

PFIZER INC
Form PRE 14A
February 24, 2006

**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 (Amendment No.)**

Filed by the Registrant ☒ [X]

Filed by a Party Other Than the Registrant ☐ []

Check the Appropriate Box:

☒ [X] 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):

☒ [X] 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:
-

¹The 2005 Financial Report is not included in this filing. It will be filed as Exhibit 13 to our Annual Report on Form 10-K on or about February 28, 2006 for the fiscal year ended December 31, 2005, and will be contained in Appendix A to the Proxy Statement mailed to our shareholders beginning on March 16, 2006.

Pfizer Inc.
Notice of Annual Meeting
of Shareholders,
Proxy Statement
and 2005 Financial Report
March 16, 2006

HOW TO VOTE

Most shareholders have a choice of voting on the Internet, by telephone, or by mail using a traditional proxy card. Please refer to the proxy card or other voting instructions included with these proxy materials for information on the voting methods available to you. **If you vote by telephone or on the Internet, you do not need to return your proxy card.**

ANNUAL MEETING ADMISSION

Either an admission ticket or proof of ownership of Pfizer stock, as well as a form of personal photo identification, must be presented in order to be admitted to the Annual Meeting. If you are a shareholder of record, your admission ticket is attached to your proxy card. If your shares are held in the name of a bank, broker or other holder of record, you must bring a brokerage statement or other proof of ownership with you to the Meeting, or you may request an admission ticket in advance. Please see the response to the question "Do I need a ticket to attend the Annual Meeting?" for further details.

REDUCE PRINTING AND MAILING COSTS

If you share the same last name with other shareholders living in your household, you may receive only one copy of our Proxy Statement and 2005 Financial Report, and the 2005 Annual Review. Please see the response to the question "What is householding and how does it affect me?" for more information on this important shareholder program.

Shareholders may help us to reduce printing and mailing costs further by opting to receive future proxy materials by e-mail. Please see the response to the question "Can I access the Proxy Statement and 2005 Financial Report, and the 2005 Annual Review, on the Internet?" for more information on electronic delivery of proxy materials.

PFIZER INC.
235 East 42nd Street
New York, NY 10017

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TIME AND DATE

8:30 a.m., Central Daylight Time (9:30 a.m., Eastern Daylight Time) on Thursday, April 27, 2006.

PLACE

The Cornhusker Marriott Hotel
333 South 13th Street
Lincoln, Nebraska 68508

WEBCAST

A Webcast of our Annual Meeting will be available on our Website at www.pfizer.com starting at 8:30 a.m., Central Daylight Time (9:30 a.m. Eastern Daylight Time) on April 27, 2006. An archived copy of the Webcast also will be available on our Website through the first week of May. Information included on our Website, other than our Proxy Statement and form of proxy, is not a part of the proxy soliciting material.

ITEMS OF BUSINESS

To elect thirteen members of the Board of Directors, each for a term of one year.

To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the 2006 fiscal year.

To approve an amendment to the Company's Restated Certificate of Incorporation to eliminate the supermajority vote and fair price provisions.

To consider 8 shareholder proposals, if presented at the Meeting. See Table of Contents for a list of the Shareholder Proposals.

To transact such other business as may properly come before the Meeting and any adjournment or postponement.

RECORD DATE

You can vote if you are a shareholder of record on March 1, 2006.

ANNUAL REVIEW AND FINANCIAL REPORT

Our annual report to shareholders is in two parts: the 2005 Annual Review and the 2005 Financial Report. The 2005 Annual Review is enclosed with these materials as a separate booklet. The 2005 Financial Report is contained in Appendix A to this Proxy Statement. These documents are not a part of the proxy solicitation materials. They may also be accessed through our Website at www.pfizer.com.

PROXY VOTING

It is important that your shares be represented and voted at the Meeting. You can vote your shares by completing and returning your proxy card or by voting on the Internet or by telephone. See details under the heading "How do I vote?"

March 16, 2006

Margaret M. Foran
Senior Vice President-Corporate Governance,
Associate General Counsel and Corporate Secretary

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Pfizer Inc.
235 East 42nd Street
New York, New York 10017

PROXY STATEMENT

Why did I receive these proxy materials?

We are providing these proxy materials in connection with the solicitation by the Board of Directors of Pfizer Inc. (Pfizer, the Company, we, us or our), a Delaware corporation, of proxies to be voted at our 2006 Annual Meeting of Shareholders and at any adjournment or postponement.

You are invited to attend our Annual Meeting of Shareholders on April 27, 2006, beginning at 8:30 a.m., Central Daylight Time (9:30 a.m. Eastern Daylight Time). The Meeting will be held at The Cornhusker Marriott Hotel. See the inside back cover of this Proxy Statement for directions.

Shareholders will be admitted to the Annual Meeting beginning at 8:00 a.m., Central Time. Seating will be limited.

The Cornhusker Marriott Hotel is accessible to disabled persons and, upon request, we will provide wireless headsets for hearing amplification. Sign interpretation also will be provided upon request. Please mail your request to the address noted below in response to the question "Do I need an admission ticket to attend the Annual Meeting?"

This Notice of Annual Meeting, Proxy Statement, form of proxy and voting instructions are being mailed starting March 16, 2006.

Do I need a ticket to attend the Annual Meeting?

You will need an admission ticket or proof of ownership to enter the Meeting. An admission ticket is attached to your proxy card if you hold shares directly in your name as a shareholder of record. If you plan to attend the Annual Meeting, please vote your proxy but keep the admission ticket and bring it with you to the Annual Meeting.

If your shares are held beneficially in the name of a bank, broker or other holder of record and you plan to attend the Meeting, you must present proof of your ownership of Pfizer stock, such as a bank or brokerage account statement, to be admitted to the Meeting. If you would rather have an admission ticket, you can obtain one in advance by mailing a written request, along with proof of your ownership of Pfizer stock, to:

Pfizer Shareholder Services
235 East 42nd Street, 7th Floor
New York, NY 10017

Shareholders also must present a form of personal photo identification in order to be admitted to the Meeting.

No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the Meeting.

Will the Annual Meeting be webcast?

Our Annual Meeting also will be webcast on April 27, 2006. You are invited to visit www.pfizer.com at 8:30 a.m., Central Daylight Time (9:30 a.m., Eastern Daylight Time), on April 27, 2006, to access the Webcast of the Meeting. Registration for the Webcast is required. Pre-registration will be available beginning on April 20, 2006. An archived copy of the Webcast also will be available on our Website through the first week of May.

Who is entitled to vote at the Annual Meeting?

Holders of Pfizer common stock at the close of business on March 1, 2006, are entitled to receive this Notice and to vote their shares at the Annual Meeting. As of that date, there were [] shares of common stock outstanding and entitled to vote. In addition, shares of the Company's Preferred Stock having votes equivalent to [] shares of common stock were held by one of the Company's employee benefit plan trusts. Each share of common stock is entitled to one vote on each matter properly brought before the Meeting.

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What is the difference between holding shares as a shareholder of record and as a beneficial owner?

If your shares are registered directly in your name with Pfizer's transfer agent, Computershare Trust Company, N.A., you are considered, with respect to those shares, the shareholder of record. The Notice of Annual Meeting, Proxy Statement and 2005 Financial Report, proxy card and 2005 Annual Review have been sent directly to you by Pfizer.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of shares held in street name. The Notice of Annual Meeting, Proxy Statement and 2005 Financial Report, proxy card and 2005 Annual Review have been forwarded to you by your broker, bank or other holder of record who is considered, with respect to those shares, the shareholder of record. As the beneficial owner, you have the right to direct your broker, bank or other holder of record on how to vote your shares by using the voting instruction card included in the mailing or by following their instructions for voting by telephone or on the Internet.

How do I vote?

You may vote using any of the following methods:

By Mail

Be sure to complete, sign and date the proxy card or voting instruction card and return it in the prepaid envelope. If you are a shareholder of record and you return your signed proxy card but do not indicate your voting preferences, the persons named in the proxy card will vote the shares represented by that proxy as recommended by the Board of Directors.

If you are a shareholder of record, and the prepaid envelope is missing, please mail your completed proxy card to Pfizer Inc., c/o Computershare Investor Services, PO Box 43119, Providence, Rhode Island 02940-5110.

By telephone or on the Internet

The telephone and Internet voting procedures established by Pfizer for shareholders of record are designed to authenticate your identity, to allow you to give your voting instructions and to confirm that those instructions have been properly recorded.

You can vote by calling the toll-free telephone number on your proxy card. Please have your proxy card in hand when you call. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. **If you are located outside the U.S., Puerto Rico and Canada, see your proxy card for additional instructions.**

The Website for Internet voting is www.investorvote.com/pfe. Please have your proxy card handy when you go online. As with telephone voting, you can confirm that your instructions have been properly recorded. If you vote on the Internet, you also can request electronic delivery of future proxy materials.

Telephone and Internet voting facilities for shareholders of record will be available 24 hours a day, and will close at 11:59 pm. Eastern Daylight Time on April 26, 2006.

The availability of telephone and Internet voting for beneficial owners will depend on the voting processes of your broker, bank or other holder of record. Therefore, we recommend that you follow the voting instructions in the materials you receive.

If you vote by telephone or on the Internet, you do not have to return your proxy card or voting instruction card.

