichever is greater), will not serve as a bar to the Director's independence. None of our Directors, or their spouses, is an executive officer of a not-for-profit organization to which Pfizer contributed in 2018. Nonetheless, a summary of charitable contributions to not-for-profit organizations with which our Directors or their spouses are affiliated was made available to the Corporate Governance Committee. None of the contributions approached the levels set forth in our Standards.

Independence Assessment. Together with Pfizer's legal counsel, the Corporate Governance Committee has reviewed the applicable legal and NYSE standards for Board and Committee member independence, as well as our Standards. A summary of the answers to annual questionnaires completed by each of the Directors and a report of transactions with Director-affiliated entities are also made available to the Committee. On the basis of this review, the Committee has delivered a report to the full Board of Directors, and the Board has made its independence determinations based upon the Committee's report and the supporting information.

The Board has determined that all of our current Directors (other than Mr. Ian C. Read and Dr. Albert Bourla) are independent of the company and its management and meet Pfizer's criteria for independence. The independent Directors are Drs. Dennis A. Ausiello, Helen H. Hobbs and Dan R. Littman; Ms. Suzanne Nora Johnson; and Messrs. Ronald E. Blaylock, W. Don Cornwell, Joseph J. Echevarria, James M. Kilts, Shantanu Narayen and James C. Smith. The Board has determined that Mr. Ian C. Read is not independent because of his employment as Pfizer's Executive Chairman and that Dr. Albert Bourla is not independent because of his employment as Pfizer's CEO.

Table of Contents

GOVERNANCE OTHER GOVERNANCE PRACTICES AND POLICIES

In making these determinations, the Board considered that, in the ordinary course of business, relationships and transactions may occur between Pfizer and its subsidiaries on the one hand and entities with which some of our Directors are or have been affiliated on the other.

Governance Materials Available on Our Website

Our Corporate Governance Principles and the following Board policies and other corporate governance materials are published on our website at <https://www.pfizer.com/people/leadership/board-of-directors>, <https://investors.pfizer.com/corporate-governance/default.aspx> and <https://www.pfizer.com/purpose/transparency/code-of-conduct>:

- Meet the Pfizer Board of Directors
- By-laws
- Restated Certificate of Incorporation
- Board Committees and Charters
- Charter of the Lead Independent Director
- Director Qualification Standards
- Code of Business Conduct and Ethics for Members of the Board of Directors
- Board Policy on Pension Benefits for Executives
- Related Person Transaction Approval Policy
- Policy — Criteria for the Selection of a Compensation Committee Consultant
- Policy on Prohibition of Pledging of Pfizer Stock
- Corporate Governance FAQs
- Contact Our Directors
- Pfizer Policies on Business Conduct

We will provide copies of any of these items without charge upon written request to our Corporate Secretary, Pfizer Inc., 235 East 42nd Street, New York, New York 10017-5703. The information on our website is not a part of this Proxy Statement.

Table of Contents

Non-Employee Director Compensation

Our non-employee Directors receive cash compensation, as well as equity compensation in the form of Pfizer stock units, for their Board service.

NON-EMPLOYEE DIRECTOR COMPENSATION

In 2018, compensation for our non-employee Directors consisted of the following:

Position	Cash Retainers	Pfizer Stock Units
Board Member	\$142,500	\$192,500
Chair of Each Board Committee	\$30,000	—
Lead Independent Director	\$50,000	—

Our Corporate Governance Committee is responsible for reviewing and advising on the compensation of our non-employee Directors. To assist with this duty, they have engaged an independent compensation consultant, FW Cook & Co., and specifically George Paulin, its Chairman, to perform periodic reviews of our non-employee Director compensation program, which includes an analysis of market trends and best practices and a comparison versus our Pharmaceutical Peer group and General Industry Comparator companies.

The compensation program for our non-employee directors was last revised in April 2018 upon recommendation of the Corporate Governance Committee in consultation with FW Cook & Co. Under the Pfizer Inc. Nonfunded Deferred Compensation and Unit Award Plan for Non-Employee Directors (Unit Award Plan), other than as described below, during 2018, each Director received Pfizer stock units with a value of \$192,500, as of the date of grant, upon election at the 2018 Annual Meeting of Shareholders, provided the Director continued to serve as a Director following the meeting. Prior to April 2018, when first elected to the Board, a new Director also received the full value of the Pfizer stock unit award grant under the Unit Award Plan at the time of his/her election. Accordingly, Dr. Littman received Pfizer stock units upon his election to the Board in 2018 with a value of \$187,500, as of the date of the grant (which was the amount of the Pfizer stock unit grant under the Unit Award Plan at the time of his election).

In April 2018, the non-employee director compensation program was revised to provide that any new Director first elected to the Board after April 2018 will receive a pro-rata grant of Pfizer stock units having a value equal to the ratio of service as a Director during the year multiplied by \$192,500, as of the date of grant. In 2019, each non-employee Director will receive Pfizer stock units with a value of \$192,500, as of the date of grant, upon election at the 2019

Annual Meeting of Shareholders, provided the Director continues to serve as a Director following the meeting. Under the Pfizer Inc. 2014 Stock Plan, non-employee Directors may not receive grants that have a value of more than \$500,000, as of the date of grant, in any 12-month period. If the 2019 Stock Plan is approved by shareholders at our 2019 Annual Meeting, the aggregate value of Pfizer stock units granted, plus cash retainer paid to a non-employee Director during a 12-month period, may not exceed \$800,000.

Since Mr. Read remains an employee of the company, he does not receive the non-employee Director Compensation described above. Dr. Bourla does not receive any compensation for his service as a Director. For additional information regarding Mr. Read's compensation and Dr. Bourla's compensation, see the "Compensation Discussion & Analysis" section later in this Proxy Statement.

DIRECTOR STOCK OWNERSHIP

Non-employee Directors are required to own shares of Pfizer common stock having a value of at least five times their annual cash retainer, currently \$712,500 worth of Pfizer stock. For purposes of satisfying this requirement, a Director's holdings include, in addition to shares held outright, units granted to the Director as compensation for Board service and shares or units held under a deferral or similar plan. A Director has five years from (a) the date of his or her first election as a Director, or (b) if later, the date of an increase in the amount of Pfizer stock required to be held, to satisfy this ownership requirement. We maintain policies that prohibit Directors from pledging Pfizer stock or engaging in activities considered to be hedging of our common stock, and none of our Directors has pledged Pfizer stock as collateral for personal loans or other obligations.

Table of Contents

NON-EMPLOYEE DIRECTOR COMPENSATION

2018 Non-Employee Director Stock Ownership

Shares held as a multiple of Annual Cash Retainer (dollar value of shares determined using Pfizer's closing stock price as of December 31, 2018).

Dr. Littman became a member of our Board in March 2018. Directors have five years from (a) the date of their first (1) election as a Director or (b), if later, the date of an increase in the amount of Pfizer stock required to be held, to satisfy the stock ownership requirement.

DEFERRED COMPENSATION

Cash Compensation. Non-employee Directors may defer all or a part of their annual cash retainers under the Unit Award Plan until they cease to be members of the Board. At a Director's election, the cash retainer fees held in the Director's account can be credited with Pfizer stock units or deemed invested in the same investments available to Pfizer employees under certain deferred compensation plans. The number of Pfizer stock units is calculated by dividing the amount of the deferred fee by the closing price of Pfizer's common stock on the last business day of the fiscal quarter in which the fee is earned. If fees are deferred as Pfizer stock units, the number of stock units in a Director's account is increased by crediting additional stock units based on the value of any dividends on the common stock. When a Director ceases to be a member of the Board, the amount attributable to stock units held in his or her account is paid in cash or in shares of Pfizer stock, at the Director's election. The amount of any cash payment is determined by multiplying the number of Pfizer stock units in the account by the closing price of our common stock on the last business day before the payment date.

Equity Compensation. Directors who have met the stock ownership requirements as of December 31 of the prior year are permitted each year to elect to defer units granted in the immediately following year or to receive the units in shares. All of the eligible non-employee Directors will defer units granted in 2019. The number of deferred stock units in a Director's account is increased by crediting additional stock units based on the value of any dividends on the common stock. Units deferred are not payable until the Director ceases to be a member of the Board, at or after which time they are paid in cash or in shares of Pfizer stock, at the Director's election. The amount of any cash payment is determined by multiplying the number of Pfizer stock units in the account by the closing price of our common stock on the last business day before the payment date.

MATCHING GIFT PROGRAM

Our non-employee Directors may participate in the Pfizer Foundation Matching Gift Program, which is also available to all Pfizer employees. In 2018, under this program, the Pfizer Foundation⁽¹⁾ matched contributions to eligible Internal Revenue Code 501(c)(3) tax-exempt organizations, up to a maximum of \$15,000 per year, per Director. Contributions to religious organizations, private foundations and organizations that do not accept donations from the Pfizer Foundation, as well as to individuals, are not eligible for a match. In addition, in 2018, the Pfizer Foundation matched contributions made through the Annual Giving Campaign, up to a maximum of \$15,000 per year, per Director. Effective January 2019, the Pfizer Foundation will match donations up to \$20,000 per year, inclusive of any donations made during the Annual Giving campaign.

The matching contributions made by the Pfizer Foundation with respect to our non-employee Directors are included in the 2018 Director Compensation Table below.

(1) The Pfizer Foundation is a charitable organization established by Pfizer Inc. It is a separate legal entity from Pfizer Inc. with distinct legal restrictions.

Table of Contents**NON-EMPLOYEE DIRECTOR COMPENSATION 2018 DIRECTOR COMPENSATION TABLE**

2018 Director Compensation Table

The following table shows 2018 compensation for our non-employee Directors who served in 2018.

Name	Fees Earned or Paid in Cash (\$)	Equity/Stock Awards ⁽¹⁾ (\$)	All Other Compensation ⁽²⁾ (\$)	Total (\$)
Dennis A. Ausiello, M.D.	156,964	192,500	11,650	(2) 361,114
Ronald E. Blaylock	140,893	192,500	30,000	(2) 363,393
W. Don Cornwell	161,250	192,500	15,000	368,750
Joseph J. Echevarria	161,250	192,500	—	353,750
Frances D. Fergusson, Ph.D. ⁽³⁾	53,839	—	8,802	62,641
Helen H. Hobbs, M.D.	170,893	192,500	15,000	378,393
James M. Kilts	140,893	192,500	12,500	345,893
Dan R. Littman, M.D., Ph.D. ⁽³⁾	116,830	380,000	—	496,830
Shantanu Narayen	174,821	192,500	15,000	(2) 382,321
Suzanne Nora Johnson	170,893	192,500	—	363,393
Stephen W. Sanger ⁽³⁾	53,839	—	30,000	83,839
James C. Smith	170,893	192,500	—	363,393

The number of units granted upon re-election of each Director was determined by dividing the grant date value of the award, \$192,500, by \$36.85, the closing price of Pfizer common stock on April 26, 2018. In the case of Dr. Littman, this also includes 5,191 units granted on March 5, 2018, upon his election as a Director, determined by dividing the grant date value of the award, \$187,500, by \$36.12, the closing stock price of Pfizer common stock on March 5, 2018. At the end of 2018, the aggregate number of stock units (including dividend equivalents) held by each current non-employee Director was as follows: Dr. Ausiello, 47,346, Mr. Blaylock, 17,107, Mr. Cornwell, 124,933, Mr. Echevarria, 38,217, Dr. Hobbs, 59,118, Mr. Kilts, 158,087, Dr. Littman, 10,677, Mr. Narayen, 59,033, Ms. Nora Johnson, 63,852 and Mr. Smith, 50,636.

The amounts in this column represent charitable contributions made in 2018 under our matching gift program. The amounts shown for Dr. Ausiello, Mr. Blaylock and Mr. Narayen include certain amounts that reflect matching contributions made in 2018 in respect of their 2017 contributions. Certain charitable contributions by our Directors are not eligible for matching contributions under the program and, therefore, the amounts in the above table may not reflect all such contributions made by our Directors.

Dr. Fergusson and Mr. Sanger retired as Directors, effective at the 2018 Annual Meeting of Shareholders. Dr. Littman was elected as a Director, effective March 5, 2018.

Table of Contents

Securities Ownership

The table below shows the number of shares of our common stock beneficially owned (as of the close of business on January 31, 2019) by each of our Directors and each NEO listed in the 2018 Summary Compensation Table, as well as the number of shares beneficially owned by all of our current Directors and executive officers as a group. Together, these individuals beneficially own less than one percent (1%) of our common stock outstanding.

The table and footnotes also include information about TSRUs, performance total shareholder return units (PTSRUs), stock units, restricted stock units (RSUs) and deferred performance-related share awards credited to the accounts of our Directors and executive officers under various compensation and benefit plans. For additional information, see the “Compensation Discussion and Analysis” section later in this Proxy Statement.

Beneficial Owners	Number of Shares or Units	
	Common Stock	Stock Units
Dennis A. Ausiello, M.D.	2,362 (1)	47,346 (2)
Ronald E. Blaylock	—	17,107 (2)
Albert Bourla, DVM, Ph.D.	158,514 (3)	90,213 (4)
W. Don Cornwell	—	124,933 (2)
Frank A. D’Amelio	342,573 (3)	42,690 (4)
Mikael Dolsten, M.D., Ph.D.	54,601 (3)	421,660 (4)
Joseph J. Echevarria	—	38,217 (2)
Helen H. Hobbs, M.D.	—	59,118 (2)
James M. Kilts	2,259 (1)	158,087 (2)
Dan R. Littman, M.D., Ph.D.	—	10,677 (2)
Shantanu Narayen	—	59,033 (2)
Suzanne Nora Johnson	10,000	63,852 (2)
Ian C. Read	673,396 (3)	1,332,448 (4)
James C. Smith	3,542 (1)	50,636 (2)
John D. Young	214,350 (3)	111,776 (4)
All Directors and Executive Officers as a Group (24)	2,097,638	2,788,796

Includes the following shares held in the names of family members or trust: Dr. Ausiello, 2,362 shares; Mr. Kilts, (1)2,259 shares; and Mr. Smith, 1,542 shares. Dr. Ausiello and Messrs. Kilts and Smith disclaim beneficial ownership of such shares.

(2) Represents units (each equivalent to a share of Pfizer common stock) under our Director compensation program (see “Non-Employee Director Compensation” above).