In person at the Annual Meeting

All shareholders may vote in person at the Annual Meeting. You may also be represented by another person at the Meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot to be able to vote at the Meeting.

Your vote is important. You can save us the expense of a second mailing by voting promptly.

What can I do if I change my mind after I vote my shares?

If you are a shareholder of record, you can revoke your proxy before it is exercised by:

written notice to the Secretary of the Company;

timely delivery of a valid, later-dated proxy or a later-dated vote by telephone or on the Internet; or

voting by ballot at the Annual Meeting.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your bank, broker or other holder of record. You may also vote in person at the Annual Meeting if you obtain a legal proxy as described in the answer to the previous question.

All shares that have been properly voted and not revoked will be voted at the Annual Meeting.

What shares are included on the proxy card?

If you are a shareholder of record you will receive only one proxy card for all the shares you hold:

in certificate form

in book-entry form

in book-entry form in the Pfizer Shareholder Investment Program

and if you are a Pfizer employee:

in the Pfizer Savings Plan

in the Pharmacia Savings Plan

in the Pfizer Inc. Employee Benefit Trust.

If you are a U.S. Pfizer employee who currently has outstanding stock options, you are entitled to give voting instructions on a portion of the shares held in the Pfizer Inc. Employee Benefit Trust (the Trust). Your proxy card will serve as a voting instruction card for the trustee.

If you do not vote your shares or specify your voting instructions on your proxy card, the administrators of the Pfizer Savings Plan and of the Pharmacia Savings Plan (collectively, the Plans) or the trustee of the Trust will vote your shares in the same proportion as the shares for which voting instructions have been received. **To allow sufficient time for voting by the trustee of the Trust and the administrators of the Plans, your voting instructions must be received by April 25, 2006.**

If you hold Pfizer shares through any other Company plan, you will receive voting instructions from that plan's administrator.

If you are a beneficial owner, you will receive voting instructions, and information regarding consolidation of your vote, from your bank, broker or other holder of record.

What is householding and how does it affect me?

We have adopted a procedure approved by the Securities and Exchange Commission (SEC) called householding. Under this procedure, shareholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of our Notice of Annual Meeting, Proxy Statement and Financial Report, and of our Annual Review, unless one or more of these shareholders notifies us that they wish to continue receiving individual copies. This procedure will reduce our printing costs and postage fees.

Shareholders who participate in householding will continue to receive separate proxy cards. Also, householding will not in any way affect dividend check mailings.

If you are eligible for householding, but you and other shareholders of record with whom you share an address currently receive multiple copies of the Notice of Annual Meeting, Proxy Statement and Financial Report and Annual Review, or if you hold stock in more than one account, and in either case you wish to receive only a single copy of each of these documents for your household, please contact our transfer

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agent, Computershare Trust Company, N.A. (in writing: P.O. Box 43069, Providence, Rhode Island 02940-3069; by telephone: in the U.S., Puerto Rico and Canada, 1-800-733-9393; outside the U.S., Puerto Rico and Canada, 1-781-575-4591).

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If you participate in householding and wish to receive a separate copy of this Notice of Annual Meeting, Proxy Statement and 2005 Financial Report, and 2005 Annual Review, or if you do not wish to participate in householding and prefer to receive separate copies of these documents in the future, please contact Computershare as indicated above.

Beneficial owners can request information about householding from their banks, brokers or other holders of record.

Is there a list of shareholders entitled to vote at the Annual Meeting?

The names of shareholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the Meeting for any purpose germane to the meeting, between the hours of 8:45 a.m. and 4:30 p.m., at our principal executive offices at 235 East 42nd Street, New York, New York, by contacting the Secretary of the Company.

What are the voting requirements to elect the Directors and to approve each of the proposals discussed in this Proxy Statement?

Proposal	Vote Required	Discretionary Voting Allowed?
Election of Directors	Plurality	Yes
Ratification of KPMG	Majority	Yes
Amendment to Certificate of Incorporation	80% of shares outstanding	Yes
Shareholder Proposals	Majority	No

The presence of the holders of a majority of the outstanding shares of common stock entitled to vote at the Annual Meeting, present in person or represented by proxy, is necessary to constitute a quorum. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a bank, broker or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner.

If you are a beneficial owner, your bank, broker or other holder of record is permitted to vote your shares on the election of Directors, the ratification of KPMG LLP as our independent registered public accounting firm and Management's proposal to amend the Company's Restated Certificate of Incorporation to eliminate the supermajority and fair price provisions, even if the record holder does not receive voting instructions from you. The record holder may not vote on any of the shareholder proposals absent instructions from you. Without your voting instructions, a broker non-vote will occur.

Election of Directors

A plurality of the votes cast is required for the election of Directors. This means that the Director nominee with the most votes for a particular slot is elected for that slot. You may vote for or withheld with respect to the election of directors. Only votes for or withheld are counted in determining whether a plurality has been cast in favor of a Director. Abstentions are not counted for purposes of the election of Directors.

Majority Vote Policy

Our Corporate Governance Principles, which appear later in this Proxy Statement, set forth our procedures if a director-nominee is elected, but receives a majority of withheld votes. In an uncontested election, any nominee for Director who receives a greater number of votes withheld from his or her election than votes for such election is required to tender his or her resignation following certification of the shareholder vote.

The Corporate Governance Committee is required to make recommendations to the Board with respect to any such letter of resignation. The Board is required to take action with respect to this recommendation and to disclose their decision-making process. Full details of this Policy are set out under Item 1 Election of Directors.

Ratification of KPMG and Shareholder Proposals

Under the Company's By-laws, the votes cast for must exceed the votes cast against to approve the ratification of KPMG LLP as our independent registered public accounting firm. Abstentions and, if applicable, broker non-votes, are not counted as votes for or against these

proposals.

Amendment of Certificate of Incorporation to Eliminate Supermajority Vote Requirements and Fair Price Provision

The affirmative vote of at least 80% of all outstanding shares of Common Stock is required for approval of management's proposal to eliminate the supermajority and fair price provisions from the Company's Restated Certificate of Incorporation. An abstention on this proposal is not an affirmative vote and will have the same effect as a vote against this proposal.

Shareholder Proposals

The votes cast for must exceed the votes cast against each of the shareholder proposals. Abstentions and, if applicable, broker nonvotes, are not counted as votes for or against these proposals.

Could other matters be decided at the Annual Meeting?

At the date this Proxy Statement went to press, we did not know of any matters to be raised at the Annual Meeting other than those referred to in this Proxy Statement.

If other matters are properly presented at the Annual Meeting for consideration, the Proxy Committee appointed by the Board of Directors (the persons named in your proxy card if you are a shareholder of record) will have the discretion to vote on those matters for you.

Can I access the Notice of Annual Meeting, Proxy Statement and 2005 Financial Report, and the 2005 Annual Review, on the Internet?

The Notice of Annual Meeting, Proxy Statement and 2005 Financial Report, and the 2005 Annual Review, are available on our Website at www.pfizer.com. Instead of receiving future copies of our Proxy Statement and Annual Report materials by mail, most shareholders can elect to receive an e-mail that will provide electronic links to them. Opting to receive your proxy materials online will save us the cost of producing and mailing documents to your home or business, and also will give you an electronic link to the proxy voting site.

Shareholders of Record: If you vote on the Internet at www.investorvote.com/pfe, simply follow the prompts for enrolling in the electronic proxy delivery service. You also may enroll in the electronic proxy delivery service at any time in the future by going directly to www.econsent.com/pfe and following the enrollment instructions.

Beneficial Owners: If you hold your shares in a brokerage account, you also may have the opportunity to receive copies of these documents electronically. Please check the information provided in the proxy materials mailed to you by your bank or other holder of record regarding the availability of this service.

Who will pay for the cost of this proxy solicitation?

We will pay the cost of soliciting proxies. Proxies may be solicited on our behalf by Directors, officers or employees in person or by telephone, electronic transmission and facsimile transmission. We have hired Morrow & Co. to distribute and solicit proxies. We will pay Morrow & Co. a fee of \$35,000, plus reasonable expenses, for these services.

Who will count the vote?

Representatives of our transfer agent, Computershare Trust Company, N.A., will tabulate the votes and act as inspectors of election.

GOVERNANCE OF THE COMPANY

Our Corporate Governance Principles

Role and Composition of the Board of Directors

1. General. The Board of Directors, which is elected by the shareholders, is the ultimate decision-making body of the Company except with respect to those matters reserved to the shareholders. It selects the senior management team, which is charged with the conduct of the Company's business. Having selected the senior management team, the Board acts as an advisor and counselor to senior management and ultimately monitors its performance.

2. Succession Planning. The Board also plans for succession to the position of Chairman of the Board and Chief Executive Officer as well as certain other senior management positions. To assist the Board, the Chairman and CEO annually provides the Board with an assessment of senior managers and of their potential to succeed him or her. He or she also provides the Board with an assessment of persons considered potential successors to certain senior management positions.

3. Chairman and CEO. It is the policy of the Company that the positions of Chairman of the Board and Chief Executive Officer be held by the same person, except in unusual circumstances. This combination has served the Company well over a great many years. The function of the Board in monitoring the performance of the senior management of the Company is fulfilled by the presence of outside Directors of stature who have a substantive knowledge of the business.