(3) Includes shares credited under the Pfizer Savings Plan and/or deferred shares relating to previously vested awards under Pfizer’s share award programs. These plans are described later in this Proxy Statement. Also includes 1,471 shares in the Pfizer Share Ownership Plan for Mr. Young.

(4) Includes units (each equivalent to a share of Pfizer common stock) to be settled in cash following the officer’s separation from service, held under the Pfizer Supplemental Savings Plan (PSSP) and/or the Pfizer Inc. Deferred

Compensation Plan (DCP). The PSSP and the DCP are described later in this Proxy Statement. Also includes the following RSUs and stock units (each equivalent to a share of Pfizer common stock) as of January 31, 2019, which are unvested: Dr. Dolsten, 309,075 stock units; Mr. Read, 1,108,649 stock units; and Mr. Young, 57,172 RSUs. This column does not include the following stock appreciation rights in the form of TSRUs as of January 31, 2019: Dr. Bourla, 1,405,728, of which 100,330 settled in February 2019; Mr. D'Amelio, 1,778,512, of which 367,432 settled in February 2019; Dr. Dolsten, 1,073,693; Mr. Read, 5,100,924; and Mr. Young, 1,856,905, of which 198,098 settled in February 2019. The settlement amounts described in the previous sentence include dividend equivalents in the settlement calculations. See "Compensation Tables—2018 Outstanding Equity Awards at Fiscal Year-End Table" and "—Estimated Benefits upon Termination Table" for a discussion of the vesting of RSUs, TSRUs and PTSRUs and the settlement prices for the TSRUs that settled in February 2019.

Table of Contents

SECURITIES OWNERSHIP

Beneficial Owners

Based on filings made under Sections 13(d) and 13(g) of the Securities Exchange Act of 1934, as amended, as of December 31, 2018, the only persons or entities known by us to be a beneficial owner of more than 5% of our common stock were as follows:

Name and Address of Beneficial Owner	Shares of Pfizer Common Stock	Percent of Class
BlackRock, Inc. ⁽¹⁾ 55 East 52nd Street New York, NY 10055	462,846,797 ⁽¹⁾	8.0%
The Vanguard Group ⁽²⁾ 100 Vanguard Boulevard Malvern, PA 19355	451,604,942 ⁽²⁾	7.81%
State Street Corporation ⁽³⁾ State Street Financial Center One Lincoln Street Boston, MA 02111	296,225,898 ⁽³⁾	5.1%

(1) The information regarding BlackRock, Inc. is based solely on a Schedule 13G/A filed by BlackRock, Inc. with the SEC on February 6, 2019 (the BlackRock 13G/A). According to the BlackRock 13G/A, includes sole voting power with respect to 411,794,542 shares, shared voting power with respect to 0 shares, sole dispositive power with respect to 462,846,797 shares, and shared dispositive power with respect to 0 shares.

(2) The information regarding The Vanguard Group is based solely on a Schedule 13G/A filed by The Vanguard Group with the SEC on February 11, 2019 (the Vanguard 13G/A). According to the Vanguard 13G/A, includes sole voting power with respect to 6,761,743 shares, shared voting power with respect to 1,383,350 shares, sole dispositive power with respect to 443,622,605 shares, and shared dispositive power with respect to 7,982,337 shares.

(3) The information regarding State Street Corporation is based solely on a Schedule 13G filed by State Street Corporation with the SEC on February 14, 2019 (the State Street 13G). According to the State Street 13G, includes shared voting power with respect to 212,657,680 shares and shared dispositive power with respect to 295,461,665 shares.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our Directors and certain of our officers to file reports of holdings and transactions in Pfizer equity with the SEC and the NYSE. Based on our records and other information, we believe that in 2018 our Directors and our officers who were subject to Section 16(a) met all applicable filing requirements.

Table of Contents

Related Person Transactions and Indemnification

RELATED PERSON TRANSACTION APPROVAL POLICY

Pfizer has adopted a Related Person Transaction Approval Policy (the Policy) that is administered by the Corporate Governance Committee. The Policy applies to any transaction or series of transactions in which Pfizer or a subsidiary is a participant, the amount involved exceeds \$120,000, and a related person under the Policy has a direct or indirect material interest. Under the Policy, management determines whether a transaction requires review by the Corporate Governance Committee.

Transactions requiring review are referred to the Corporate Governance Committee for approval, ratification or other action. Based on its consideration of all of the relevant facts and circumstances, the Corporate Governance Committee decides whether or not to approve such transactions and approves only those transactions that are deemed to be in the best interests of the company. If the company becomes aware of an existing transaction with a related person that has not been approved under this Policy, the matter is referred to the Corporate Governance Committee. The Corporate Governance Committee evaluates all options available, including ratification, revision or termination of such transaction. The Corporate Governance Committee then provides a summary of such transactions, including their terms, structure and business purpose, as well as the Corporate Governance Committee's approval decision, to the Audit Committee for their information.

TRANSACTIONS WITH RELATED PERSONS

Following Dr. Ausiello's retirement from the Board, which is effective as of the 2019 Annual Meeting, the company is considering entering into a consulting agreement with Dr. Ausiello for his service as a science, medicine and biotech advisor to our Worldwide Research, Development and Medical organization from time to time. The transaction will be submitted to the Corporate Governance Committee for its approval, pursuant to the Policy, provided the consulting agreement is finalized.

INDEMNIFICATION

We indemnify our Directors and our elected officers to the fullest extent permitted by law so that they will be free from undue concern about personal liability in connection with their service to Pfizer. Our By-laws require indemnification, and we have also entered into agreements with those individuals that contractually obligate us to

provide this indemnification to them.

42 / Pfizer 2019 PROXY STATEMENT

Table of Contents

Item 2 – Ratification of Selection of Independent Registered Public Accounting Firm

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of Pfizer's independent registered public accounting firm. The Committee conducts a comprehensive annual evaluation of the independent registered public accounting firm's qualifications, performance and independence. The Committee considers whether the independent registered public accounting firm should be rotated and considers the advisability and potential impact of selecting a different independent registered public accounting firm. In evaluating and selecting the company's independent registered public accounting firm, the Audit Committee considers, among other things, historical and recent performance of the current independent audit firm, an analysis of known significant legal or regulatory proceedings related to the firm, external data on audit quality and performance, including recent Public Company Accounting Oversight Board (PCAOB) reports, industry experience, audit fee revenues, firm capabilities and audit approach, and the independence and tenure of the audit firm.

The Audit Committee selected, and the Board of Directors ratified the selection of, KPMG LLP (KPMG) to serve as our independent registered public accounting firm for 2019. Pfizer's auditors have been KPMG and its predecessor firm, Peat, Marwick, Mitchell & Co., since 1987. Prior to that, Pfizer's auditors were Main Hurdman (until its acquisition by Peat, Marwick, Mitchell & Co. in 1987) and its predecessors. We have not been able to determine the specific year that Main Hurdman and its predecessor firms began serving as our auditor, however, we are aware that Main Hurdman and its predecessor firms have served as our auditor since at least 1942.

In accordance with SEC rules and KPMG policies, audit partners are subject to rotation requirements to limit the number of consecutive years an individual partner may provide audit service to our company. For lead and concurring review audit partners, the maximum number of consecutive years of service in that capacity is five years. The process for selection of the lead audit partner under this rotation policy involves a meeting between the Chair of the Audit Committee and the candidate for the role, as well as discussion by the full Committee and with management.

The Audit Committee and the Board of Directors believe that the continued retention of KPMG as our independent registered public accounting firm is in the best interest of Pfizer and our shareholders, and we are asking our shareholders to ratify the selection of KPMG as our independent registered public accounting firm for 2019. Although ratification is not required by our By-laws or otherwise, the Board is submitting the selection of KPMG to our shareholders for ratification because we value our shareholders' views on Pfizer's independent registered public accounting firm and as a matter of good corporate practice. In the event that our shareholders fail to ratify the selection, it will be considered a recommendation to the Board of Directors and the Audit Committee to consider the selection of a different firm. Even if the selection is ratified, the Audit Committee may in its discretion select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of Pfizer and our shareholders.

See “*Governance—Board Information—Board Committees—The Audit Committee*” for additional information on the selection of the independent registered public accounting firm.

Representatives of KPMG will be present at the Annual Meeting to answer questions. They also will have the opportunity to make a statement if they desire to do so.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF KPMG LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2019.

Table of Contents**ITEM 2—RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Audit and Non-Audit Fees

The following table shows the fees for professional services rendered by KPMG for the audit of the company's annual financial statements for the years ended December 31, 2018 and December 31, 2017, and fees billed for other services rendered by KPMG during those periods.

	2018	2017
Audit fees⁽¹⁾	\$33,138,000	\$34,359,000
Audit-related fees⁽²⁾	1,153,000	1,130,000
Tax fees⁽³⁾	3,920,000	1,946,000
All other fees⁽⁴⁾	0	0
Total	\$38,211,000	\$37,435,000

Audit fees were principally for audit work performed on the consolidated financial statements and internal control (1) over financial reporting, as well as statutory audits. The decrease in audit fees in 2018 versus 2017 is primarily due to a reduction in non-recurring projects.

(2) Audit-related fees were principally related to audits of employee benefit plans.

(3) Tax fees were principally for services related to tax compliance and reporting and analysis services. The increase in tax fees in 2018 versus 2017 is primarily due to tax services in connection with strategic initiatives.

(4) KPMG did not provide any "other services" during the period.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

Consistent with requirements of the SEC and the PCAOB regarding auditor independence, the Audit Committee has responsibility for appointing, setting the compensation of and overseeing the performance of the independent registered public accounting firm. In recognition of this responsibility, the Audit Committee has established a policy to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm.

Prior to engagement of the independent registered public accounting firm for the next year's audit, management submits for Audit Committee approval a list of services and related fees expected to be rendered during that year within each of four categories of services:

1.

Audit services include audit work performed on the financial statements (including financial statements prepared in connection with strategic transactions) and internal control over financial reporting, as well as work that generally only the independent registered public accounting firm can reasonably be expected to provide, including comfort letters, statutory audits, and discussions surrounding the proper application of financial accounting and/or reporting standards.

Audit-related services are for assurance and related services that are traditionally performed by the independent registered public accounting firm, including due diligence related to mergers and acquisitions, employee benefit plan audits, and special procedures required to meet certain regulatory requirements.

Tax services include all services, except those services specifically related to the audit of the financial statements, performed by the independent registered public accounting firm's tax personnel, including tax analysis; assisting with coordination of execution of tax-related activities, primarily in the area of corporate development; supporting other tax-related regulatory requirements; and tax compliance and reporting.

All other services are those services not captured in the audit, audit-related or tax categories. Pfizer generally does not request such services from the independent registered public accounting firm.

Prior to engagement, the Audit Committee pre-approves independent registered public accounting firm services within each category, and the fees for each category are budgeted. The Audit Committee requires the independent registered public accounting firm and management to report actual fees versus the budget periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage the independent registered public accounting firm for additional services not contemplated in the original pre-approval categories. In those instances, the Audit Committee requires specific pre-approval before engaging the independent registered public accounting firm.

The Audit Committee may delegate pre-approval authority to one or more of its members. The delegated member must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next scheduled meeting.

Table of Contents

Audit Committee Report

The Audit Committee reviews Pfizer's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls.

The Committee met and held discussions with management and the independent registered public accounting firm regarding the fair and complete presentation of Pfizer's results and the assessment of Pfizer's internal control over financial reporting. We discussed significant accounting policies applied in Pfizer's financial statements, as well as, when applicable, alternative accounting treatments. Management represented to the Committee that the consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, and the Committee reviewed and discussed the consolidated financial statements with management and the independent registered public accounting firm. The Committee discussed with the independent registered public accounting firm matters required to be discussed under applicable Public Company Accounting Oversight Board (PCAOB) standards.

In addition, the Committee reviewed and discussed with the independent registered public accounting firm the auditor's independence from Pfizer and its management. As part of that review, we received the written disclosures and the letter required by applicable requirements of the PCAOB regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and the Committee discussed the independent registered public accounting firm's independence from Pfizer.

We also considered whether the independent registered public accounting firm's provision of non-audit services to Pfizer is compatible with the auditor's independence. The Committee concluded that the independent registered public accounting firm is independent from Pfizer and its management.

As part of our responsibilities for oversight of Pfizer's Enterprise Risk Management process, we reviewed and discussed company policies with respect to risk assessment and risk management, including discussions of individual risk areas, as well as an annual summary of the overall process.

The Committee discussed with Pfizer's Internal Audit Department and independent registered public accounting firm the overall scope of and plans for their respective audits. The Committee meets with the Chief Internal Auditor, Chief Compliance, Quality and Risk Officer and representatives of the independent registered public accounting firm, in regular and executive sessions, to discuss the results of their examinations, the evaluations of Pfizer's internal controls, and the overall quality of Pfizer's financial reporting and compliance programs.

In reliance on the reviews and discussions referred to above, the Committee has recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in Pfizer's Annual Report on Form 10-K for the year ended December 31, 2018, for filing with the U.S. Securities and Exchange Commission. The Committee has selected, and the Board of Directors has ratified, the selection of Pfizer's independent registered public accounting firm for 2019.

The Audit Committee

Suzanne Nora Johnson, Chair
Dennis A. Ausiello
Joseph J. Echevarria
James C. Smith

The Audit Committee Report does not constitute soliciting material, and shall not be deemed to be filed or incorporated by reference into any Company filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates the Audit Committee Report by reference therein.

Table of Contents

Item 3 – 2019 Advisory Approval of Executive Compensation

The Compensation Committee believes that Pfizer's executive compensation program is consistent with the goals of our executive compensation philosophy and that it drives performance, encourages an appropriate sensitivity to risk and increases shareholder value. This pay-for-performance philosophy is set by the Compensation Committee and is intended to align each executive's compensation with Pfizer's short-term and long-term performance and to provide the compensation and incentives needed to attract, motivate and retain high-caliber executives who are crucial to Pfizer's long-term success.

A significant portion of the total compensation opportunity for each of our executives directly relates to Pfizer's total shareholder return and to other performance factors that measure our progress against the goals of our strategic and operating plans, as well as our pay levels compared with those of our Pharmaceutical Peer and General Industry Comparator groups. In making such comparisons, we consider company market capitalization and complexity as indicated by revenues, range of products, international operations and other factors because we use such factors in setting target levels of compensation and determining the value and levels of award opportunities.

We implement our pay-for-performance philosophy and achieve our program goals by following three key principles:

- positioning total direct compensation and each compensation element at approximately the median of our Pharmaceutical Peer and General Industry Comparator companies, with consideration of relative company market capitalization and complexity;
- aligning annual incentive awards with annual operating, financial and strategic objectives; and
- rewarding absolute and relative performance in total shareholder return through long-term equity incentive awards.

Results of 2018 Advisory Vote on Executive Compensation

Pfizer's executive compensation program received substantial shareholder support and was approved, on an advisory basis, by 92.6% of the votes cast at the 2018 Annual Meeting. Our Compensation Committee and the other members of our Board believe that this level of approval of our executive compensation program indicates our shareholders' strong support of our compensation philosophy and goals, and the decisions made by the Compensation Committee in 2017 and early 2018. The consistent high level of support from our shareholders for our executive compensation program over the past several years is a result of our Compensation Committee's commitment to compensating our executives in a manner that provides a strong link between pay and performance. We believe it is also reflective of our philosophy and goals, market best practices and strong shareholder engagement.

2018 Pay for Performance

During 2018, the company continued to deliver on our strategy, execute on our business plan and enhance shareholder value as we evolved to reflect the changing needs of our business, our patients and the pharmaceutical industry. We continued to strengthen our pipeline, advancing several significant pipeline programs and receiving seven key approvals from the FDA. We also enhanced shareholder value through prudent capital allocation decisions and delivered solid financial results. The Compensation Committee believes that the compensation of our Named Executive Officers for 2018 is reasonable and appropriate, is aligned with the performance of our company and is working to ensure that our management's interests align with increasing shareholder value.

In deciding how to cast your vote on this proposal, the Board requests that you consider the structure of Pfizer's executive compensation program in connection with our 2018 performance, which is more fully discussed in the Compensation Discussion and Analysis section. The Compensation Discussion and Analysis section also contains more details about how we implement our philosophy and goals, and how we apply these principles to our compensation program. In particular, we discuss how we set compensation targets and other objectives and evaluate performance against those targets and objectives to ensure that performance is appropriately rewarded.

Table of Contents

ITEM 3—2019 ADVISORY APPROVAL OF EXECUTIVE COMPENSATION

2019 Advisory Vote on Executive Compensation

The Board is presenting this proposal, which gives shareholders the opportunity to endorse or not endorse our executive pay program, on an advisory basis, by voting “FOR” or “AGAINST” the following resolution:

“RESOLVED, that the shareholders of Pfizer Inc. (the Company) approve, on an advisory basis, the compensation of the Company’s Named Executive Officers, as disclosed pursuant to Item 402 of Securities and Exchange Commission Regulation S-K, including the Compensation Discussion and Analysis, the compensation tables and narrative disclosures.”

Although the advisory vote is non-binding, the Board values shareholders’ opinions. The Compensation Committee will review the results of the vote. Consistent with Pfizer’s record of shareholder responsiveness, the Committee will consider shareholders’ concerns and take into account the outcome of the vote when considering future decisions concerning our executive compensation program.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF THE COMPANY’S NAMED EXECUTIVE OFFICERS.

Table of Contents

Item 4 – Approval of the Pfizer Inc. 2019 Stock Plan

On February 28, 2019, on the recommendation of the Compensation Committee (the Committee), the Board of Directors (the Board) approved the Pfizer Inc. 2019 Stock Plan (the 2019 Plan), subject to shareholder approval at the 2019 Annual Meeting of Shareholders. The 2019 Plan will replace and supersede the 2014 Stock Plan (the Prior Plan). If the 2019 Plan is approved by our shareholders, it will become effective April 25, 2019 (the Effective Date). If approved, the maximum number of shares reserved for issuance under the 2019 Plan will be 400,000,000, plus (i) the number of shares that remain available for issuance as of the Effective Date under the Prior Plan, and (ii) the number of shares that are subject to outstanding awards as of the Effective Date that, in the future, terminate, expire, or are forfeited, cancelled, or settled for cash. As of March 1, 2019, 111,031,948 shares remained available for grants under the Prior Plan, which is the only Pfizer plan under which equity-based compensation may currently be awarded to executives, other employees and non-employee Directors. After the Effective Date of the 2019 Plan, no awards will be granted under any other equity plans of the company.

In the opinion of the Committee and the Board, an increase in the number of shares available for grants is necessary as a part of our continuing commitment to attract, retain and motivate employees and to align the interests of our employees with those of our shareholders.

The 400,000,000 shares of common stock newly reserved for issuance under the 2019 Plan, plus the shares remaining available for grant under the Prior Plan as of the Effective Date (and any shares that come back to the share reserve in the event of expiration, forfeiture or cancellation), are expected to provide us with sufficient shares to cover the awards to be granted over the next four to five years. As discussed in further detail below, in determining the share reserve, the Committee and the Board took into account, among other things, our stock price and volatility, share usage, burn rate and dilution, the existing terms of our outstanding awards, and our fungible share counting ratio of 3:1 for full-share awards under the 2019 Plan.

We are also seeking approval of the 2019 Plan in order to: (i) comply with New York Stock Exchange (NYSE) rules requiring stockholder approval of equity compensation plans; and (ii) allow the Compensation Committee to grant incentive stock options to employee participants in the 2019 Plan.

OVERVIEW

Equity-Based Compensation – Key Component of Compensation Program

Equity-based compensation is a key component of our total compensation package. As a worldwide biopharmaceutical company, attracting, retaining and motivating specialized talent is critical to achieving our strategic and operating goals, including our goal to increase shareholder value.

Highlights of the Plan and Best Practices

The Plan and our other related governance practices and policies contain provisions that are consistent with the interests of our shareholders and with our corporate governance practices. In addition, the company maintains a no hedging or pledging policy.

The 2019 Plan DOES...

Provide for a minimum one-year vesting period subject to certain limited exceptions

Subject the payment of dividends and dividend equivalents on an award to the vesting of the award

Limit the number of grants of stock options (options), total shareholder return units (TSRUs), stock appreciation rights (SARs), other stock and performance-based awards to any one individual in any consecutive 36-month period to no more than 20,000,000 shares; and limit performance cash awards for any individual participant to \$20,000,000 in any calendar year

Limit the number of shares and the cash amounts that may be granted or paid to any non-employee director in a year

Provide for the recycling of shares back to the plan pool only in the event of expiration, forfeiture or cancellation of awards (i.e., no “liberal share recycling”)

Provide for the forfeiture/clawback of incentive awards under certain circumstances

Table of Contents

ITEM 4 – APPROVAL OF THE PFIZER INC. 2019 STOCK PLAN

The 2019 Plan DOES NOT...

Provide for automatic single-trigger vesting on a change of control (except where an acquirer does not assume outstanding awards)

Permit repricing or the buyout of underwater stock options or SARs without shareholder approval

Permit the grant of stock options, TSRUs or SARs with below-market grant prices

Provide for excise tax gross-ups

Contain any “evergreen” provisions that automatically add shares to the plan reserve

Provide for the grant of reload stock options

KEY DATA

The following table includes information regarding outstanding equity awards and shares available for future awards under the company’s equity plans as of December 31, 2018 (and without giving effect to approval of the 2019 Plan or the February 28, 2019 annual grant).

Number of Stock Options Outstanding	103,790,976
—Weighted-Average Exercise Price of Outstanding Stock Options	\$27.69
—Weighted-Average Remaining Contractual Term of Outstanding Stock Options	4.4 years
Number of TSRUs/PTSRUs Outstanding	158,249,055
—Weighted-Average Exercise Price of Outstanding TSRUs/PTSRUs	\$33.12
—Weighted-Average Remaining Contractual Term of Outstanding TSRUs/PTSRUs	3.1 years
Number of Full Value Awards Outstanding (at Maximum)	67,795,390
Number of Shares Available for Future Grant ^{*/**}	195,436,521

* Awards of stock options, TSRUs, and SARs reduce the available pool by one share each, and all other awards reduce the available pool by three shares each (assuming maximum payout of performance awards).

As of March 1, 2019, the shares available for future grants are 111,031,948 (195,436,521 net of the following ^{**} transactions: (i) less December 2018 ad hoc grants recorded in January 2019 and first quarter 2019 dividend equivalent units of 799,608, (ii) less February 28, 2019 annual grants of 85,275,250 and (iii) plus cancelled/forfeited stock options, RSUs, TSRUs, PSAs and PPSs of 1,670,285).

USAGE OF SHARES AUTHORIZED FOR GRANT**Overhang**

As of December 31, 2018, we had approximately 525 million shares of our common stock subject to outstanding equity awards or available for future equity awards under the Prior Plan, which represented approximately 8% of diluted common shares outstanding (or “overhang percentage”). The 400 million new shares proposed to be included in the 2019 Plan share reserve would increase the overhang percentage by an additional 6% to approximately 14%.

Share Usage and Burn Rate

	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Average
A Stock Options Granted	1,371,648	1,374,507	1,371,317	1,372,491
B TSRUs/PTSRUs Granted	47,754,685	54,288,937	53,467,367	51,836,996
C Restricted Stock Units (RSUs) Granted	9,082,792	9,669,246	10,580,864	9,777,634
D Performance Awards Granted (at Maximum)	8,601,938	8,765,894	9,959,062	9,108,965
E Total Share-Based Awards Granted (A+B+C+D)	66,811,063	74,098,584	75,378,610	72,096,086
F Basic Weighted-Average Common Shares Outstanding	5,871,702,124	5,969,527,755	6,089,030,417	5,976,753,432
G Annual Share Usage Rate (E / F)	1.14	% 1.24	% 1.24	% 1.21
H Burn Rate (A+B+(3x(C+D))) / F Dilution	1.74	% 1.86	% 1.91	% 1.84
I Total Share-Based Awards Outstanding at Year-End	329,835,421	338,549,726	334,882,650	334,422,599
J Shares Available for Future Grant at Year-End	195,436,521	290,116,215	390,773,212	292,108,649
K Common Stock Outstanding at Year-End	5,717,334,883	5,978,800,330	6,069,161,813	5,921,765,675
L Dilution (I+J) / (I+J+K)	8.41	% 9.51	% 10.68	% 9.57

Table of Contents

ITEM 4 – APPROVAL OF THE PFIZER INC. 2019 STOCK PLAN

REASONS FOR SEEKING SHAREHOLDER APPROVAL

We use equity compensation as a key tool for the attraction, retention and motivation of the best available talent. If shareholder approval is not obtained, we will continue to operate under the terms of the Prior Plan. We anticipate that we will exhaust the current reserve of shares under the Prior Plan after making our normal annual grants of equity awards in 2020, depending upon the stock price.

ADDITIONAL INFORMATION ABOUT THE PLAN

The following is a summary of the principal features of the 2019 Plan. This summary is not a complete description of all of the provisions of the 2019 Plan and is qualified in its entirety by reference to the 2019 Plan, which is attached to this Proxy Statement as “Annex 2”.

Purpose

The general purpose of the 2019 Plan is to allow Pfizer to continue to utilize equity awards to attract, retain and motivate employees and to further align the interests of our employees with those of Pfizer’s shareholders. Non-qualified stock options, incentive stock options, TSRUs, SARs, RSUs, performance awards, performance share awards (PSAs), portfolio performance shares (PPSs) and other stock unit awards may be granted under the 2019 Plan.

Administration and Duration

The selection of employee participants in the 2019 Plan and the level of participation of each employee participant will be determined by the Compensation Committee. The Corporate Governance Committee will make such determinations as to any grants to non-employee Directors. The Compensation Committee may delegate any or all of its authority to administer the 2019 Plan as it deems appropriate, except that no delegation may be made to an employee of Pfizer in the case of awards made to individuals who are subject to Section 16 of the Securities Exchange Act of 1934, as amended.

The 2019 Plan will terminate on April 24, 2029, unless terminated earlier by the Board or the Compensation Committee.

Plan Benefits

Future grants will be made at the discretion of the Compensation Committee, or in the case of awards to non-employee Directors, the Corporate Governance Committee, and accordingly, future benefits under the 2019 Plan are not currently determinable. However, the 2019 awards granted to executive officers and all other employees would not have been increased if they had been made under the proposed 2019 Plan, rather than under the Prior Plan. The 2018 Summary Compensation Table and the 2018 Grants of Plan-Based Awards Table appearing elsewhere in this Proxy Statement show the awards that were made under the Prior Plan in 2018 to our NEOs. As discussed herein under “*Non-Employee Director Compensation*,” each person who is serving as a non-employee Director of the company following the 2019 Annual Meeting of Shareholders will be granted an award of Pfizer stock units with a grant date dollar value equal to \$192,500, which would result in the grant of stock units with an aggregate grant date dollar value of \$1,732,500 if all non-employee Director nominees receive an award following the 2019 Annual Meeting.

Additionally, the following table shows the number of shares subject to awards granted under the 2014 Plan on February 22, 2018 (as part of our annual long-term incentive award cycle) to members of our Executive Leadership Team (the ELT) (including the CEO), other senior executives and members of our senior management team (the ELTI) and other employees (All Others).

	# Eligible	# of Recipients	Total Shareholder Return Units	Performance Share Awards	Portfolio Performance Shares	Restricted Stock Units	Stock Options	Total
ELT	14	14	3,124,302	654,126	—	—	—	3,778,428
ELTI	144	138	2,806,772	262,531	137,443	331,253	—	3,537,999
All Others	31,241	23,325	41,773,603	—	3,241,200	8,239,072	1,366,659	54,620,534
Total:	31,399	23,477	47,704,677	916,657	3,378,643	8,570,325	1,366,659	61,936,961
Share Usage*:	—	—	47,704,677	5,499,942	20,271,858	25,710,975	1,366,659	100,554,111

*Performance awards at maximum payout (2x) before applying 3:1 ratio.

Shares Subject to the Plan; Share Counting

Subject to adjustments for changes in capitalization, a total of 400,000,000 shares will be authorized for grant pursuant to awards under the 2019 Plan, plus the number of shares that remain available for grant as of the Effective Date under the Prior Plan, and the number of shares that are subject to outstanding awards under the Prior Plan as of the Effective Date that terminate, expire, or are forfeited, cancelled, or settled for cash. The 2019 Plan provides that awards other than stock options and SARs/TSRUs will be counted against the 2019 Plan maximum in a 3-to-1 ratio. For example, if we grant an award of 100 RSUs and 100 PSAs, we would reduce the shares available for grant under the 2019 Plan by 300 shares and 600 shares, respectively.