4. Director Independence. It is the policy of the Company that the Board consist of a majority of independent Directors. The Corporate Governance Committee of the Board has established Director Qualification Standards to assist it in determining director independence, which either meet or exceed the independence requirements of the New York Stock Exchange (NYSE) corporate governance listing standards. The Board will consider all relevant facts and circumstances in making an independence determination, and not merely from the standpoint of the Director, but also from that of persons or organizations with which the director has an affiliation.

5. Board Size. It is the policy of the Company that the number of Directors not exceed a number that can function efficiently as a body. The Corporate Governance Committee considers and makes recommendations to the Board concerning the appropriate size and needs of the Board. The Corporate Governance Committee considers candidates to fill new positions created by expansion and vacancies that occur by resignation, by retirement or for any other reason.

6. Selection Criteria. Candidates are selected for, among other things, their integrity, independence, diversity of experience, leadership and their ability to exercise sound judgment. Scientific expertise, prior government service and experience at policy-making levels involving issues affecting business, government, education, technology, as well as areas relevant to the Company's global business are among the most significant criteria. Final approval of a candidate is determined by the full Board.

7. Voting for Directors. In an uncontested election, any nominee for Director who receives a greater number of votes withheld from his or her election than votes for such election (a Majority Withheld Vote) shall promptly tender his or her resignation following certification of the shareholder vote.

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The Corporate Governance Committee shall promptly consider the resignation offer and a range of possible responses based on the circumstances that led to the Majority Withheld Vote, if known, and make a recommendation to the Board. The Board will act on the Corporate Governance Committee's recommendation within 90 days following certification of the shareholder vote.

Thereafter, the board will promptly disclose its decision-making process and decision regarding whether to accept the Director's resignation offer (or the reason(s) for rejecting the resignation offer, if applicable) in a Form 8-K furnished to the Securities and Exchange Commission.

Any Director who tenders his or her resignation pursuant to this provision shall not participate in the Corporate Governance Committee recommendation or Board action regarding whether to accept the resignation offer.

However, if each member of the Corporate Governance Committee received a Majority Withheld Vote at the same election, then the independent Directors who did not receive a Majority Withheld Vote shall appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept them.

However, if the only Directors who did not receive a Majority Withheld Vote in the same election constitute three or fewer Directors, all Directors may participate in the action regarding whether to accept the resignation offers.

8. Director Service on Other Public Boards. Ordinarily, Directors should not serve on more than four other boards of public companies in addition to the Company's Board. Current positions in excess of these limits may be maintained unless the Board of Directors determines that doing so would impair the Director's service on the Company's Board.

9. Former CEO as Director. Commencing with the current CEO, upon retirement from the Company, the former CEO will not retain Board membership.

10. Change in Director Occupation. When a Director's principal occupation or business association changes substantially during his or her tenure as a Director, that Director shall tender his or her resignation for consideration by the Corporate Governance Committee. The Corporate Governance Committee will recommend to the Board the action, if any, to be taken with respect to the resignation.

11. Director Compensation. The Corporate Governance Committee annually reviews the compensation of Directors.

12. Ownership Requirements. All non-employee Directors are required to hold at least \$300,000 worth of Pfizer stock, and/or the units issued as compensation for Board service, while serving as a Director of the Company. New Directors will have five years to attain this ownership threshold. Shares or units held by a Director under any deferral plan, are included in calculating the value of ownership to determine whether this minimum ownership requirement has been met.

13. Director Retirement. Directors are required to retire from the Board when they reach the age of 72.

14. Board and Committee Self-Evaluation. The Board, and each Committee, are required to conduct a self-evaluation of their performance at least annually.

15. Term Limits. The Board does not endorse arbitrary term limits on Directors' service, nor does it believe in automatic annual re-nomination until Directors reach the mandatory retirement age. The Board self-evaluation process is an important determinant for continuing service.

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16. Committees. It is the general policy of the Company that all major decisions be considered by the Board as a whole. As a consequence, the Committee structure of the Board is limited to those Committees considered to be basic to, or required for, the operation of a publicly owned company. Currently these Committees are the Executive Committee, Audit Committee, Compensation Committee, Corporate Governance Committee and Science and Technology Committee.

The members and chairs of these Committees are recommended to the Board by the Corporate Governance Committee. The Audit Committee, Compensation Committee and Corporate Governance Committee are made up of only independent Directors. The membership of these Committees is rotated from time to time. In addition to the requirement that a majority of the Board satisfy the independence standards noted above in Paragraph 4, Director Independence, members of the Audit Committee also must satisfy an additional NYSE independence standard. Specifically, they may not accept directly or indirectly any consulting, advisory or other compensatory fee from Pfizer or any of its subsidiaries other than their Director compensation. As a matter of policy, the Board also will apply a separate and heightened independence standard to members of both the Compensation and Corporate Governance Committees. No member of either Committee may be a partner, member or principal of a law firm, accounting firm or investment banking firm that accepts consulting or advisory fees from Pfizer or any of its subsidiaries.

17. Director Orientation and Continuing Education. In furtherance of its policy of having major decisions made by the Board as a whole, the Company has a full orientation and continuing education process for Board members that includes extensive materials, meetings with key management and visits to Company facilities.

18. CEO Performance Goals and Annual Evaluation. The Compensation Committee is responsible for setting annual and long-term performance goals for the Chairman and CEO and for evaluating his or her performance against such goals. The Committee meets annually with the Chairman and CEO to receive his or her recommendations concerning such goals. Both the goals and the evaluation are then submitted for consideration by the outside Directors of the Board at a meeting or executive session of that group. The Committee then meets with the Chairman and CEO to evaluate his or her performance against such goals.

19. Senior Management Performance Goals. The Compensation Committee also is responsible for setting annual and long-term performance goals and compensation for the direct reports to the Chairman and CEO. These decisions are approved or ratified by action of the outside Directors of the Board at a meeting or executive session of that group.

20. Communication with Stakeholders. The Chairman and CEO is responsible for establishing effective communications with the Company's stakeholder groups, i.e., shareholders, customers, company associates, communities, suppliers, creditors, governments and corporate partners.

It is the policy of the Company that management speaks for the Company. This policy does not preclude outside Directors, including the Lead Independent Director, from meeting with shareholders, but it is suggested that in most circumstances any such meetings be held with management present.

21. Annual Meeting Attendance. All Board members are expected to attend our Annual Meeting of Shareholders unless an emergency prevents them from doing so.

Board Functions

22. Agenda. The Chairman of the Board and Chief Executive Officer sets the agenda for Board meetings with the understanding that the Board is responsible for providing suggestions for agenda items that are aligned with the advisory and monitoring functions of

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the Board. Agenda items that fall within the scope of responsibilities of a Board Committee are reviewed with the chair of that Committee. Any member of the Board may request that an item be included on the agenda.

23. Board Materials. Board materials related to agenda items are provided to Board members sufficiently in advance of Board meetings to allow the Directors to prepare for discussion of the items at the meeting.

24. Board Meetings. At the invitation of the Board, members of senior management recommended by the Chairman and CEO attend Board meetings or portions thereof for the purpose of participating in discussions. Generally, presentations of matters to be considered by the Board are made by the manager responsible for that area of the Company's operations.

25. Director Access to Corporate and Independent Advisors. In addition, Board members have free access to all other members of management and employees of the Company and, as necessary and appropriate, Board members may consult with independent legal, financial and accounting advisors to assist in their duties to the Company and its shareholders.

26. Executive Sessions. Executive sessions or meetings of outside Directors without management present are held regularly (at least four times a year) to review the report of the independent registered public accounting firm, the criteria upon which the performance of the Chairman and CEO and other senior managers is based, the performance of the Chairman and CEO against such criteria, the compensation of the Chairman and CEO and other senior managers, and any other relevant matter. Meetings are held from time to time with the Chairman and CEO for a general discussion of relevant subjects.

27. Lead Independent Director. It is the policy of the Company that a Lead Independent Director shall be elected annually to preside over executive sessions of Pfizer's independent Directors, facilitate information flow and communication between the Directors and the Chairman, and to perform such other duties specified by the Board and outlined in the Charter of the Lead Independent Director.

28. Annual Board Self-Evaluation. The Board, under the direction of the Corporate Governance Committee, will prepare an annual performance self-evaluation.

Committee Functions

29. Independence. The Audit, Compensation and Corporate Governance Committees consist only of independent Directors.

30. Meeting Conduct. The frequency, length and agenda of meetings of each of the Committees are determined by the chair of the Committee. Sufficient time to consider the agenda items is provided. Materials related to agenda items are provided to the Committee members sufficiently in advance of the meeting where necessary to allow the members to prepare for discussion of the items at the meeting.

31. Scope of Responsibilities. The responsibilities of each of the Committees are determined by the Board from time to time.

32. Annual Committee Self-Evaluation. Each Committee is responsible for preparing an annual performance self-evaluation.

Policy on Poison Pills

33. Expiration of Rights Agreement. The Board amended Pfizer's Rights Agreement, or "Poison Pill," to cause the Agreement to expire on December 31, 2003. The term Poison Pill refers to a type of shareholder rights plan that some companies adopt to provide an opportunity for negotiation during a hostile takeover attempt.