Table of Contents

ITEM 4 – APPROVAL OF THE PFIZER INC. 2019 STOCK PLAN

Any shares that terminate, expire, or are forfeited, cancelled or settled in cash, may be used for the future grant of awards to the extent of such termination, expiration, forfeiture, cancellation or settlement. Any shares that again become available for future grants shall be added back as one (1) share for options or TSRUs or SARs, and as three (3) shares for awards other than options, TSRUs or SARs, including in each case with respect to awards granted under the Prior Plan. Shares subject to awards under the 2019 Plan or an award under the Prior Plan that is outstanding on the Effective Date may not again be made available for issuance or delivery if such shares are (i) shares that were subject to a stock-settled TSRU/SAR and were not issued upon the net settlement or net exercise of such TSRU/SAR, (ii) shares delivered or withheld by the company to pay the exercise price of an option, (iii) shares delivered to or withheld by the company to pay the withholding taxes related to an award, (iv) shares withheld by the company in connection with the net settlement of an award, or (v) shares repurchased on the open market with the proceeds of an option exercise.

The shares to be delivered under the 2019 Plan will be made available from authorized but unissued shares of Pfizer common stock, from treasury shares and/or from shares purchased in the open market or otherwise.

Limitations on Awards under the 2019 Plan

During the term of the 2019 Plan, no individual may be granted stock options, TSRUs, SARs, performance-based or other equity awards covering more than twenty million (20,000,000) shares during any consecutive 36-month period. The same ratio for counting awards against the maximum number of authorized shares also applies for counting awards to individuals against this limit.

No participant under the 2019 Plan will be paid a performance cash award in any calendar year in an amount in excess of \$20,000,000.

No more than 400,000,000 shares may be granted as incentive stock options under the 2019 Plan.

Certain of the foregoing limits were included because of the historic inclusion under the Prior Plan (so that the awards may be considered performance-based under Section 162(m) of the Internal Revenue Code of 1986 (the Code)) and have not been removed under the 2019 Plan notwithstanding the repeal of the performance-based exceptions to the limitation on deductibility under Section 162(m) of the Code. The limitations are not intended to reflect an intention to grant awards at such levels.

As noted above in the section entitled “*Non-Employee Director Compensation*,” pursuant to the 2019 Plan, the dollar value of equity awards and/or the cash retainer that may be granted to any one non-employee Director under the 2019 Plan or otherwise is limited to an aggregate value (at grant) of \$800,000 in any consecutive 12-month period.

Eligibility

All employees of the company and its affiliates, as well as the company’s non-employee Directors, are eligible to participate in the 2019 Plan. From time to time, the Compensation Committee will determine who will be granted awards, and the number of shares subject to such grants. As of February 25, 2019, approximately 34,066 persons (including 34,042 employees, 14 executive officers and 10 non-employee Directors) were eligible under the current criteria to receive awards under the 2019 Plan.

Minimum Vesting Period

The 2019 Plan prescribes a minimum vesting period of at least twelve months for an award, provided that the Compensation Committee may grant awards without regard to the foregoing minimum requirement with respect to up to five percent (5%) of the shares subject to the 2019 Plan described above. Any substitute awards, cash-denominated awards and awards to non-employee Directors that vest on the earlier of the first anniversary of the date of grant or the next annual meeting of shareholders which is at least 50 weeks after the immediately preceding annual meeting are excluded from such minimum vesting period.

No Dividends or Dividend Equivalents on Unvested Awards

Notwithstanding any provision of the 2019 Plan to the contrary, dividends, dividend equivalents and dividend equivalent units will only be paid if, and to the extent, the underlying award vests, regardless of whether vesting is contingent upon the achievement of performance goals or time.

Prohibition on Repricing

The 2019 Plan does not permit the repricing of options, TSRUs or SARs, or the exchange of underwater options, TSRUs or SARs for cash or stock/units, and options, TSRUs and SARs may not be granted at a discount to the fair market value of our common stock on the grant date (with an exercise price lower than the fair market value) without shareholder approval. The limited circumstance of the assumption or substitution of awards in a transaction that involves the adjustment of awards in order to preserve aggregate value would not be considered a repricing for this purpose.

Table of Contents

ITEM 4 – APPROVAL OF THE PFIZER INC. 2019 STOCK PLAN

Transferability

Unless otherwise determined by the Compensation Committee, awards granted under the 2019 Plan may not be transferred except by will or the laws of descent and distribution and, during his or her lifetime, any options or awards may be exercised only by the participant or his/her estate. The 2019 Plan explicitly prohibits the transfer of awards to third parties for consideration.

Certain Adjustments

In the event of any change in the number or kind of outstanding shares of common stock of the company by reason of a recapitalization, merger, consolidation, reorganization, separation, liquidation, stock split, stock dividend, extraordinary cash dividend, combination of shares or any other change in the corporate structure or shares of stock of the company, an appropriate adjustment will be made consistent with applicable provisions of the Code and Treasury Department rulings and regulations, and as the Compensation Committee, in its sole and absolute discretion deems equitable or appropriate, including:

- In the number and kind of shares for which any options or awards may thereafter be granted, both in the aggregate and as to each optionee or award holder;
- In the number and kind of shares or other property, including cash, subject to outstanding options and awards;
- In the option or exercise price, if applicable; and
- Other adjustments as the Compensation Committee deems appropriate.

Change in Control

Unless the Compensation Committee or the Board determines otherwise at the time of grant, in the event a participant's employment is involuntarily terminated without cause during the 24-month period following a change in control:

- Any unvested options and SARs will vest and remain exercisable for their full term in accordance with the terms of the grant, as applicable;
- Any unvested TSRUs will continue to vest and will be settled in accordance with the terms of the grant, as applicable;
- Any vested options, TSRUs, and SARs will remain exercisable for their full term or be settled in accordance with the terms of the grant, as applicable;
-

In general, performance awards will continue to vest and become payable in accordance with the terms of the grant, as applicable;

The restrictions on any restricted stock awards will lapse, and will become fully vested and transferable to the full extent of the original grant, as applicable; and

RSUs, other stock unit awards, and any other awards will continue to vest and become payable in accordance with the terms of the grant, as applicable.

Additionally, the Compensation Committee or the Board may provide for awards to be cancelled in exchange for a cash payment in connection with a change in control. However, if the option price per share under any outstanding option is equal to or greater than the price per share in the change in control, or the value (change in stock price plus projected dividend equivalents) of any outstanding TSRU or SAR is negative, the Board may cancel such award without the payment of any consideration.

Recoupment Policy

Awards under the 2019 Plan are subject to the company's policies on recoupment of gains realized from any awards as may be in effect from time to time. All awards granted under the 2019 Plan will be subject to recoupment in accordance with any clawback policy that the company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law.

Amendment and Revocation

The Board may amend or revoke the 2019 Plan, but may not, without prior approval of our shareholders:

- Increase the maximum number of shares of common stock that may be issued under the 2019 Plan;
- Extend the term of the 2019 Plan or of options granted under the Prior Plan;
- Change the eligibility criteria;
- Reprice any option, TSRU or SAR except as provided for in the 2019 Plan; or
- Take any other action that requires shareholder approval to comply with any tax or regulatory requirement.

Additionally, the Board may not take any action with respect to an affected participant without such participant's consent if the action would materially impair the participant's rights under any outstanding award.

Table of Contents

ITEM 4 – APPROVAL OF THE PFIZER INC. 2019 STOCK PLAN

TYPES OF AWARDS

Stock Options

Options granted under the 2019 Plan may be either non-qualified stock options or incentive stock options qualifying under Section 422 of the Code. The option price may not be less than the fair market value of the stock on the date the option is granted. On February 28, 2019, the closing price of our shares traded on the NYSE, as published in the *Wall Street Journal*, was \$43.35 per share.

The option price is payable in cash or, if the grant provides, in common stock. Generally, all options terminate after a 10-year period from the date of the grant. The 2019 Plan also provides for the automatic exercise of options that are due to expire in the event that the option price is less than the fair market value of the underlying shares.

The Compensation Committee determines the terms of each stock option grant at the time of the grant.

Total Shareholder Return Units / Stock Appreciation Rights

A TSRU or SAR represents a right to receive the excess of (i) the fair market value of one share of common stock on the date of the settlement pursuant to the terms of the grant plus dividends, if applicable, over (ii) the grant price of the right on the grant date, as specified by the Compensation Committee. TSRUs and SARs may, but need not, be granted in tandem with options. The Compensation Committee determines the terms of each TSRU/SAR at the time of the grant. Any freestanding TSRU/SAR may not be granted with a grant price that is less than the fair market value of the stock on the date the TSRU/SAR is granted and cannot have a term longer than 10 years. Distributions to the recipient may be made in common stock, in cash or in a combination of both as determined by the Compensation Committee.

Restricted Stock Awards

Restricted stock is stock issued with such contingencies or restrictions as the Compensation Committee may impose. Until the conditions or contingencies are satisfied or lapse, the stock is subject to forfeiture. Unless the Compensation Committee determines otherwise, a recipient of a restricted stock award has the same voting, dividend and other rights as holders of common stock, except that the 2019 Plan prohibits the payment of dividends on unearned/unvested

awards. If the participant ceases to be an employee before the end of the contingency or restricted period, the award is forfeited, subject to such exceptions as authorized by the Compensation Committee.

Restricted Stock Units

An RSU is an award of a right to receive, in cash or shares, as the Compensation Committee may determine, the fair market value of one share of Pfizer common stock, on such terms and conditions as the Compensation Committee may determine.

Performance-Based Awards

The 2019 Plan has been designed to permit the Compensation Committee to grant performance-based awards that are earned subject to the achievement of set performance goals, including PSAs, PPSs, performance cash awards and other awards/units. A performance award may be in any form of award permitted under the 2019 Plan. The Compensation Committee may select periods during which performance criteria chosen by the Committee are measured for the purpose of determining the extent to which a performance award has been earned. The Compensation Committee decides whether the performance levels have been achieved, what amount of the award will be paid and the form of payment, which may be cash, stock or other property or any combination. The 2019 Plan has also been designed to permit the grant of performance-based awards that are denominated in cash.

Performance goals may be based on the achievement of specified levels of company performance (or performance of an applicable unit or division of the company) under one or more of the measures described in the 2019 Plan, relative to the performance of other corporations or comparable businesses, and may provide for the inclusion or exclusion of specified extraordinary, nonrecurring charges.

As described in our Compensation Discussion and Analysis under “*Tax Policies*,” the exception from the Section 162(m) \$1.0 million deduction limit for qualified “performance-based” compensation paid to certain covered executive officers has been repealed, effective for taxable years beginning after December 31, 2017. From such effective time of the changes to Section 162(m), the company is no longer able to grant qualified performance-based compensation, other than where transition relief may apply.

Table of Contents

ITEM 4 – APPROVAL OF THE PFIZER INC. 2019 STOCK PLAN

U.S. TAX TREATMENT OF OPTIONS AND AWARDS

The following is a summary of the effect of U.S. federal income taxation on the participants in the 2019 Plan and the company. This summary does not discuss the income tax laws of any other jurisdiction (including U.S. state or local jurisdiction) in which the recipient of the award may reside.

Incentive Stock Options

An incentive stock option results in neither taxable income to the optionee, nor a deduction to the company at the time it is granted or exercised. If the optionee holds the stock received as a result of an exercise of an incentive stock option for at least two years from the date of the grant and one year from the date of exercise, then the gain realized on disposition of the stock is treated as a long-term capital gain. If the shares are disposed of during this period, however (i.e., a “disqualifying disposition”), then the optionee will include the income, as ordinary compensation for the year of the disposition, in an amount equal to the excess, if any, of the fair market value of the shares, upon exercise of the option over the option price (or, if less, the excess of the amount realized upon disposition over the option price). The excess, if any, of the sale price over the fair market value on the date of exercise will be a short-term capital gain. In such case, the company will be entitled to a deduction, in the year of such a disposition, for the amount includible in the optionee’s income as compensation, subject to Section 162(m) of the Code. The optionee’s tax basis in the shares acquired upon exercise of an incentive stock option is equal to the option price paid, plus any amount includible in his or her income as a result of a disqualifying disposition.

Non-Qualified Stock Options

A non-qualified stock option results in no taxable income to the optionee or deduction to the company at the time it is granted. An optionee exercising a non-qualified stock option will, at that time, realize taxable compensation in the amount of the excess of the then market value of the shares over the option price. Subject to the applicable provisions of the Code, including Section 162(m), a deduction for federal income tax purposes will be allowable to the company in the year of exercise in an amount equal to the taxable compensation realized by the optionee. The optionee’s tax basis in shares received upon exercise is equal to the sum of the option price plus the amount includible in his or her income as compensation upon exercise.

Any gain (or loss) upon subsequent disposition of the shares will be a long- or short-term gain (or loss), depending upon the holding period of the shares.

If a non-qualified stock option is exercised by tendering previously owned shares of the company's common stock in payment of the option price, then, instead of the treatment described above, the following will apply: a number of new shares equal to the number of previously owned shares tendered will be considered to have been received in a tax-free exchange; the optionee's basis and holding period for such number of new shares will be equal to the basis and holding period of the previously owned shares exchanged. The optionee will have compensation income equal to the fair market value on the date of exercise of the number of new shares received in excess of such number of exchanged shares; the optionee's basis in such excess shares will be equal to the amount of such compensation income; and the holding period in such shares will begin on the date of exercise.

Total Shareholder Return Units / Stock Appreciation Rights

Generally, the recipient of a stand-alone TSRU/SAR will not recognize taxable income at the time the stand-alone TSRU/SAR is granted.

If an employee receives the appreciation inherent in the TSRU/SAR (change in stock price plus dividends from grant date to settlement date) in cash, the cash will be taxed as ordinary income to the employee at the time it is received. If an employee receives the appreciation inherent in the TSRU/SAR in stock, the value is converted into stock which is taxable as ordinary income at the fair market value of the stock.

In general, there will be no federal income tax deduction allowed to the company upon the grant or termination of TSRU/SARs. However, upon the settlement of a TSRU/SAR, the company will be entitled to a deduction equal to the amount of ordinary income the recipient is required to recognize as a result of the settlement, subject to Section 162(m) of the Code.

Restricted Stock Awards / Performance Stock Awards

No income will be recognized at the time of grant by the recipient of a restricted stock award or performance stock award while such award is subject to a substantial risk of forfeiture. Generally, at the time the substantial risk of forfeiture terminates with respect to a stock award, the then fair market value of the stock awarded will constitute ordinary income to the employee. Subject to the applicable provisions of Section 162(m), a deduction for federal income tax purposes will be allowable to the company in an amount equal to the compensation realized by the employee.

Table of Contents

ITEM 4 – APPROVAL OF THE PFIZER INC. 2019 STOCK PLAN

Other Awards

In the case of an award of RSUs, performance awards, dividend equivalents or dividend equivalent units or other stock or cash awards, the recipient will generally recognize ordinary income in an amount equal to any cash received and the fair market value of any shares received on the date of payment or delivery. In that taxable year, the company will receive a federal income tax deduction in an amount equal to the ordinary income which the recipient has recognized, subject to Section 162(m) of the Code.

Tax Treatment of Awards to Non-Employee Directors and to Employees Outside the U.S.

The grant and exercise of options and awards under the 2019 Plan to non-employee Directors and to employees outside the U.S. may be taxed on a different basis.

**YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR
THE APPROVAL OF THE PFIZER INC. 2019 STOCK PLAN.**

Table of Contents

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the following Compensation Discussion and Analysis section of Pfizer's 2019 Proxy Statement. Based on our review and discussions, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in Pfizer's 2019 Proxy Statement.

The Compensation Committee

James C. Smith, Chair

Ronald E. Blaylock

James M. Kilts

Table of Contents

Executive Compensation

Key Terms

The following acronyms are used for certain terms that appear in the Compensation Discussion and Analysis section:

Adjusted Diluted EPS	Non-GAAP Adjusted Diluted Earnings Per Share
CD&A Committee	Compensation Discussion and Analysis included in this Proxy Statement Compensation Committee of the Board of Directors
DCP	Pfizer Inc. Deferred Compensation Plan
DRG Pharmaceutical Index or DRG Index	NYSE Arca Pharmaceutical Index – An index of publicly traded pharmaceutical companies
EH*	Essential Health – Included legacy brands that have lost or will soon lose market exclusivity in both developed and emerging markets, branded generics, generic sterile injectable products, biosimilars and select branded products including anti-infectives. EH also included an R&D organization, as well as our contract manufacturing business. Through February 2, 2017, EH also included Hospira Infusion Systems
ELT	Executive Leadership Team – CEO and the other Executive Officers
FDA	U.S. Food and Drug Administration
GAAP	Generally Accepted Accounting Principles in effect in the U.S.
GBP	British pound
GPP	Global Performance Plan – Annual Incentive Award Program (bonus), reported in the SCT as “Non-Equity Incentive Plan Compensation”
GRD	Greek drachma
IBT	Income Before Taxes
IH*	Innovative Health – Focused on developing and commercializing novel, value-creating medicines and vaccines that significantly improve patients’ lives, as well as products for consumer healthcare
IRC or the Code	The Internal Revenue Code of 1986, as amended
LOE	Loss of Exclusivity – Loss of patent rights
Named Executive Officers or NEOs	CEO and CFO, and the three most highly compensated Executive Officers during fiscal 2018
NI	Non-GAAP Adjusted Net Income (also known as Adjusted Income)
OI	Non-GAAP Adjusted Operating Income
PCPP	Pfizer Consolidated Pension Plan – A qualified defined benefit pension plan; closed to new entrants January 1, 2011 and frozen as of December 31, 2017
PRAP	Pfizer Retirement Annuity Plan – A sub-plan of the PCPP
PSA	Performance Share Award – A long-term incentive award tied to performance based on an operating metric and relative TSR performance
PSP	Pfizer Savings Plan – A qualified defined contribution plan that includes an IRC 401(k) feature

PSSP	Pfizer Supplemental Savings Plan – A non-qualified savings plan that provides the same benefits as the PSP for amounts over the qualified plan limits
PTSRU	Performance Total Shareholder Return Unit – a TSRU with an additional performance feature
PTU	Profit Unit – A unit issued upon the “exercise” of vested TSRUs
R&D	Research and Development
RSC	Retirement Savings Contribution – Annual employer retirement contribution, based on age and service, to the PSP and PSSP, if applicable, for colleagues not participating in the PRAP prior to 2018, and all PSP and PSSP participants beginning in 2018
RSU	Restricted Stock Unit – A long-term incentive award
SEC	U.S. Securities and Exchange Commission
Section 16	Section 16 of the Securities Exchange Act of 1934, as amended
SCT	Summary Compensation Table – An SEC-required table showing compensation, as defined by the SEC regulations, of the NEOs for the most recently completed and prior two years
TDC	Total Direct Compensation
TSR	Total Shareholder Return
TSRU	Total Shareholder Return Unit – A long-term incentive award tied to absolute TSR
U.K.	United Kingdom
U.S.	United States
USD	United States dollars

* Essential Health and Innovative Health were our business segments through December 31, 2018, prior to our new 2019 commercial organizational re-alignment.

Table of Contents

EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS

Compensation Discussion and Analysis

This Compensation Discussion and Analysis (CD&A) describes Pfizer's executive compensation program for 2018 and certain elements of our 2019 program. We use this program to attract, motivate and retain the executives who lead our business. In particular, this CD&A explains how the Compensation Committee (the Committee) of the Board of Directors (the Board) made 2018 compensation decisions for our executives, including the Named Executive Officers (NEOs) identified in this CD&A.

NAMED EXECUTIVE OFFICERS

Ian C. Read*

Executive Chairman
(effective January 1, 2019)
Chairman and Chief Executive Officer (CEO) during 2018

Albert Bourla, DVM, Ph.D.*

Chief Executive Officer (CEO)
(effective January 1, 2019)
Chief Operating Officer (COO) during 2018

Frank A. D'Amelio

Chief Financial Officer (CFO), Executive Vice President (EVP), Business Operations and Global Supply
(effective November 1, 2018)

EVP, Business Operations and CFO prior to November 1, 2018

Mikael Dolsten, M.D., Ph.D.

Chief Scientific Officer, President, Worldwide Research, Development (WRD) and Medical
(effective January 1, 2019)

President, WRD during 2018

John D. Young

Chief Business Officer, Group President
(effective January 1, 2019)
Group President, Pfizer Innovative Health during 2018

On October 1, 2018, the company announced the election of Dr. Albert Bourla as Pfizer’s CEO and Mr. Ian Read’s *transition from his then current role as Chairman and CEO to Executive Chairman of Pfizer’s Board of Directors (the Board) effective January 1, 2019. (See the “Executive Summary – Leadership Transition” section of this Proxy Statement.)

Table of Contents

59 Executive Summary

69 Section 1: Elements of Our Executive Compensation Program

69 2018 Salaries

70 Annual Incentive Award Program/Global Performance Plan (GPP)

72 2018 Annual Long-Term Incentive Award Program (Equity)

77 Section 2: How We Determine Executive Compensation

77 Roles of the Compensation Committee and the Independent Compensation Consultant

77 How We Establish Targets

78 Our 2018 Peer Groups – Competitive Pay Positioning

80 Section 3: How We Evaluate Performance: 2018 Compensation Decisions

81 2018 NEO Performance Summaries

84 Section 4: 2019 Compensation Actions

85 Section 5: Post-Employment Compensation and Benefits

86 Section 6: Other Compensation Programs and Policies

90 Compensation Tables

90 Summary Compensation Table

92 Grants of Plan-Based Awards Table

93 Outstanding Equity Awards at Fiscal Year-End Table

96 Option/TSRU Exercises and Stock Vested Table

97 Pension Benefits Table

99 Pension Plan Assumptions

100 Non-Qualified Deferred Compensation Table

102 Estimated Benefits upon Termination Table

104 CEO Pay Ratio

105 Equity Compensation Plan Information

106 Financial Measures

Table of Contents

EXECUTIVE COMPENSATION **EXECUTIVE SUMMARY**

Executive Summary

Our Organization Changes: Organizing for Future Growth

Effective with the beginning of the company's 2019 fiscal year, our commercial business operations are now positioned in the following organizational structure:

**PFIZER
BIOPHARMACEUTICALS
GROUP (BIOPHARMA)**

A science-based Innovative Medicines business that includes our Innovative Health business units (except Consumer Healthcare), as well as a new Hospital business unit that commercializes our global portfolio of sterile injectable and anti-infective medicines. We also incorporated our biosimilar portfolio into our Oncology and Inflammation & Immunology therapeutic areas.

UPJOHN

An off-patent branded and generic established medicines business, headquartered in China, that includes 20 of our off-patent solid oral dose legacy brands, including Lyrica, Lipitor, Norvasc, Viagra and Celebrex, as well as certain generic medicines.

CONSUMER HEALTHCARE

An over-the-counter medicines business, which we announced on December 19, 2018 will be contributed to, and combined with, GlaxoSmithKline plc's (GSK) consumer healthcare business to form a new consumer healthcare joint venture, of which we will own 32%.

We re-aligned our commercial operations in 2019 for a number of reasons, including:

- Bringing biosimilars into their therapeutic categories gives us the potential to leverage our R&D, regulatory and commercial infrastructure within the Biopharma business to more efficiently bring those assets to market;
- Making a business unit that is solely focused on medicines that are used in hospitals can potentially bring greater focus and attention to serving those customers and developing those relationships;
- Giving the Upjohn business more autonomy and a focus on maximizing the value of its products, particularly in emerging markets, gives it the opportunity to operate as a stand-alone business within Pfizer with the potential for sustainable modest growth.

We believe this new structure better positions each business to achieve its growth potential as we transition to a period post-2020 where we expect higher and more sustained revenue growth due to declining LOEs and the potential of our late-stage pipeline.

LEADERSHIP TRANSITION

On October 1, 2018, Pfizer announced that the Board unanimously elected Dr. Albert Bourla, our then COO, to succeed Mr. Ian Read as CEO, effective January 1, 2019, and that Mr. Read would serve as Executive Chairman of Pfizer's Board of Directors.

The changes were the result of a multi-year succession planning process led by the independent Directors, during which the Board had the opportunity to observe and evaluate Dr. Bourla in many different settings, including as a Board member since February 2018. The Board also decided that maintaining a governance structure that includes an Executive Chairman and a strong Lead Independent Director is optimal at this time and will help ensure continuity of strong and effective leadership. Mr. Shantanu Narayen, who became our Lead Independent Director in April 2018, will continue as the company's Lead Independent Director. Our Board determined this leadership structure to be appropriate for the company at this time, as it allows for Dr. Bourla to continue to focus on the day-to-day operations of the company, advance Pfizer's long-term strategy and deliver the next growth phase of Pfizer. Dr. Bourla has developed an extensive knowledge of the industry over his 25-year career at Pfizer and has demonstrated an ability to build and grow the business.

Mr. Read's deep knowledge of the business and governmental affairs, as well as the relationships he has built with our shareholders, patients and policy makers, will ensure leadership continuity at the Board level and assist the Board with oversight of management during the leadership transition period.

Mr. Read's key responsibilities as Executive Chairman will include Board leadership, input on key matters that relate to Pfizer's long-term growth strategy, government affairs, shareholder engagement (as requested by the CEO) and serving as an advisor to Dr. Bourla during the leadership transition period to help ensure an orderly and successful business transition.

For detailed information regarding the compensation changes related to our leadership transition, see "[2018 Key Executive Compensation Committee Actions — Leadership Transition — Compensation Changes.](#)"

Table of Contents

EXECUTIVE COMPENSATION EXECUTIVE SUMMARY

Our 2018 Performance Overview

During 2018, we delivered solid financial results and continued to deliver on our strategy, execute on our business plan, and enhance shareholder value through prudent capital allocation decisions as we moved onto the next phase of Pfizer's business transformation. Our strategic framework continued to evolve to reflect the changing needs of our business, our patients and the pharmaceutical industry, as we prepare the company for accelerating anticipated future growth. Our engagement with policymakers around the world continues to focus on creating an environment that maximizes the benefit for both innovators and patients. It is our job not only to discover and develop medicines and vaccines, but also to advocate for affordable access so these medicines and vaccines can help the maximum number of people who need them.

We continued to strengthen our R&D pipeline and note that our late-stage pipeline contains several potential key products. During 2018, we advanced several significant pipeline programs and received 7 key approvals from the FDA.

KEY HIGHLIGHTS

- Achieved revenue growth of 2% for 2018, primarily driven by IH revenues, which increased by 6% operationally*, mainly due to continued growth from certain key brands, including:
 - Ibrance outside the U.S., which grew significantly operationally, primarily driven by continued uptake in international markets, mostly driven by developed Europe, Japan and select emerging markets as we launched and secured access and reimbursement through 2017 and 2018, as well as the non-recurrence of a one-time price adjustment in 2017 related to finalizing reimbursement agreements in certain developed Europe markets;
 - Eliquis globally, up 35% operationally, primarily driven by continued increased adoption in non-valvular atrial fibrillation, as well as oral anti-coagulant market share gain; and
 - Xeljanz globally, up 33% operationally, primarily driven by increased adoption among rheumatologists, growing awareness among patients and improvements in payer access and the 2017 approval of the rheumatoid arthritis indication in certain European markets, as well as continued uptake in Japan, Canada and emerging markets.
- Increased Emerging Market revenues by \$1.5 billion, or 13% operationally. Foreign exchange had an unfavorable impact of approximately 2% on emerging markets revenues. The operational increase in emerging markets was driven by our EH segment, primarily by the Legacy Established Products portfolio and the Sterile Injectable Pharmaceuticals portfolio, as well as Prevenar 13, Ibrance and Eliquis in our IH segment;
- Announced that we entered into a definitive agreement with GSK under which we and GSK have agreed to combine our respective consumer healthcare businesses into a new consumer healthcare joint venture that will operate globally under the GSK Consumer Healthcare name;
- Announced that we and Bain Capital, LP entered into a transaction to create a new biopharmaceutical company, Cerevel Therapeutics, LLC, to continue development of a portfolio of clinical and preclinical stage neuroscience assets primarily targeting disorders of the central nervous system including Parkinson's disease, epilepsy, Alzheimer's disease, schizophrenia and addiction;

- Announced that we and Allogene Therapeutics, Inc. entered into a contribution agreement for Pfizer's portfolio of assets related to allogeneic CAR T therapy, an investigational immune cell therapy approach to treating cancer;
- Announced our plan to invest up to \$600 million in biotechnology and other emerging growth companies through Pfizer Ventures, the company's venture investment vehicle; and
- Announced that we will increase our commitment to U.S. manufacturing with a \$465 million investment to build one of the most technically advanced sterile injectable pharmaceutical production facilities in the world in Portage, Michigan.