The Board has adopted a statement of policy that it shall seek and obtain shareholder approval before adopting a Poison Pill; provided, however, that the Board may determine to act on its own to adopt a Poison Pill, if, under the circumstances, the Board, including the majority of the independent members of the Board, in its exercise of its fiduciary responsibilities, deems it to be in the best interest of Pfizer's shareholders to adopt a Poison Pill without the delay in adoption that would come from the time reasonably anticipated to seek shareholder approval.

If the Board were ever to adopt a Poison Pill without prior shareholder approval, the Board would either submit the Poison Pill to shareholders for ratification, or would cause the Poison Pill to expire within one year.

The Corporate Governance Committee will review this Poison Pill policy statement on an annual basis, including the stipulation which addresses the Board's fiduciary responsibility to act in the best interest of the shareholders without prior shareholder approval, and report to the Board any recommendations it may have concerning the policy.

Periodic Review of Corporate Governance Principles

34. These principles are reviewed by the Board at least annually.

Pfizer Corporate Governance Website

From time to time we revise our Corporate Governance Principles in response to changing regulatory requirements, evolving best practices and the concerns of our shareholders and other constituents. Our Corporate Governance Principles are published on our Website at www.pfizer.com, under the "Who We Are" For Investors "Corporate Governance" captions.

In addition to our Corporate Governance Principles, other information relating to corporate governance at Pfizer, is available on our Website, including:

Board of Directors Background and Experience

Board Committees Description of Committees, Charters and Current Members

Board Policy on Executive Pension Benefits

Code of Business Conduct and Ethics for Directors

How to Communicate with Our Directors

Director Qualification Standards

Certifications of Chief Executive Officer and Chief Financial Officer

Standards of Business Conduct for all Pfizer colleagues, including our Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer

Political Action Committee Report

By-Laws of Pfizer Inc

Restated Certificate of Incorporation

Frequently Asked Questions about Pfizer Corporate Governance

We will provide any of the foregoing information without charge upon written request to Margaret M. Foran, Senior Vice President-Corporate Governance, Associate General Counsel and Corporate Secretary, Pfizer Inc., 235 East 42nd Street, New York, NY 10017-5755.

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Governance Information

Executive Sessions of Directors

Executive sessions or meetings of outside (non-management) Directors without management present are held regularly (at least four times a year) to review the report of the independent registered public accounting firm, the criteria upon which the performance of the Chairman and CEO and other senior managers is based, the performance of the Chairman and CEO against such criteria, the compensation of the Chairman and CEO and other senior managers and any other relevant matter. Meetings are held from time to time with the Chairman and CEO for a general discussion of relevant subjects. In 2005, the Directors met in executive session six times.

Lead Independent Director

The Pfizer Board of Directors has appointed a non-management director to serve in a lead capacity (Lead Independent Director) to coordinate the activities of the other non-management directors, and to perform such other duties and responsibilities as the Board of Directors may determine. Currently the Lead Independent Director is Stanley O. Ikenberry.

The role of the Lead Independent Director includes:

presiding at executive sessions, with the authority to call meetings of the independent directors;

functioning as principal liaison on Board-wide issues between the independent directors and the Chairman;

participating in the flow of information to the Board, i.e., meeting agenda items and meeting schedules to assure that there is sufficient time for discussion of all items;

recommending to the Chairman the retention of outside advisors and consultants who report directly to the Board of Directors; and

if requested by shareholders, ensuring that he/she is available, when appropriate, for consultation and direct communication.

The Charter of the Lead Independent Director is found in this proxy statement as Annex 6 and on our Website at www.pfizer.com/who we are/for investors/corporate governance.

Communications with Directors

Shareholders may communicate with the Lead Independent Director or Chairs of our Audit, Compensation and Corporate Governance Committees on board-related issues by sending an e-mail to the appropriate address below:

[leaddirector@ pfizer.com](mailto:leaddirector@pfizer.com)

auditchair@ pfizer.com

compchair@ pfizer.com or

corpgovchair@ pfizer.com.

You also may write to any of the Committee Chairs or to the outside Directors as a group c/o Margaret M. Foran, Senior Vice President Corporate Governance, Associate General Counsel and Corporate Secretary at Pfizer Inc., 235 East 42nd Street, New York, New York 10017.

Relevant 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. In that regard, the Pfizer Board of Directors has requested that certain items that are unrelated to the duties and responsibilities of the Board should be excluded, such as:

business solicitations or advertisements

junk mail and mass mailings

new product suggestions

product complaints

product inquiries

resumes and other forms of job inquiries

spam

surveys

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In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded, with the provision that any communication that is filtered out must be made available to any outside Director upon request.

Director Qualification Standards

Pursuant to New York Stock Exchange listing standards, our Board of Directors has adopted a formal set of categorical Director Qualification Standards with respect to the determination of Director independence. In accordance with these Standards, a Director must be determined to have no material relationship with the Company other than as a Director. The Standards specify the criteria by which the independence of our Directors will be determined, including strict guidelines for Directors and their immediate families with respect to past employment or affiliation with the Company or its independent registered public accounting firm. The Standards also prohibit Audit Committee members from having any direct or indirect financial relationship with the Company, and restrict both commercial and not-for-profit relationships of all Directors with the Company. Directors may not be given personal loans or extensions of credit by the Company, and all Directors are required to deal at arm's length with the Company and its subsidiaries, and to disclose any circumstance that might be perceived as a conflict of interest.

Director Independence

The provisions of the Board's *Director Qualification Standards* regarding Director independence meet and in some areas exceed the listing standards of the New York Stock Exchange. The Board's *Director Qualification Standards* are attached to this proxy statement as Annex 1.

In accordance with these Standards, the Board undertook its annual review of Director independence. During this review, the Board considered transactions and relationships between each Director or any member of his or her immediate family and the Company and its subsidiaries and affiliates. The Board also considered whether there were any transactions or relationships between Directors or any member of their immediate family (or any entity of which a Director or an immediate family member is an executive officer, general partner or significant equity holder). As provided in the *Director Qualification Standards*, the purpose of this review was to determine whether any such relationships or transactions existed that were inconsistent with a determination that the Director is independent.

As a result of this review, the Board affirmatively determined that all of the Directors nominated for election at the annual meeting are independent of the Company and its management under the standards set forth in the *Director Qualification Standards*, with the exception of Dr. Henry A. McKinnell and Mr. William C. Steere, Jr. Dr. McKinnell is considered an inside Director because of his employment as Chairman and Chief Executive Officer of the Company. Mr. Steere is not considered an independent outside Director as a result of his former status as Chairman and Chief Executive Officer of the Company.

In making these determinations, the Board considered that in the ordinary course of business, transactions may occur between the Company and its subsidiaries and companies at which some of our Directors are or have been officers. In each case, the amount of transactions from these companies in each of the last three years did not approach the thresholds set forth in the *Director Qualification Standards*. The Board also considered charitable contributions to not-for-profit organizations of which our Directors or immediate family members are executive officers, none of which approached the levels set forth in our *Director Qualification Standards*.

The full text of our Director Qualification Standards is attached as Annex 1 to this Proxy Statement. These Standards also are published on our Website at www.pfizer.com, under the Who We Are For Investors Corporate Governance Director Qualification Standards captions.

Criteria for Board Membership

To fulfill its responsibility to recruit and recommend to the full Board nominees for election as Directors, the Corporate Governance Committee reviews the composition of the full Board to determine the qualifications and areas of expertise needed to further enhance the composition of the Board and works with management in attracting candidates with those qualifications. Appropriate criteria for Board membership include the following:

Members of the Board should be individuals of high integrity and independence, substantial accomplishments, and have prior or current association with institutions noted for their excellence.

Members of the Board should have demonstrated leadership ability, with broad experience, diverse perspectives, and the ability to exercise sound business judgment.

The background and experience of members of the Board should be in areas important to the operation of the Company such as business, education, finance, government, law, medicine or science.

The composition of the Board should reflect sensitivity to the need for diversity as to gender, ethnic background and experience.

In addition, pursuant to our Corporate Governance Principles, the Committee considers the number of other boards of public companies on which a candidate serves. Moreover, Directors are expected to act ethically at all times and adhere to the Company's Code of Business Conduct and Ethics for members of the Board of Directors.

The Governance Committee currently retains a third party search firm to assist the Committee members in identifying and evaluating potential nominees for the Board. The Committee considers candidates for Director suggested by our shareholders, provided that the recommendations are made in accordance with the procedures required under our By-laws and described in this Proxy Statement under the heading Requirements, Including Deadlines, for Submission of Proxy Proposals, Nomination of Directors and Other Business of Shareholders. Shareholder nominees whose nominations comply with these procedures and who meet the criteria outlined above, in the Committee's Charter, and in our Corporate Governance Principles, will be evaluated by the Corporate Governance Committee in the same manner as the Committee's nominees.

Pfizer Policies on Business Ethics and Conduct

All of our employees, including our Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer (Officers), are required to abide by Pfizer's Policies on Business Conduct to ensure that our business is conducted in a consistently legal and ethical manner. These Policies form the foundation of a comprehensive process that includes compliance with all corporate policies and procedures, an open relationship among colleagues that contributes to good business conduct, and the high integrity level of our employees. Our Policies and procedures cover all areas of professional conduct, including employment policies, conflicts of interest, intellectual property and the protection of confidential information, as well as strict adherence to all laws and regulations applicable to the conduct of our business.

Employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of Pfizer's Policies on Business Conduct. The Sarbanes-Oxley Act of 2002 requires audit committees to have procedures to receive, retain and treat complaints received regarding accounting, internal accounting controls or auditing matters and to allow for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. We have such procedures in place. In addition, the Pfizer Policy regarding Compliance with SEC Attorney Conduct Rules requires all Pfizer lawyers to report to the appropriate persons at the Company evidence of any actual, potential or suspected material violation of state or federal law or breach of fiduciary duty by Pfizer or any of its officers, Directors, employees or agents.

Code of Conduct for Directors

The members of our Board of Directors also are required to comply with a Code of Business Conduct and Ethics (the "Code"). The 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 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 all applicable laws and regulations and oversight of ethics and compliance by employees of the Company.

The full texts of both Pfizer's Policies on Business Conduct and of the Code of Business Conduct and Ethics for our Directors are published on our Website, at www.pfizer.com, under the "Who We Are" For Investors "Corporate Governance" captions. We will disclose any future amendments to, or waivers from, certain provisions of these ethical policies and standards for Officers and Directors on our Website within two business days following the date of such amendment or waiver.

Board and Committee Membership

Our business, property and affairs are managed under the direction of our Board of Directors. Members of our Board are kept informed of our business through discussions with our Chairman and Chief Executive Officer and other officers, by reviewing materials provided to them, by visiting our offices and plants and by participating in meetings of the Board and its Committees.

All Board members are expected to attend our Annual Meetings of Shareholders, unless an emergency prevents them from doing so. At our 2005 Annual Meeting, all members of the Board were present.

During 2005, the Board of Directors met ten times and had five Committees. Those Committees consisted of an Audit Committee, a Corporate Governance Committee, a Compensation Committee, a Science and Technology Committee and an Executive Committee. Each of our incumbent Directors attended at least 90 percent of the regularly scheduled and special meetings of the Board and Board Committees on which they served in 2005.

The table below provides 2005 membership and meeting information for each of the Board Committees.

Name	Audit	Corporate Governance	Compensation	Science & Technology	Executive
Dr. Brown		X		X*	
Mr. Burns	X				X
Mr. Burt ⁽¹⁾			X		
Mr. Cornwell	X				
Mr. Gray		X			
Ms. Horner		X			X
Mr. Howell ⁽¹⁾	X*				
Dr. Ikenberry			X	X	X
Mr. Lorch			X		
Dr. McKinnell					X*
Dr. Mead			X*	X	
Dr. Simmons		X*			
Mr. Steere					
2005 Meetings	13	9	15	2	0

* Chair

(1) Mr. Burt was Chair of the Audit Committee from January 1, 2005 until April 28, 2005. Mr. Howell became Chair of the Audit Committee on April 28, 2005.

The Audit Committee

In 2005, the Audit Committee met 13 times. Under the terms of its Charter, the Audit Committee meets at least six times a year, including periodic meetings held separately with management, the internal auditor and the independent registered public accounting firm and meets to review disclosures in our SEC periodic filings. The Audit Committee represents and assists the Board with the oversight of: the integrity of the Company's financial statements and internal controls; the Company's compliance with legal and regulatory requirements; the independent registered public accounting firm's qualifications and independence; the performance of the Company's internal audit function; and the performance of the independent registered public accounting firm. In addition, the Committee is responsible for:

selecting and retaining, and terminating when appropriate, the independent registered public accounting firm;

setting the compensation for, overseeing the work of and pre-approving all audit services to be provided by the independent registered public accounting firm;

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establishing policies and procedures for the engagement of the independent registered public accounting firm to provide permitted non-audit services and pre-approving the performance of such services;

receiving and reviewing at least annually a report by the independent registered public accounting firm describing the firm's internal quality-control procedures and any material issues raised by the most recent Public Company Accounting Oversight Board (PCAOB) review, or by certain inquiries or investigations by governmental or professional authorities;

considering, at least annually, the independence of the independent registered public accounting firm, including whether the provision by the firm of permitted non-audit services is compatible with independence;

obtaining and reviewing a report from the independent registered public accounting firm describing all relationships between the firm and the Company;

reviewing with the independent registered public accounting firm:

- the scope and results of the audit;

- problems or difficulties that the independent registered public accounting firm encountered in the course of the audit work and management's response; and

- any questions, comments or suggestions the auditor may have relating to the internal controls and accounting practices and procedures of the Company;

reviewing, at least annually, the scope and results of the internal audit program and any significant matters contained in reports from the Internal Audit Department;

reviewing with the independent registered public accounting firm, the Company's Internal Audit Department and management:

- the adequacy and effectiveness of the systems of internal controls over financial reporting and any significant changes in those controls;

- accounting practices, and disclosure controls and procedures of the Company and its subsidiaries; and

- current accounting trends and developments;

and taking such action with respect to these matters as may be deemed appropriate;

reviewing with management and the independent registered public accounting firm the annual and quarterly financial statements of the Company, including: any material changes in accounting principles or practices used in preparing the financial statements; disclosures relating to internal controls over financial reporting; items required by relevant auditing standards; and the Company's specific disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's reports on Form 10-K or 10-Q;

recommending to the Board of Directors whether the financial statements should be included in the annual report on Form 10-K;

reviewing earnings press releases, as well as Company policies with respect to earnings press releases, financial information and earnings guidance provided to analysts and rating agencies;

discussing Company policies with respect to risk assessment and risk management, reviewing contingent liabilities and risks that may be material to the Company and reviewing major legislative and regulatory developments that could materially impact the Company's contingent liabilities and risks;

reviewing reports from management, legal counsel and third parties relating to the status of compliance with laws, regulations, and internal procedures; and the Company's systems designed to promote Company compliance with laws, regulations and internal procedures;

establishing procedures for the confidential and anonymous receipt and treatment of complaints regarding the Company's accounting, internal controls and auditing matters and for submissions by Company employees of concerns regarding questionable accounting or auditing matters;

establishing policies for the hiring of employees and former employees of the independent registered public accounting firm;

obtaining the advice and assistance of independent counsel and other advisors as necessary to fulfill its responsibilities;

conducting an annual performance evaluation of the Audit Committee and an evaluation of the adequacy of its charter; and

preparing a report each year concerning compliance with its charter for inclusion in the Company's annual Proxy Statement.

Audit Committee Financial Experts

The Board of Directors has determined that each of the members of the Audit Committee Mr. Howell, Mr. Cornwell and Mr. Burns is an audit committee financial expert for purposes of the SEC's rules.

The Board of Directors also has determined that each of the members of the Audit Committee is independent, as defined by the rules of the New York Stock Exchange.

The Corporate Governance Committee

The Corporate Governance Committee met nine times in 2005. Under the terms of its Charter, the Corporate Governance Committee is responsible for considering and making recommendations to the Board concerning the appropriate size, functions and needs of the Board. This responsibility includes:

developing and recommending to the Board the criteria for Board membership;

considering, recommending and recruiting candidates to fill positions on the Board;

reviewing candidates recommended by shareholders;

conducting the appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates; and

recommending the Director nominees for approval by the Board and the shareholders.

The Committee's additional functions are:

to consider questions of possible conflicts of interest of Board members and of our senior executives;

to monitor and recommend the functions of the various Committees of the Board;

to recommend members of the Committees;

to advise on changes in Board compensation;

to make recommendations on the structure of Board meetings; and

to recommend matters for consideration by the Board.

The Committee also:

considers matters of corporate governance, and reviews, at least annually, our Corporate Governance Principles;

considers and reviews, periodically, Director Qualification Standards;

reviews, periodically, our policy regarding the adoption of a Shareholder Rights Plan;
establishes Director retirement policies;

reviews the functions of the senior officers and makes recommendations on changes;

reviews annually with the Chairman and CEO the job performance of elected corporate officers and other senior executives;

reviews the outside activities of senior executives;

reviews, periodically, with the Chairman and CEO the succession plans relating to positions held by elected corporate officers, and makes recommendations to the Board with respect to the selection of individuals to occupy these positions;

oversees the evaluation of the Board and its Committees;

prepares an annual performance evaluation of the Corporate Governance Committee; and

maintains an informed status on Company issues related to corporate social responsibility and the Company's participation and visibility as a global corporate citizen.

The Committee may, in its sole discretion, engage director search firms and may consult with outside advisors to assist it in carrying out its duties to the Company. The Committee has the sole authority to approve the fees and other retention terms with respect to any such firms.

A copy of the Corporate Governance Committee Charter is attached as Annex 3 to this Proxy Statement, and is also available on our Website at www.pfizer.com, under the "Who We Are" For Investors "Corporate Governance" Charters' captions.

The Board of Directors has determined that each of the members of the Corporate Governance Committee is independent, as defined by the rules of the New York Stock Exchange.

The Compensation Committee

The Compensation Committee met 15 times in 2005. Under the terms of its Charter, the Compensation Committee is directly responsible for establishing annual and long-term performance goals and objectives for our elected corporate officers. This responsibility includes:

evaluating the performance of the CEO and other elected officers in light of approved performance goals and objectives;

setting the compensation of the CEO and other elected officers based upon the evaluation of the performance of the CEO and the other elected officers, respectively;

making recommendations to the Board of Directors with respect to new cash-based incentive compensation plans and equity-based compensation plans; and

preparing an annual performance self-evaluation of the Compensation Committee.