EXPANDING ACCESS TO QUALITY HEALTHCARE, MEDICINES AND VACCINES

In 2018, we announced a new commitment to trachoma elimination, including the donation of more than 110 million doses of Zithromax in 10 countries; reaching cumulative donations of more than 809 million doses since Pfizer's donation began in 1999;

- Helped 250,000+ U.S. patients receive more than 1.5 million Pfizer prescriptions for free;
- Announced more than \$2 million in additional grant commitments to support integrated family planning and vaccine delivery and education for women in low- and middle-income countries;
- Partnered with Ant Financial (a global finance leader), to pilot mobile pay and microfinancing options to improve access to vaccinations in China, an effort focused on reducing infant mortality in the area; and
- Partnered with the Dominican Republic Ministry of Health and WeRobotics, a non-governmental organization (in the Dominican Republic), to further our ability to reach remote patients and physicians by using drones to deliver urgent medications faster.

- * For additional information on the company's operating segment revenues, see "Analysis of Operating Segment Information" in our 2018 Financial Report.

Table of Contents

EXECUTIVE COMPENSATION EXECUTIVE SUMMARY

ADVANCING OUR R&D PIPELINE

As of January 29, 2019, we had a total of 100 programs in clinical development, including 37 in late-stage development or registration.

100 programs in development pipeline (as of January 29, 2019)

PHASE 1	PHASE 2	PHASE 3	IN REGISTRATION
35	28	26	11
Experimental medicine tested for first time in human clinical trials	Trials focus on medicine's effectiveness; determine ideal dosage and delivery method	Test results of earlier trials on larger populations in randomized trials; analyze risks/benefits	When trial results warrant, file application with the appropriate regulatory authorities

OUR SHAREHOLDER RETURN

Quarterly Dividends	One-year TSR	Three-year TSR	Five-year TSR	Capital Returned (dividends and share repurchases) to Shareholders
6%	24.8%	51.1%	70.4%	\$20.2B
Compared to 2017	Year-End 2018	Year-End 2018	Year-End 2018	in 2018

2018 Executive Compensation Highlights

Annually, the Compensation Committee performs a comprehensive review of our executive compensation program to ensure the program is aligned with our long-term business strategy, drives performance and reflects shareholder engagement and feedback, as appropriate. As part of this review, the Committee's independent compensation consultant provides the Committee with a review of executive compensation trends and best practices, as well as any relevant regulatory updates that may impact our short- and long-term executive compensation programs. The Committee uses this information to form decisions on executive compensation and to validate the link between pay and performance.

Based on the Committee's annual review and in response to changing business needs and market best practices, the Committee took the following actions to enhance our executive compensation program. The following are key compensation actions taken in 2018:

Table of Contents

EXECUTIVE COMPENSATION EXECUTIVE SUMMARY

2018 KEY EXECUTIVE COMPENSATION COMMITTEE ACTIONS

**LEADERSHIP
TRANSITION**

Compensation

Changes

(effective January 1,
2019)

MR. IAN READ (AS EXECUTIVE CHAIRMAN)

As a result of the change in his role and responsibilities, the Committee took the following actions with respect to Mr. Read's compensation:

- Reduced base salary for 2019 by 40%, to \$1.2 million (from \$2.0 million);
- Reduced target short-term incentive opportunity for the 2019 performance year to \$1.8 million (from \$2.7 million); and
- Reduced long-term incentive (LTI) award value to \$8.0 million (from \$13.0 million), effective with the February 2019 annual grant.

DR. ALBERT BOURLA (AS CEO)

As a result of his election as CEO, the Committee set Dr. Bourla's 2019 compensation at:

- Base salary of \$1.6 million;
- Target short-term incentive opportunity at \$2.6 million (150% of salary midpoint for his new salary grade); and
- Annual LTI award of \$12.0 million, effective with the February 2019 annual grant.

**MODIFICATION
TO OUR PEER
GROUP**

Removed Microsoft
and Express Scripts

The Committee approved removing Microsoft and Express Scripts from our General Industry Comparators to ensure that our comparator group is more reflective of the companies most similar to Pfizer; companies that use similar pay models; and companies that have not recently merged.

Effective in 2019 and in light of the recently announced joint venture with GSK, the Committee approved changing the financial operating metric for the PSAs to Adjusted Net Income (NI) from Operating Income (OI) (except for the 2017 PSAs due to legal requirements).

**LONG-TERM
INCENTIVE
AWARDS**

Financial Operating
Metric Change for
PSAs

The Committee believes that NI is a more appropriate measure of the company's annual operating performance as it includes earnings from investments accounted for under equity method accounting, such as income from joint ventures, which would include earnings after the closing of the proposed GSK joint venture. This change provides better strategic focus to the business, complements the EPS metric in the annual bonus plan (GPP), is consistent with market practice, and establishes stronger alignment with shareholders' interests as rewards are based on the bottom line performance of the company and relative TSR.

- The change in the metric does not impact the degree of stretch, but provides for better alignment to the business.
- The relative TSR metric as compared to the DRG Pharmaceutical Index (DRG Index) and the other features of the award remain unchanged.

Pfizer's executive compensation program is designed to strengthen the link between pay and performance. We deliver the majority of our NEOs' compensation in the form of performance-based awards. A significant percentage of total target compensation is "at-risk" through both our short- and long-term incentive awards. These awards are linked to actual performance and include a substantial percentage of compensation in the form of performance-based equity awards.

Our executive compensation program:

- aligns interests of key executives with the long-term interests of our shareholders;
- attracts, retains and motivates key executives to drive our business and financial performance; and
- links a significant amount of executive compensation to the achievement of pre-established performance metrics directly tied to our business goals and strategies.

Table of Contents

EXECUTIVE COMPENSATION EXECUTIVE SUMMARY

Pfizer's Pay-for-Performance Philosophy

The Committee believes that Pfizer's pay-for-performance executive compensation program is consistent with the goals of its executive compensation philosophy to drive performance and increase shareholder value. This philosophy, set by the Committee, aligns each executive's compensation with Pfizer's short- and long-term performance and provides the compensation and incentives needed to attract, motivate and retain key executives crucial to Pfizer's long-term success. A significant portion of the total compensation opportunity for each of our executives (including the NEOs) is directly related to Pfizer's total shareholder return (TSR) and to other performance factors that measure our progress against the goals of our strategic and operating plans. We also benchmark our performance against that of our Pharmaceutical Peer group and General Industry Comparators with consideration of company market capitalization and complexity as indicated by revenues, range of products, international operations and other factors. We use these factors in setting target levels of compensation and determining the value and level of award opportunities.

Our executive compensation pay-for-performance principles include:

- positioning total direct compensation and each compensation element at approximately the median of our Pharmaceutical Peer and General Industry Comparator companies, with consideration of relative company market capitalization and complexity;
- aligning annual incentive awards with annual operating, financial and strategic objectives; and
- rewarding absolute and relative performance in TSR through long-term equity incentive awards.

2018 NEO Pay Mix

Our program consists of three key components: salary, annual short-term and long-term incentive awards.

2018 Target Direct Compensation for Ian Read (CEO) **2018 Target Direct Compensation (Average) for Other NEOs**

2018 NEO Total Direct Compensation (TDC)

TDC is the sum of base salary, annual bonus earned for the performance year, and annual long-term incentive grants attributable to the performance year. This “performance-year” approach is used by our Committee to determine TDC competitiveness versus peers, and to evaluate the alignment of annual pay and performance. However, performance-year TDC differs from the amount reported in the Summary Compensation Table (SCT) as the amount for equity grants in the SCT reflects the grants made during the year for which applicable performance goals have been set under GAAP rules, and the performance-year TDC calculation includes the value of the annual long-term incentive grant, attributable to the performance year, without regard to when the annual LTI performance goal is established.

Table of Contents

EXECUTIVE COMPENSATION **EXECUTIVE SUMMARY**

CEO 2018 COMPENSATION

The graph below illustrates and compares the three main components of Mr. Read's 2017 and 2018 Performance-Year TDC and the amounts reflected in the SCT. The graph is not intended as a substitute for the SCT.

2018 Performance Year. The 2018 performance year TDC (\$13.0 million) represents an approximate 26% decrease year-over-year from the 2017 performance-year TDC (\$17.6 million), reflecting a decrease in the annual LTI award value as a result of Mr. Read's shift from Chairman and CEO to Executive Chairman (effective January 1, 2019); offset in part by a higher bonus of \$3.0 million (compared to 2017 performance year bonus of \$2.6 million).

2018 SCT. The two main differentials between the 2018 SCT TDC (\$18.9 million) and the 2018 performance year TDC (\$13.0 million) are the following:

LTI Reduction. Approximately 38% year-over-year reduction in Mr. Read's LTI award value from \$13.0 million (i) (for the 2017 performance year TDC) to \$8.0 million (for the 2018 performance year TDC) as a result of the aforementioned role transition; and

Accounting Rules. Provide that one-third of the PSAs is included in each of the three performance years as a result of the use of three, separately established annual goals. The \$13.9 million reported in the 2018 SCT TDC (ii) includes the total value of the LTI awards granted (or deemed granted for accounting purposes) in 2018, which consist of Total Shareholder Return Units (TSRUs) and one-third of each of the 2016, 2017 and 2018 PSA grants as compared to the \$8.0 million in LTI granted in 2019 (for the 2018 performance year TDC).

- (1) The SCT TDC noted in this chart excludes the change in pension value and All Other Compensation in order to compare like elements taken into account under the performance-year TDC approach.
- (2) The 2017 performance-year TDC excludes the special incentive award value granted to Mr. Read on December 29, 2017 of \$8.0 million.
Consistent with the accounting rules, PSAs are accounted for one-third per year due to the use of three one-year goals (set annually); therefore, the 2018 SCT TDC amounts include the TSRUs granted in 2018 and the value of
- (3) one-third of each of the 2016, 2017 and 2018 PSAs, when the annual goal is set, calculated in accordance with FASB ASC Topic 718.

Note: Amounts subject to rounding.

Table of Contents

EXECUTIVE COMPENSATION EXECUTIVE SUMMARY

2018 NEO PERFORMANCE-YEAR TDC AND SUMMARY COMPENSATION TABLE

The compensation decisions for the NEOs reflect their contributions to the company's overall performance and that of their respective businesses or functions. The table below provides the 2018 performance-year TDC versus the 2018 SCT TDC for the NEOs and is not intended as a substitute for the SCT.

Name	Year	Performance-Year Compensation				Summary Compensation Table ⁽¹⁾	
		Year-End Salary (A) (\$)	Annual Incentive Award (paid in 2019) (B) (\$)	Annual LTI Award ⁽²⁾ (granted in February 2019) (C) (\$)	Total Direct Compensation (D=A+B+C) (\$)	Total Direct Compensation (Salary + Non-Equity Incentive (bonus) + equity awards valued on accounting basis) (E) (\$)	Total (Total Direct Compensation (E) + Change in Pension Value + All Other Compensation) (F) (\$)
I. Read	2018	2,000,000	3,000,000	8,000,000	13,000,000	18,877,367	19,549,213
F. D'Amelio	2018	1,500,000	1,310,000	6,000,000	8,810,000	6,840,003	7,139,829
A. Bourla	2018	1,400,000	1,533,000	12,000,000	14,933,000	9,479,448	9,854,557
M. Dolsten	2018	1,315,000	1,326,000	5,000,000	7,641,000	6,754,336	7,070,199
J. Young	2018	1,215,000	1,385,000	4,000,000	6,600,000	6,713,336	7,121,715

SCT TDC (column E) includes salary, non-equity incentive compensation and equity awards made during 2018 valued based on accounting rules (which reflects the TSRUs granted in 2018, and the value of one-third of each of (1) the 2016, 2017 and 2018 PSAs). The SCT "Total" (column F) is composed of Total Direct Compensation (column E), plus the change in pension value and the All Other Compensation included in the SCT and, as such, differs from the 2018 performance-year TDC amounts (column D).

(2) Annual LTI Award (column C) amounts represent the 2019 annual LTI award value, which includes the TSRUs and the full PSA grant value, and is reflective of LTI awards associated with their respective new roles.

Table of Contents

EXECUTIVE COMPENSATION **EXECUTIVE SUMMARY**

KEY PLANNING CYCLE

The below graphic illustrates key elements of the annual compensation planning cycle*:

APPROVE REVIEW ENGAGE

JANUARY–MARCH

- Complete Executive Leadership Team (ELT) year-end performance assessments for prior year
- Review and approve prior year’s incentive plan performance results and funding level
- Review and approve annual ELT compensation (salary, bonus and long-term incentive awards)
- Conduct annual risk assessment on our global compensation programs and policies
- Review and approve proxy materials
- Review ELT goals for current performance period
- Approve various incentive plan metrics for current performance period

APRIL–JUNE

- Consider shareholder feedback from outreach discussions and the results of the say-on-pay vote
- Review year-to-date performance relating to the annual incentive plan and the performance share plan
- Conduct an annual proxy analysis of NEO pay of comparator companies
- Review proxy advisory firms’ analyses of current proxy statement

OCTOBER–DECEMBER

- Commence ELT year-end performance assessments
- Conduct annual executive stock ownership review
- Review year-to-date performance relating to the annual incentive plan and the performance share plan
- Review potential NEOs for the upcoming proxy statement groups

JULY–SEPTEMBER

- Review year-to-date performance relating to the annual incentive plan and the performance share plan
- Conduct CEO mid-year performance assessment
- Review and approve composition of the Pharmaceutical Peer and General Industry Comparator

- Engage in shareholder outreach discussions
- Review and approve Committee Charter

*Includes actions with respect to our Executive Chairman, as applicable.

66 / Pfizer 2019 PROXY STATEMENT

Table of Contents

EXECUTIVE COMPENSATION EXECUTIVE SUMMARY

Compensation Practices

COMPENSATION RISK ASSESSMENT

Pfizer continues to implement and maintain leading practices in its compensation program, shareholder outreach and related areas. We conduct an annual comprehensive assessment of potential risks related to our compensation program, policies and practices.

Executive Compensation Program. An assessment is conducted annually by FW Cook & Co., the Committee’s independent advisor. The assessment focuses on (1) having an appropriate balance in our program structure to mitigate compensation-related risk with cash versus stock, short-term versus long-term measurement and financial versus non-financial goals; and (2) best-practice policies to mitigate compensation-related risk including recovery/clawbacks, stock ownership guidelines, equity administration rules, and insider-trading and hedging prohibitions.

Global Compensation Programs. An assessment of our compensation programs globally is designed with outside counsel and conducted annually by management and reviewed by the Committee’s independent advisor. The assessment includes the evaluation of our global incentive plans and commission plans, and takes into consideration the plan metrics, plan participation rates, recovery/clawback provisions and other risk-mitigation factors, as well as the maximum potential payouts.

LEADING COMPENSATION PRACTICES

WHAT WE DO

- ü **Risk Mitigation**
- ü **Compensation Recovery (“Clawback”)**
- ü **Stock Ownership Requirements**
- ü **Minimum Stock Vesting Required**
- ü **Robust Investor Outreach**
- ü **Independent Compensation Consultation**

WHAT WE DO NOT DO

- û **Hedging or Pledging**
- û **Employment Agreements**
- û **Change in Control Agreements**
- û **Repricing**
- û **“Gross-Ups” for Excise Taxes or Perquisites**

2018 Advisory Vote on Executive Compensation and Shareholder Outreach Program

HISTORICAL ADVISORY VOTES

Pfizer's executive compensation program has received strong shareholder support over the past several years. At the 2018 and 2017 Annual Meetings, Pfizer's executive compensation program received support of 92.6% and 93.6% of the votes cast, respectively. Our Committee and the other members of our Board believe this consistent high level of support from our shareholders is a result of our commitment to ensure a strong link between pay and performance. The feedback we received during our extensive shareholder outreach, as well as our shareholders' votes, reflects support for our compensation philosophy and goals, market best practices and focus on shareholders' interests.

Robust 2018 Shareholder Outreach Program

Pfizer is committed to open and continued communication with our shareholders. In 2018, we continued our longstanding robust investor outreach program to solicit valuable feedback on a variety of topics, as well as to understand their perspectives on Pfizer's executive compensation program, our decision-making processes, our disclosure and recent trends/events, all of which were shared with the Committee and the Board. This outreach program ensures that the Committee and Board gain valuable insight into our shareholders' views about the company, its pay and governance practices. In addition, shareholder engagement is a valuable tool to gather insight about the issues that matter most to our shareholders so Pfizer can address them effectively.

We solicited feedback from investors representing approximately 50% of our outstanding shares and engaged with more than 30 global institutional investors representing over 30% of our outstanding shares. Investor feedback was generally positive regarding our executive compensation programs and its link between pay and performance. The Committee and Board value our shareholders' insight and will continue to seek their input on an ongoing basis throughout the year.

Table of Contents

EXECUTIVE COMPENSATION EXECUTIVE SUMMARY

EXECUTIVE COMPENSATION PROGRAM REVIEW

The Committee regularly monitors executive compensation trends and best practices, evolving business needs, and any relevant regulatory changes that may impact our short- and long-term executive compensation programs to ensure that our programs continue to align pay with performance and are market competitive. The Committee uses this information and shareholder feedback to form its decisions.

2018 Executive Compensation Program Summary

Element/Type	Performance Measure	Terms	Objectives
Salary (Cash)	Fixed cash compensation; reviewed annually and adjusted, as appropriate	The fixed amount of compensation for performing day-to-day responsibilities is set based on market data, job scope, responsibilities and experience. Generally reviewed annually for potential increase based on a number of factors, including market levels, performance and internal equity	Provides competitive level of fixed compensation that helps attract and retain high-performing executive talent
Annual Short-Term Incentive/Global Performance Plan (GPP) (Cash)	Company, Business/Operating Unit and Individual Performance Plan funded based on Pfizer's performance and weighted as follows: – 40% Revenue, – 40% Adjusted Diluted EPS, and – 20% Cash Flow from Operations	Aggregate pool is funded based on performance against Pfizer's annual financial goals. Individual awards are based on business/operating unit and individual performance measured over the performance year	Provides incentives to executives for achieving short-term results that create sustained future growth
Annual Long-Term Incentive Compensation (100%	Absolute TSR	5- and 7-Year TSRUs generally vest three years from the grant date and are settled on the fifth or seventh anniversary of the grant	Provides direct alignment with shareholders as awards

Performance-Based Equity) date, respectively are tied to absolute TSR

5- and 7-Year Total Shareholder Return Units (TSRUs)

Each represents 25% of total annual grant value (50% in total)

The value earned for each TSRU is equal to the difference between the settlement price (the 20-day average of the closing prices of Pfizer common stock ending on the settlement date) and the grant price (the closing price of Pfizer common stock on the date of grant), plus the value of dividend equivalents accumulated over the term. This value, if any, is converted into shares by dividing it by the settlement price; no value is received if the TSR is negative

PSAs have a three-year performance period starting on January 1st of the year of grant and generally vest on the third anniversary of the grant based on performance

Performance Share Awards (PSAs)

Represents 50% of total annual grant value

Operating Income* and relative TSR

PSAs are paid based on the company's performance against a combination of an operating income* goal, set annually, over three one-year periods and relative TSR, as compared to the DRG Index, over a three-year period. The payout is capped at target if TSR for the performance period is negative

Provides alignment with shareholders by aligning compensation to operational goals and relative TSR over a three-year performance period

Dividend equivalents are applied to the number of shares actually earned under the award, if any, at the end of the performance period

Earned PSAs and dividend equivalents are paid in shares of Pfizer common stock

Operating income, as the PSA performance measure, is based on Pfizer's Non-GAAP Adjusted Operating Income (as calculated using the "Reconciliation of GAAP Reported to Non-GAAP Adjusted Information – Certain Line Items" *table in our 2018 Financial Report), adjusted to reflect budgeted foreign exchange rates for the year and further refined to exclude other unbudgeted or non-recurring items. Effective in 2019, the Operating Income performance measure will be replaced with an Adjusted Net Income performance measure for PSAs granted after 2017.

Table of Contents**EXECUTIVE COMPENSATION SECTION 1 – ELEMENTS OF OUR EXECUTIVE COMPENSATION PROGRAM**

2018 Executive Compensation Program Summary (cont'd)

Element/Type	Terms	Objectives	
Retirement	Pension Plan*	Provides retirement income for eligible participants based on years of service and frozen final average earnings through December 31, 2017	Provides retirement income based on tenure and compensation
	Supplemental Pension Plan*	Provides retirement income relating to compensation in excess of the IRC limitations under the same formula as the qualified pension plan noted above	Provides retirement income based on tenure and compensation, without regard to IRC limits
	Savings Plan	A qualified 401(k) savings plan that provides participants with the opportunity to defer a portion of their eligible compensation up to the IRC limitations and receive a company matching contribution (i.e., defer 6.0% to receive a 4.5% matching contribution). In addition, beginning January 1, 2018, all participants receive an age- and service-weighted company-provided Retirement Savings Contribution (RSC) (5%-9%)	Provides retirement income through 401(k) deferrals, company matching contributions and an RSC up to IRC limits
	Supplemental Savings Plan	Provides savings opportunity relating to eligible compensation in excess of the IRC limitations under the same formula (matching contributions and RSC) as the qualified savings plan noted above	Allows for deferrals, company matching contributions and RSC without regard to IRC limits
Other	Perquisites	Certain other benefits provided to executives by the company consisting of limited reimbursement for personal financial planning services, home security and certain personal travel benefits for the CEO and other NEOs	Provides additional benefits consistent with competitive practices. Increases efficiencies and allows more productive use of NEOs' time, and therefore, greater focus on Pfizer-related activities

*Plans were closed to new participants effective January 1, 2011 and were frozen on December 31, 2017.

SECTION 1 – Elements of Our Executive Compensation Program

2018 Salaries

Salary is a fixed amount of compensation for performing day-to-day responsibilities. Salary represented approximately 11% of total direct compensation (year-end salary, target annual incentive and target annual long-term

incentive) for the CEO and approximately 19% for the other NEOs. Base salaries for the NEOs are reviewed on an annual basis and in connection with a promotion and/or other changes in responsibilities.

The table below shows the annual salaries for our NEOs set by the Committee, effective April 1, 2018.

Name	April 1, 2018 Salary
I. Read	2,000,000
F. D'Amelio*	1,400,000
A. Bourla	1,400,000
M. Dolsten	1,315,000
J. Young	1,215,000

*Base salary increased to \$1,500,000 as of November 1, 2018 to reflect his promotion and increased responsibilities.

Table of Contents

EXECUTIVE COMPENSATION SECTION 1 – ELEMENTS OF OUR EXECUTIVE COMPENSATION PROGRAM

Annual Incentive Award Program/Global Performance Plan (GPP)

The Compensation Committee determines the annual incentive bonus percentage funding based on performance against three pre-set weighted financial goals that are based on Pfizer's annual operating plan. Achievement versus our pre-set goals is measured using the same key operating assumptions as those in our annual budget.*

Process for Determining Annual Incentive Pool Funding

STEP 1: Determine Financial Performance Metrics

Each year, the Committee evaluates the previously selected financial measures and determines whether different or additional measures should be used to fund the GPP pool. The financial metrics selected should:

- support the achievement of Pfizer's annual operating plan;
be appropriate and balanced to promote decisions and behaviors aligned with maximizing near-term business
- results while supporting the achievement of the company's long-term goals — without encouraging unnecessary or excessive risk-taking;
- exhibit a strong line of sight (meaning that they are clearly understood and can be affected by the performance of our executives and employees); and
- be consistent with best practices prevalent within our industry.

STEP 2: Evaluate Financial Performance and Review Other Qualitative Factors

Pfizer's financial performance is the primary factor for determining the GPP pool funding. The pool funding uses a matrix of varying performance levels for financial results against the selected metrics, subject to the Committee's limited qualitative review. This qualitative review is an evaluation of other factors to consider in determining funding within the applicable range corresponding to financial performance. The Committee may only exercise limited discretion within the range.

The Committee may consider the following qualitative factors when potentially using its discretion in setting the final GPP pool funding:

- a qualitative assessment of Pfizer's performance with respect to the product pipeline;
- business performance as compared to goals in other areas, as well as the management of the impact of LOEs; and
- relative market data/peer performance.

STEP 3: Approve GPP Funding

The Committee believes its evaluation process provides the appropriate limited flexibility to determine the final GPP pool funding based upon a holistic view of Pfizer's performance and not just on financial performance against the three metrics being measured.

Upon completion of its review, the Committee approves the GPP pool funding.

STEP 4: Allocate Final GPP Funding

Once the GPP funding is approved by the Committee, the CEO, in collaboration with the ELT, uses a “top-down” approach to allocate the annual incentive pool to the various business/operating units based on relative performance, considering:

- the relative financial performance of the business/operating unit measured by revenue and income before adjustments; and
- the achievement of selected strategic and operational goals for the business/operating unit.

The business/operating unit leaders have the ability to allocate the funding among their units/geographies based on each unit’s relative performance.

Annual Incentive Award Payout Range: Award opportunity is limited to a range from 0% for below threshold performance (the pool is not funded unless threshold performance is met) to 200% at maximum.

Includes budgeted foreign exchange rates, business development activity (e.g., acquisitions or divestitures), planned capital allocation activities, such as share repurchases and dividend payments (share repurchases in excess of budgeted amounts are removed from the calculation of the financial results for GPP purposes), or other operational factors (e.g., losses of exclusivity), as well as certain other qualitative criteria. Normal, ongoing defense costs of the company or settlements of and accruals for legal matters made in the normal course of our business would be included in the calculation.

Table of Contents**EXECUTIVE COMPENSATION SECTION 1 – ELEMENTS OF OUR EXECUTIVE COMPENSATION PROGRAM****2018 Annual Incentive Financial Metrics***

For annual incentive purposes, the weighted financial goals are:

Total Revenue	Adjusted Diluted EPS	Cash Flow from Operations
<p>Is a leading indicator of performance and value creation; provides a clear focus on growth; is an important measure in our industry; and is understandable with a clear line of sight and employee impact.</p> <p>See “<i>Financial Measures</i>” on page 106 for a comparison of U.S. Generally Accepted Accounting Principles *(GAAP) and non-GAAP numbers to these objectives for annual incentive purposes and “<i>Financial Results for Annual Incentive Purposes</i>” as noted below.</p>	<p>Is a measure of income; provides focus on profitable growth; also focuses managers on expense control; is viewed as a strong indicator of sustained performance over the long term; and is understandable with a clear line of sight and employee impact.</p>	<p>Provides focus on generating cash in the short-term to fund operations and research and to return funds to shareholders in the form of dividends and share repurchases; focuses managers on expense control and on improving working capital; and is a strong link to long-term shareholder value creation.</p>

For 2018, target annual incentive opportunities for the NEOs ranged from 100% to 150% of salary grade midpoint.

Financial Results for Annual Incentive Purposes

The annual incentive program was funded at 109% as we exceeded the 2018 target goals for Adjusted Diluted EPS and Cash Flow from Operations while we fell slightly below the target goal for Total Revenue. The Committee also considered the company’s outstanding performance with respect to the pipeline in setting the funding level. The Committee set the target goals for annual incentive purposes in the first quarter of 2018, utilizing a budgeting approach that considered prior year’s performance, expected growth, the impact of business development activity, losses of exclusivity and fluctuations in foreign exchange rates. The Committee then determined that a sufficient degree of stretch existed in the targets (See “*Process for Determining Annual Incentive Pool Funding*” on [page 70](#) for additional information).

These results are different than our results under GAAP. See “*Financial Measures*” on [page 106](#) for a comparison of U.S. GAAP numbers to these objectives for annual incentive purposes.

2018 Financial Objectives (for Annual Incentive Purposes)

The table below provides a comparison of 2017 Results with 2018 Threshold, Target and Results.

Weighting	Financial Objectives (For Annual Incentive Purposes)	2017 Results (\$ billion)	2018 Threshold (\$ billion)	2018 Target (\$ billion)	2018 Results (\$ billion)
40%	Total Revenue ⁽¹⁾	52.2 billion	50.5 billion	54.5 billion	54.3 billion
40%	Adjusted Diluted EPS ⁽²⁾	2.59	2.72	2.94	3.00
20%	Cash Flow from Operations ⁽³⁾	16.9 billion	12.5 billion	16.0 billion	16.2 billion

Total Revenue for annual incentive purposes is based on budgeted foreign exchange rates assumed in each

(1) respective year and excludes certain non-recurring items. Therefore, 2018 and 2017 results differ from U.S. GAAP revenues of \$53.6 billion and \$52.5 billion, respectively.