In addition, the Committee:

administers the Company's stock plans;

determines and certifies the shares awarded under corporate performance-based plans;

grants options and awards under the Company's stock plans;

advises on the setting of compensation for senior executives whose compensation is not otherwise set by the Committee;

monitors compliance by officers with our program of required stock ownership; and

publishes an annual Compensation Committee Report on executive officer compensation for the shareholders.

The Committee may, in its sole discretion, employ a compensation consultant that reports directly to the Committee, and has done so, to assist in the evaluation of the compensation of the Company's CEO and other elected officers. The Committee also has the authority, as necessary and appropriate, to consult with other outside advisors to assist in its duties to the Company.

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The Board of Directors has determined that each of the members of the Compensation Committee is independent, as defined by the rules of the New York Stock Exchange.

The Science and Technology Committee

The Science and Technology Committee met twice in 2005. Generally, each meeting is conducted over a two-day period. Under the terms of its Charter, the Science and Technology Committee is responsible for periodically examining management's direction and investment in the Company's pharmaceutical research and development as well as in its technology initiatives.

The Committee may meet privately with independent consultants and is free to speak directly and independently with any members of management in discharging its responsibilities.

In addition, the Committee will:

- review, evaluate and report to the Board of Directors regarding the performance of the research leaders in achieving long-term strategic goals and objectives and the quality and direction of the Company's pharmaceutical research and development programs;

- identify and discuss significant emerging science and technology issues and trends;

- determine whether there is sufficient and ongoing external review from world-class experts across both research and development, pertaining to the Company's therapeutic areas;

- review the Company's approaches to acquiring and maintaining a range of distinct technology positions (including, but not limited to, contracts, grants, collaborative efforts, alliances and venture capital);

- evaluate the soundness/risks associated with the technology in which the Company is investing its research and development efforts;

- periodically review the Company's overall patent strategies; and

- prepare an annual performance evaluation of the Science and Technology Committee.

The Executive Committee

The Executive Committee did not meet in 2005. The Executive Committee performs the duties and exercises the powers as may be delegated to it by the Board of Directors from time to time.

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2005 Compensation of Non-Employee Directors

Annual compensation for non-employee Directors is comprised of the following components: cash compensation, consisting of annual retainer, meeting and committee fees; and equity compensation, consisting of Unit Awards and Annual Retainer Unit Awards. Each of these components is described in more detail below. The total 2005 compensation of our Non-Employee Directors is shown in the following table.

Director	Annual Board/ Committee Retainer Fees ⁽¹⁾	Board and Business Meeting Fees	Committee Meeting Fees	Unit Awards ⁽²⁾	Total
Dr. Brown*	\$ 50,000	\$ 37,500	\$ 19,500	\$ 122,084	\$ 229,084
Mr. Burns	30,000	21,000	25,500	122,084	198,584
Mr. Burt.	32,000	22,500	16,500	122,084	193,084
Mr. Cornwell	30,000	21,000	19,500	122,084	192,584
Mr. Gray	30,000	21,000	12,000	122,084	185,084
Ms. Horner	30,000	27,000	13,500	122,084	192,584
Mr. Howell*	34,000	19,500	19,500	122,084	195,084
Dr. Ikenberry	40,250	24,000	19,500	122,084	205,834
Mr. Lorch	30,000	22,500	22,500	122,084	197,084
Dr. Mead*	39,000	19,500	27,000	122,084	207,584
Dr. Simmons*	36,000	27,000	13,500	122,084	198,584
Mr. Steere	26,000	21,000		122,084	169,084

* CHAIRMAN OF COMMITTEE

(1) Includes fees associated with chairing a Board Committee.

(2) The amounts shown include (i) 3600 Units issued under the Annual Unit Award Plan, valued at the closing price of Pfizer common stock (\$26.69) on the award date, April 26, 2005 for a total value of \$96,084, and (ii) Units equal in value to \$26,000 worth of Pfizer stock on the grant date, April 26, 2005, valued as described below under the heading Annual Retainer Unit Awards .

Annual Board/Committee Retainer Fees. Non-employee Directors receive an annual cash retainer of \$26,000 per year. Non-employee Directors who serve on one or more Board Committees (other than the Executive Committee and the Science and Technology Committee) receive an additional annual fee of \$4,000 per Committee. In addition, the Chair of a Board Committee (other than the Executive Committee and the Science and Technology Committee) receives an additional annual fee of \$6,000 per Committee. The Lead Independent Director receives an Annual Retainer Fee in the amount of \$25,000, in addition to the Directors' annual cash retainer. The annual Committee membership fee for each member of the Science and Technology Committee is \$8,000. The Chair of that Committee receives an additional \$16,000 per year.

Non-employee Directors who attend a meeting of the Executive Committee, if any is convened, will receive the usual meeting fee described below.

Meeting Fees. Non-employee Directors also receive a fee of \$1,500 for attending each Board meeting, Committee meeting, the Annual Meeting of Shareholders, and for each day of a visit to a plant or office and for any other business meeting to which the Director is invited as a representative of the Company.

Annual Unit Awards. Under the Pfizer Inc. Nonfunded Deferred Compensation and Unit Award Plan for Non-Employee Directors (the Unit Award Plan), a Non-employee Director is granted Pfizer stock-equivalent units which are not payable until the director ceases to be a member of the Board. An initial award of 3,600 Pfizer stock-equivalent units is granted to each Non-employee Director when they join the Board. Thereafter, each Non-employee Director is granted an annual award of 3,600 units on the day of our Annual Meeting, provided the

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Director continues to serve as a Director following the Meeting.

On the day of the 2005 Annual Meeting of Shareholders, all of our Non-employee Directors who continued as Directors were awarded 3,600 units under the Unit Award Plan, with a value at time of grant of \$96,084 (calculated based on the closing stock price of Pfizer stock (\$22.69) on the grant date).

Deferred Compensation. Non-employee Directors may defer all or a part of their annual cash retainers and meeting fees under the Unit Award Plan until they cease to be members of the Board. At a Director's election, the fees held in the Director's account may be credited either with interest at the rate of return of the Intermediate Treasury Index Fund of the Pfizer Savings Plan, or with units. The average rate of return of the Intermediate Treasury Index Fund for 2005 was 1.05. The numbers of units are calculated by dividing the amount of the deferred fee by the closing price of our common stock on the last business day of the fiscal quarter. The number of units in a Director's account is increased by the value of any distributions on the common stock. When a Director ceases to be a member of the Board, the amount held in the individual's account is paid in cash. The amount paid with respect to units is determined by multiplying the number of units in the account by the closing price of our common stock on the last business day before the payment date.

Annual Retainer Unit Awards. Under the Pfizer Inc. Annual Retainer Unit Award Plan, each year, on the day of our Annual Meeting, every Non-employee Director who continues to serve as a Director following the Meeting receives an annual retainer unit award, the equivalent of the value of his or her annual Board retainer fee in units. The number of units awarded to the Non-employee Director is based upon the five-day average of the closing trading price of our common stock on the New York Stock Exchange for the first five trading days after April 1 of each year (rounded up to the nearest unit). On the day of the 2005 Annual Meeting of Shareholders, all of our Non-employee Directors who continued as Directors were awarded 977 units under this Plan with a value at time of grant of \$26,000.

Effective March 1, 2006, no further awards will be granted under this plan.

Legacy Warner-Lambert Equity Compensation Plans. The former Warner-Lambert Directors receive reinvested dividends on their equity based awards, and one former Warner-Lambert Director receives interest at a rate of prime plus two percent, on their deferred cash balances under these plans.

In certain circumstances, we fund trusts established to secure our obligations to make payments to our non-employee Directors under the above benefit plans, programs or agreements in advance of the date that payment is due.

Effective March 1, 2006, the compensation for non-employee Directors has been modified to eliminate meeting fees and Committee retainers and consists solely of the following:

- an annual retainer of \$75,000; and
- an award of 5,000 Pfizer stock units to each Director upon joining the Board and to each Director upon election at each Annual Meeting of Shareholders.

If a Director attends less than 80% of Board and Committee meetings in a year, the Director's annual retainer will be pro-rated.

In addition, the Chairs of Board Committees and the Lead Independent Director will receive annual retainers as follows:

Capacity	Chairs of Compensation and Corporate Governance Committees	Chair of Audit Committee	Lead Independent Director and Chair of Science & Technology Committee
Retainer	\$15,000	\$20,000	\$25,000

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Securities Ownership of Officers and Directors

The table below shows the number of shares of our common stock beneficially owned as of March 1, 2006 by each of our Directors and each Named Executive Officer listed in the Summary Compensation Table, as well as the number of shares beneficially owned by all of our Directors and Executive Officers as a group. Together these individuals beneficially own less than one percent (1%) of our common stock. The table also includes information about stock options, stock units, restricted stock and deferred Performance-Contingent Share Awards credited to the accounts of our Directors and Executive Officers under various compensation and benefit plans.

There are currently no known beneficial owners of five percent (5%) or more of our common stock.