Adjusted Diluted EPS for annual incentive purposes is based on budgeted foreign exchange rates assumed in each respective year and excludes certain non-recurring items. See “*Financial Measures*” for a comparison of U.S.

(2) GAAP diluted EPS and non-GAAP Adjusted Diluted EPS for 2018 and 2017 for annual incentive purposes. See “Certain Significant Items” in the 2018 Financial Report for information about significant substantive and/or unusual items that are evaluated on an individual basis.

(3) 2017 Results and 2018 Target and Results exclude certain tax and other discretionary timing items for compensation purposes (non-GAAP amounts).

Note: See “*Financial Measures*” for a comparison of 2018 and 2017 U.S. GAAP revenues and U.S. GAAP diluted EPS and non-GAAP total revenue and non-GAAP Adjusted Diluted EPS for annual incentive purposes, respectively. Adjusted Diluted EPS is defined as U.S. GAAP Diluted EPS excluding purchase accounting adjustments, acquisition-related costs, discontinued operations and certain significant items. Non-GAAP total revenue and non-GAAP Adjusted Diluted EPS for annual incentive purposes are not, and should not be viewed as substitutes for U.S. GAAP revenues and U.S. GAAP diluted EPS, respectively.

For more information on revenues see “Revenues – Overview” on page 20 in the 2018 Financial Report.

2018 TARGET SETTING FOR ANNUAL INCENTIVE AWARD OPPORTUNITY

The target annual incentive award opportunity for our NEOs represents a percentage of a salary grade midpoint which is set based on market data. The use of midpoints provides uniformity of annual bonus targets as all individuals in the same salary grade have the same target bonus. This reduces the impact of compounding the differences in salary when bonus targets are based on a percentage of actual salary. Target annual incentive award levels are reviewed annually to ensure alignment with our compensation philosophy of targeting each compensation element and total direct compensation to approximately the market median, and with consideration of internal equity among our ELT members.

Table of Contents**EXECUTIVE COMPENSATION SECTION 1 – ELEMENTS OF OUR EXECUTIVE COMPENSATION PROGRAM****2018 ANNUAL INCENTIVE AWARDS**

In February 2019, the Committee determined the annual incentive awards for the NEOs for 2018 performance:

The Committee reviewed Mr. Read’s performance for 2018, with input from the other independent members of the Board and advice from the Committee’s independent compensation consultant, to determine his 2018 annual incentive award.

Mr. Read submitted 2018 annual incentive award recommendations to the Committee for each of the NEOs (as well as the other ELT members) based on his evaluation (and that of Dr. Bourla for ELT members reporting to our COO during 2018) of their individual performance and the performance of their respective business/operating unit.

The Committee, with input from the other independent members of the Board and the Committee’s independent compensation consultant, reviewed these recommendations and considered the evaluation of each executive’s performance and his or her relative contribution to Pfizer’s overall performance, to determine the amounts awarded. The independent members of the Board ratified the 2018 annual incentive awards for the CEO and other NEOs (as well as the other ELT members), as approved by the Committee.

Based on Pfizer’s financial performance against the pre-established goals for 2018 and the Committee’s assessment and consideration of other factors including progress on the product pipeline and the business environment, the Committee approved funding the GPP Pool at 109% of target for 2018.

Annual incentive award targets and payout ranges for 2018, as well as the actual annual incentive award payouts for each of the NEOs, are:

Name	2018 Salary Grade Midpoint (\$) ⁽¹⁾	Target Payout as a % of Salary Midpoint	Payout Range as a % of Salary Midpoint	Target Award (\$)	Maximum Award (\$) ⁽²⁾	Actual Award (\$)
I. Read	1,830,600	150%	0-300%	2,745,900	5,491,800	3,000,000
F. D’Amelio*	1,300,000	100%	0-200%	1,211,632	2,423,264	1,310,000
A. Bourla	1,406,100	100%	0-200%	1,406,100	2,812,200	1,533,000
M. Dolsten	1,193,900	100%	0-200%	1,193,900	2,387,800	1,326,000
J. Young	1,193,900	100%	0-200%	1,193,900	2,387,800	1,385,000

* Promoted effective November 1, 2018; the table above reflects the new midpoint although the target and maximum awards are prorated based on applicable midpoints during the year.

(1) See “2018 Target Setting for Annual Incentive Award Opportunity” for an explanation of how we use salary grade midpoints to determine target annual incentive awards.

(2) Maximum award is 200% of target award.

2018 Annual Long-Term Incentive Award Program (Equity)

Our annual long-term incentive awards are structured to align our executives' interests with the interests of our shareholders. The Committee expects our executive officers to focus their efforts on Pfizer's long-term performance and its shareholder value creation:

- on an absolute basis through TSRUs, as the value realized from the TSRUs is consistent with the value received by Pfizer's shareholders over a five- or seven-year period, and
- on a relative basis through PSAs, which are earned based on both operating income* performance against internal goals and Pfizer's relative TSR as compared with the DRG Index.

Operating income, as the PSA performance measure, is based on Pfizer's Non-GAAP Adjusted Operating Income (as calculated using the "Reconciliation of GAAP Reported to Non-GAAP Adjusted Information – Certain Line Items" * table in our 2018 Financial Report), adjusted to reflect budgeted foreign exchange rates for the year and further refined to exclude other unbudgeted or non-recurring items. Effective in 2019, the Operating Income performance measure will be replaced with an Adjusted Net Income performance measure for PSAs granted after 2017.

Table of Contents**EXECUTIVE COMPENSATION SECTION 1 – ELEMENTS OF OUR EXECUTIVE COMPENSATION PROGRAM**

Pfizer’s annual long-term incentive compensation for our NEOs (and the other ELT members) is delivered entirely in the form of performance-based equity awards using two vehicles that incentivize long-term value creation:

	5- and 7-Year Total Shareholder Return Units (TSRUs)	Performance Share Awards (PSAs)
Objective/ Performance Measure	Provides absolute long-term alignment with shareholders by linking rewards to absolute TSR over a five- or seven-year period	Aligns rewards to both a strategic financial performance metric (Operating Income (OI) ⁽¹⁾) and relative TSR performance as compared to the DRG Index over a three-year period
Weighting Metric	50% of value at grant in total (25% each) TSR	50% of value at grant Operating Income ⁽¹⁾ and relative TSR
Comparator	—	DRG Index
Vesting Period	Three-Year	Three-Year
Formula	(# of TSRUs granted x [Settlement Price – Grant Price + Dividend Equivalents]) / Settlement Price ⁽⁴⁾ = Shares delivered	Average of the three annual OI ⁽¹⁾ Performance Factors % + 1.5 x the first 20 percentage point differential between Pfizer’s TSR % and DRG Index TSR % ⁽²⁾ + 2.0 x the differential over 20 percentage points ⁽²⁾ = PSA percentage earned ⁽³⁾

Operating income, as the PSA performance measure, is based on Pfizer’s Non-GAAP Adjusted Operating Income (as calculated using the “Reconciliation of GAAP Reported to Non-GAAP Adjusted Information – Certain Line Items” table in our 2018 Financial Report), adjusted to reflect budgeted foreign exchange rates for the year and (1) further refined to exclude other unbudgeted or non-recurring items. Effective in 2019, the Operating Income performance measure will be replaced with an Adjusted Net Income performance measure for PSAs granted after 2017.

(2) Positive or negative adjustment.

(3) Payout is capped at target if TSR is negative.

(4) 20-day average of Pfizer’s closing stock prices ending on the settlement date of the TSRUs.

2018 Grant Value of Annual Long-Term Incentive Awards

The 2018 grant value of each NEO’s annual long-term incentive award was set by the Committee based on competitive market data (targeted to median), relative duties and responsibilities, the individual’s future advancement potential, the individual’s impact on Pfizer’s results and for retention purposes.

These grant values, which differ from the accounting values shown in the “2018 Summary Compensation Table,” were as follows:

Name	5-Year TSRUs Value (\$) ⁽¹⁾ (25%)	7-Year TSRUs Value (\$) ⁽¹⁾ (25%)	PSAs Value (\$) ⁽¹⁾ (50%)	Total Grant Value of Annual LTI Awards ⁽²⁾ (\$)
I. Read	3,250,000	3,250,000	6,500,000	13,000,000
F. D’Amelio	1,000,000	1,000,000	2,000,000	4,000,000
A. Bourla	1,875,000	1,875,000	3,750,000	7,500,000
M. Dolsten	1,000,000	1,000,000	2,000,000	4,000,000
J. Young	1,000,000	1,000,000	2,000,000	4,000,000

Consistent with historical practice, the grant value is converted into TSRUs and PSAs using the value/closing stock price on the first trading day of the week of grant. The actual value of the grant may differ due to the change in the (1) value of the TSRUs/PSAs between the conversion date and the date of grant. In addition, based on the PSA design, accounting rules provide that due to the use of three annual goals, the value of one-third of the PSA grant for each of the 2016, 2017 and 2018 PSA grants is reported in the “2018 Summary Compensation Table.”

The amounts shown represent the full value of the annual grant, which is different from the 2018 amount reported (2) in the “2018 Summary Compensation Table,” which reports the value of TSRUs granted in 2018, and of one-third of each of the 2016, 2017 and 2018 PSA grants, in accordance with applicable accounting rules. The Committee considers the full value in its determination of annual compensation.

Total Shareholder Return Units (TSRUs)

TSRUs, which deliver value based on absolute total shareholder return, vest on the third anniversary of the date of grant and settle on the fifth or seventh anniversary of the grant date, as applicable. The settlement value equals the difference between the settlement price and the grant price (both as described below), plus dividend equivalents accumulated during the term. The grant price is the closing stock price on the date of grant (\$35.74 for the TSRUs granted on February 22, 2018), and the settlement price is the 20-day average of the closing prices ending on the fifth or seventh anniversary of the grant. The settlement value is delivered in shares of Pfizer common stock.

Table of Contents**EXECUTIVE COMPENSATION SECTION 1 – ELEMENTS OF OUR EXECUTIVE COMPENSATION PROGRAM****Performance Share Awards (PSAs)**

The PSA performance is measured against two metrics: (1) operating income (OI)⁽¹⁾ over three one-year periods; and (2) relative TSR as compared to the DRG Index over the three-year performance period.

The chart below provides the details of the PSA program and the Committee's rationale for its decisions regarding the features of the PSAs:

Performance Share Award Features	Committee's Rationale
How are PSAs earned?	PSAs deliver value based on both a strategic financial measure, OI, and relative TSR against the DRG Index. See table below.
Why use operating income ⁽¹⁾ as a PSA metric?	The Committee reviewed several metrics, and selected OI as a financial metric because of its expected correlation with long-term company performance and the view that it serves as a key indicator of the company's financial health. In determining the measurement period for the OI metric, the Committee decided that, given the nature of our business in which operating metrics can be impacted positively or negatively by events outside of the control of executives, such as shorter or longer than expected periods of exclusivity, new drug approvals (which have unpredictable timing) and purchases or dispositions of business units (all or part) or assets, the design of the PSA program would be based on the use of three one-year metrics, as they determined that a three-year metric may likely need to be adjusted to reflect unplanned positive or negative events that might affect OI. Also, the Committee incorporated the full three-year period in the relative TSR modifier and capped the OI metric at 150% of target with the overall maximum of 200% (after the application of the TSR modifier ⁽²⁾).
Why is operating income ⁽¹⁾ measured annually for three years?	The relative TSR metric over the three-year performance period provides balance that is intended to drive performance over the three-year period and beyond and to ensure that pay delivery and long-term growth in the value of Pfizer are closely aligned.
Why use relative TSR as a PSA metric?	The TSR calculation will be based on the average of 30 trading days immediately prior to the start and end of each three-year performance period.
How will the TSR be calculated?	Use of an objectively determined, publicly traded index consisting of major market-capitalized pharmaceutical companies provides greater transparency and ease of tracking by investors and participants.
Why is the 3-year relative TSR compared to the DRG Index?	The Committee concluded that the change was appropriate in light of changes in our business reflected by the proposed GSK joint venture. NI is quite similar to OI as a key indicator of the company's financial health. The major difference is that Other Income and Deductions are included in determining NI but not for OI. Given the expected equity method accounting investments (including the proposed GSK joint venture), the Committee concluded that these investments should be included in the PSA metric and as such determined NI was more
Why is the PSA metric changing from OI to NI ⁽³⁾ for 2019 and later years?	

Why are the 2017 PSAs continuing to use OI as the metric for 2019 performance?
appropriate. For more information, see [page 62](#).
Management believes that the 2017 PSAs are grandfathered for purposes of the performance compensation exception under Section 162(m) (relating to the deduction of compensation over \$1 million). Management believes that changing the metric could jeopardize the “grandfathering” treatment, and the Committee decided to maintain the metric for the 2017 PSAs to avoid this risk.

Operating income, as the PSA performance measure, is based on Pfizer’s Non-GAAP Adjusted Operating Income (as calculated using the “Reconciliation of GAAP Reported to Non-GAAP Adjusted Information – Certain Line Items” table in our 2018 Financial Report), adjusted to reflect budgeted foreign exchange rates for the year and further refined to exclude other unbudgeted or non-recurring items. Effective in 2019, the Operating Income performance measure will be replaced with an Adjusted Net Income performance measure for PSAs granted after 2017.

- (1) Positive or negative adjustment. PSA payout is capped at target if TSR is negative.
- (2) Adjusted Net Income is defined as U.S. GAAP Net Income excluding purchase accounting adjustments, acquisition-related costs, discontinued operations and certain significant items.
- (3)

Table of Contents

EXECUTIVE COMPENSATION SECTION 1 – ELEMENTS OF OUR EXECUTIVE COMPENSATION PROGRAM

How We Determine Performance Share Awards (PSAs) Earned

The number of PSAs earned at the end of the three-year performance period will be determined as follows for the 2016, 2017 and 2018 PSAs:

	FY 2016		FY 2017		FY 2018		FY	FY
							2019*	2020*
2016 PSAs (2016-2018)								
	Thres-	Target	Max	Thres-	Target	Max	Thres-	Target
	hold			hold			hold	Target
		Max			Max			Max
Performance Factor	0%	100%	150%	0%	100%	150%	0%	