Beneficial Owners	Number of Shares or Units		
	Common Stock	Stock-Equivalent Units	Options Exercisable Within 60 days
Michael S. Brown	1,200	47,751 ⁽¹⁾	
M. Anthony Burns	21,162	54,552 ⁽¹⁾	
Robert N. Burt	12,200	44,776 ⁽¹⁾	
W. Don Cornwell	1,000 ⁽²⁾	56,926 ⁽¹⁾	
William H. Gray III	954	70,679 ⁽¹⁾	
Constance J. Horner	11,884	54,552 ⁽¹⁾	
William R. Howell	6,350	57,813 ⁽¹⁾	
Stanley O. Ikenberry	49,682 ⁽²⁾	155,754 ⁽¹⁾	
Karen Katen	823,777 ⁽³⁾	34,992 ⁽⁴⁾	1,536,784
Jeffrey B. Kindler	89,977 ⁽³⁾	7,066 ⁽⁴⁾	166,667
John L. LaMattina	397,467 ⁽²⁾⁽³⁾	39,449 ⁽⁴⁾	594,251
George A. Lorch	1,750	47,221 ⁽¹⁾	
Henry A. McKinnell	1,757,543 ⁽³⁾⁽⁵⁾	85,679 ⁽⁴⁾	3,600,732
Dana G. Mead	9,350	59,124 ⁽¹⁾	
David L. Shedlarz	533,618 ⁽²⁾⁽³⁾	60,869 ⁽⁴⁾	1,145,946
Ruth J. Simmons.	1,200	59,956 ⁽¹⁾	
William C. Steere, Jr.	1,955,768 ⁽²⁾⁽³⁾	60,869 ⁽¹⁾⁽⁴⁾	4,386,950
All Directors and Executive Officers as a group (17)	5,674,882	998,028	11,431,330

- (1) As of March 1, 2006, these units are held under the Pfizer Inc. Nonfunded Deferred Compensation and Unit Award Plan for Non-Employee Directors and the Pfizer Inc. Annual Retainer Unit Award Plan. The value of a Director's unit account is measured by the price of our common stock. The Plans are described in this Proxy Statement under the heading "2005 Compensation of Non-Employee Directors." This number also includes the following number of units resulting from the conversion into Pfizer units of previously deferred Warner-Lambert director compensation under the Warner-Lambert Company 1996 Stock Plan: Mr. Burt, 17,613 units; Mr. Gray, 43,515 units; Mr. Howell, 30,649 units; and Mr. Lorch, 11,453 units. That Plan is described in this Proxy Statement under the heading "Employee Benefit and Long-Term Compensation Plans Warner-Lambert Company 1996 Stock Plan."
- (2) These shares include the following number of shares held in the names of family members, as to which beneficial ownership is disclaimed: Mr. Cornwell, 400 shares; Dr. Ikenberry, 8,300 shares; Dr. LaMattina, 17,396 shares; Mr. Shedlarz, 2,098 shares; and Mr. Steere, 14,808 shares.
- (3) As of March 1, 2006, this number includes shares credited under the Pfizer Savings Plan and/or deferred Performance-Contingent Share Awards granted under the 2001 Performance-Contingent Share Award Plan or its predecessor Program. These plans are described in this Proxy Statement under the heading "Employee Benefit and Long-Term Compensation Plans."
- (4) As of March 1, 2006, these units are held under the Supplemental Savings Plan. The value of these units is measured by the price of our common stock. The Supplemental Savings Plan is described in this Proxy Statement under the heading "Employee Compensation and Long-Term Benefit Plans Pfizer Savings Plan." Mr. Steere holds units under the Supplemental Savings Plan and units as described in footnote 1.
- (5) As of March 1, 2006, this includes the following number of shares held in a Grantor Retained Annuity Trust: Dr. McKinnell, 172,462 shares.

Section 16(a) Beneficial Ownership Reporting Compliance, Related Party Transactions and Legal Proceedings

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our Directors and executive officers to file reports of holdings and transactions in Pfizer shares with the SEC and the New York Stock Exchange. Based on our records and other information, we believe that in 2005 our Directors and our officers who are subject to Section 16 met all applicable filing requirements, except as described below:

Upon becoming subject to Section 16 in March 2005, Alan G. Levin, our Senior Vice President and Chief Financial Officer, filed a Form 3 with the Securities and Exchange Commission on a timely basis that inadvertently failed to include 12,240 shares held in a brokerage account. Promptly after discovering the omission, Mr. Levin filed an amendment to the Form 3 reporting the ownership of those shares.

Upon becoming subject to Section 16 in March 2005, Joseph M. Feczko, our Vice President and Chief Medical Officer, filed a Form 3 with the Securities and Exchange Commission on a timely basis. Due to an inadvertent administrative error by the Company, the Form 3 failed to include 43,920 shares that had been earned by Dr. Feczko under the Company's Performance-Contingent Share Award Plan shortly before the Form 3 was filed. Promptly after being informed of the omission, Dr. Feczko filed an amendment to the Form 3 reporting the ownership of those shares.

Related Party Transactions

In connection with his retirement, we entered into a consulting agreement with Mr. Steere, a member of our Board of Directors. The agreement provides that Mr. Steere will serve as Chairman Emeritus of the Company and, when and as requested by the Chief Executive Officer, will provide consulting services and advice to the Company and participate in various external activities and events for the benefit of the Company. The term of the agreement, which began on July 1, 2001 after Mr. Steere ceased his employment with the Company, is for five years, and automatically extends for successive five-year terms unless Mr. Steere or the Company terminates the agreement at the end of its then-current term. Mr. Steere may provide up to 30 days per year to the Company, subject to his reasonable availability, for his consulting services or his participation as a Company representative in external activities and events. He must obtain the approval of the Board of Directors before providing any consulting services, advice or service of any kind to any other company or organization that competes with us. For his services and commitments, the Company pays Mr. Steere (i) an annual retainer of \$50,000 for his consulting services (subject to his ability to continue to provide the contemplated services), and (ii) an additional fee of \$5,000 for each day in excess of 30 days per year that he renders services as described above. We also reimburse him for reasonable expenses that he incurs in providing these services for us.

In addition, under the terms of the agreement, we provide him lifetime access to Company facilities and services comparable to those that were made available to him by the Company prior to his retirement. These include the use of an office and access to the secretarial services of an administrative assistant; access to financial planning services; and the use of a car and driver and of Company aircraft. Mr. Steere has chosen to personally pay for his financial planning services and voluntarily reimburses the Company for all personal use of Company-provided transportation.

We paid Mr. Steere \$50,000 in 2005 under the terms of this consulting agreement.

Legal Proceedings

Beginning in late 2004, actions, including purported class and shareholder derivative actions, have been filed in various federal and state courts against Pfizer, all current Non-employee Directors, all Named Executive Officers listed in the Summary Compensation

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Table, certain other current and former officers and employees and certain former Directors of Pfizer. These actions include: (i) purported class actions alleging that Pfizer and certain officers of Pfizer violated federal securities laws by misrepresenting the safety of certain arthritis medicines; (ii) purported shareholder derivative actions alleging that certain of Pfizer's current and former officers and Directors breached fiduciary duties by causing Pfizer to misrepresent the safety of those arthritis medicines; and (iii) purported class actions filed by persons who claim to be participants in the Pfizer Savings Plan alleging that Pfizer and certain officers, Directors and employees of the Company violated certain provisions of the Employee Retirement Income Security Act of 1974 (ERISA) by selecting and maintaining Pfizer stock as an investment alternative when it allegedly no longer was a suitable or prudent investment option. In June 2005, the federal securities, fiduciary duty and ERISA actions were transferred for consolidated pre-trial proceedings to a Multi-District Litigation (In re Pfizer Inc. Securities, Derivative and ERISA Litigation MDL-1688) in the U.S. District Court for the Southern District of New York. Pursuant to the indemnification provision contained in our By-laws, the Company is paying the expenses (including attorneys' fees) incurred by these current and former officers, Directors and employees in defending these actions. Each of these individuals has provided an undertaking to repay all amounts advanced if it is ultimately determined that he or she is not entitled to be indemnified.

PROPOSALS REQUIRING YOUR VOTE

ITEM 1 Election of Directors

Our Board of Directors currently has thirteen members. Each of these Board members is standing for re-election, to hold office until the next Annual Meeting of Shareholders. A plurality of votes cast is required for the election of Directors.

However, under our Corporate Governance Principles, in an uncontested election, any nominee for Director who receives a greater number of votes withheld from his or her election than votes for such election (a Majority Withheld Vote) is required to tender his or her resignation following certification of the shareholder vote.

The Corporate Governance Committee shall promptly consider the resignation offer and a range of possible responses based on the circumstances that led to the Majority Withheld Vote, if known, and make a recommendation to the Board. The Board will act on the Corporate Governance Committee's recommendation within 90 days following certification of the shareholder vote.

Thereafter, the board will promptly disclose its decision-making process and decision regarding whether to accept the Director's resignation offer (or the reason(s) for rejecting the resignation offer, if applicable) in a Form 8-K furnished to the Securities and Exchange Commission.

Any Director who tenders his or her resignation pursuant to this provision shall not participate in the Corporate Governance Committee recommendation or Board action regarding whether to accept the resignation offer.

However, if each member of the Corporate Governance Committee received a Majority Withheld Vote at the same election, then the independent Directors who did not receive a Majority Withheld Vote will appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept them. However, if the only Directors who did not receive a Majority Withheld Vote in the same election constitute three or fewer Directors, all Directors may participate in the action regarding whether to accept the resignation offers.

Each nominee elected as a Director will continue in office until his or her successor has been elected and qualified, or until his or her earlier death, resignation 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, proxies will be voted in favor of the remainder of those nominated and may be voted for substitute nominees, unless the Board chooses to reduce the number of Directors serving on the Board.

The principal occupation and certain other information about the nominees is set forth on the following pages.

The Proxy Committee appointed by the Board of Directors intends to vote the proxy (if you are a shareholder of record) for the election of each of these nominees, unless you indicate on the proxy card that your vote should be withheld from any or all of the nominees.

The Board of Directors unanimously recommends a vote FOR the election of these nominees as Directors.

NOMINEES FOR DIRECTORS

Name and Age as of the April 27, 2006 Annual Meeting		Position, Principal Occupation, Business Experience and Directorships
Michael S. Brown	65	Distinguished Chair in Biomedical Sciences from 1989 and Regental Professor from 1985 at the University of Texas Southwestern Medical Center at Dallas. Co-recipient of the Nobel Prize in Physiology or Medicine in 1985 and the National Medal of Science in 1988. Member of the National Academy of Sciences and the Institute of Medicine. Director of Regeneron Pharmaceuticals, Inc. Our Director since 1996. Chair of our Science and Technology Committee and member of our Corporate Governance Committee.
M. Anthony Burns	63	Chairman Emeritus since May 2002, Chairman of the Board from May 1985 to May 2002, Chief Executive Officer from January 1983 to November 2000, and President from December 1979 to June 1999 of Ryder System, Inc., a provider of transportation and logistics services. Director of The Black & Decker Corporation and J. C. Penney Company, Inc. Life Trustee of the University of Miami. Our Director since 1988. Member of our Audit Committee and our Executive Committee.
Robert N. Burt	68	Retired Chairman and Chief Executive Officer of FMC Corporation, a company that manufactures chemicals, and FMC Technologies, Inc., a company that manufactures machinery. Mr. Burt was Chairman of the Board of FMC Corporation from 1991 to December 2001, its Chief Executive Officer from 1991 to August 2001 and a member of its Board of Directors from 1989 to April 2002. Chairman of the Board of FMC Technologies, Inc., from June 2001 to December 2001 and its Chief Executive Officer from June 2001 to August 2001. Director of Phelps Dodge Corporation, Life Trustee of the Rehabilitation Institute of Chicago and Director of the Chicago Public Education Fund. Our Director since June 2000. Member of our Compensation Committee.
W. Don Cornwell	58	Chairman of the Board and Chief Executive Officer since 1988 of Granite Broadcasting Corporation, a group broadcasting company. Director of Avon Products, Inc. and CVS Corporation. (Mr. Cornwell has announced his intention to step down from the board of one public company before the end of 2006.) Also a Director of the Wallace Foundation and the Telecommunications Development Fund. Trustee of Big Brothers/Sisters of New York. Our Director since February 1997. Member of our Audit Committee.

NOMINEES FOR DIRECTORS

Name and Age as of the April 27, 2006 Annual Meeting	Position, Principal Occupation, Business Experience and Directorships
William H. Gray III 64	Chairman of the Amani Group, a government affairs firm, since August 2004. Senior Advisor on Public Policy and Business Diversity at the law firm of Buchanan Ingersoll PC since June 2005. Pastor Emeritus of the Bright Hope Baptist Church in Philadelphia since June 2005. President and Chief Executive Officer of The College Fund/UNCF (Educational Assistance) from September 1991 to March 2004. Mr. Gray served as a Congressman from the Second District of Pennsylvania from 1979 to 1991, and at various times during his tenure, served as Budget Committee Chair and House Majority Whip. Director of Dell Inc., J. P. Morgan Chase & Co., Prudential Financial, Inc. and Visteon Corporation. Our Director since June 2000. Member of our Corporate Governance Committee.
Constance J. Horner 64	Guest Scholar from 1993 until 2005 at The Brookings Institution, an organization devoted to nonpartisan research, education and publication in economics, government, foreign policy and the social sciences. Commissioner of the U.S. Commission on Civil Rights from 1993 to 1998. Served at the White House as Assistant to President George H. W. Bush and as Director of Presidential Personnel from August 1991 to January 1993. Deputy Secretary, U.S. Department of Health and Human Services from 1989 to 1991. Director of the U.S. Office of Personnel Management from 1985 to 1989. Director of Ingersoll-Rand Company Limited and Prudential Financial, Inc.; Fellow, National Academy of Public Administration; Trustee, Annie E. Casey Foundation; Member of the Board of Trustees of the Prudential Foundation. Our Director since 1993. Member of our Corporate Governance Committee and our Executive Committee.
William R. Howell 70	Chairman Emeritus of J. C. Penney Company, Inc., a major retailer, since 1997. Chairman of the Board and Chief Executive Officer of J. C. Penney Company, Inc. from 1983 to 1997. Director of American Electric Power Company, ExxonMobil Corporation, Halliburton Company and The Williams Companies, Inc. He is also a Director of Deutsche Bank Trust Corporation and Deutsche Bank Trust Company Americas, the non-public wholly owned subsidiaries of Deutsche Bank A.G. Our Director since June 2000. Chair of our Audit Committee.

NOMINEES FOR DIRECTORS

Name and Age as of the April 27, 2006 Annual Meeting	Position, Principal Occupation, Business Experience and Directorships
Stanley O. Ikenberry 71	President Emeritus, Regent Professor, Department of Educational Organization and Leadership, University of Illinois, since September 2001. President, from November 1996 to June 2001, of the American Council on Education, an independent nonprofit association dedicated to ensuring high-quality education at colleges and universities throughout the United States. President, from 1979 through July 1995, of the University of Illinois. Director of Aquila, Inc. President, Board of Overseers of Teachers Insurance & Annuity Association College Retirement Equities Fund (TIAA-CREF). Our Director since 1982. Our Lead Independent Director since October 1, 2005. Member of our Compensation Committee, Science and Technology Committee and our Executive Committee.
George A. Lorch 64	Chairman Emeritus of Armstrong Holdings, Inc., a global company that manufactures flooring and ceiling materials, since August 2000. Chairman and Chief Executive Officer of Armstrong Holdings, Inc. from May 2000 to August 2000, and its President and Chief Executive Officer from September 1993 to May 1994. Chairman of Armstrong World Industries, Inc. from May 1994 to May 2000, its President and Chief Executive Officer from September 1993 to May 2000, and a Director from 1988 to November 2000. Director of Autoliv, Inc. and The Williams Companies, Inc. He is also a Director of HSBC Finance Co. and HSBC North America Holding Company, the non-public, wholly owned subsidiaries of HSBC LLC. Our Director since June 2000. Member of our Compensation Committee.
Henry A. McKinnell 63	Chairman of our Board since May 2001. Our Chief Executive Officer since January 2001. Our President from May 1999 to May 2001, and President, Pfizer Pharmaceuticals Group, the principal operating division of the Company, from January 1997 to April 2001. Chief Operating Officer from May 1999 to December 2000 and Executive Vice President from 1992 to 1999. Director of ExxonMobil Corporation and Moody's Corporation. Chairman of the Business Roundtable. Trustee of the New York City Public Library and the New York City Police Foundation. Our Director since June 1997. Chair of our Board's Executive Committee and a member of the Pfizer Executive Committee.

NOMINEES FOR DIRECTORS

Name and Age as of the April 27, 2006 Annual Meeting	Position, Principal Occupation, Business Experience and Directorships
Dana G. Mead	70 Chairman of Massachusetts Institute of Technology Corporation since July 1, 2003. Chairman and Chief Executive Officer of Tenneco, Inc. from 1994 until his retirement in 1999. Chairman of two of the successor companies of the Tenneco conglomerate, Tenneco Automotive Inc. and Pactiv Corporation, global manufacturing companies with operations in automotive parts and packaging, from November 1999 to March 2000. Director of Zurich Financial Services. Chairman of the Board of the Ron Brown Award for Corporate Leadership and a Lifetime Trustee of the Association of Graduates, U.S. Military Academy, West Point. Former Chairman of the Business Roundtable and of the National Association of Manufacturers. Our Director since January 1998. Chair of our Compensation Committee and a member of our Science and Technology Committee.
Ruth J. Simmons	60 President of Brown University since July 1, 2001. President, from 1995 to 2001, of Smith College. Vice Provost of Princeton University from 1992 to 1995. Director of The Goldman Sachs Group, Inc. and Texas Instruments Incorporated. Member of the National Academy of Arts and Sciences, the American Philosophical Society, the Council on Foreign Relations and the Secretary's Advisory Committee on Leadership and Management of the U.S. Department of State. Member of the Board, Alliance for Lupus Research. Chair, Visiting Committee, Bennett College. Our Director since January 1997. Chair of our Corporate Governance Committee.
William C. Steere, Jr.	69 Chairman Emeritus of Pfizer Inc. since July 2001. Chairman of our Board from 1992 to April 2001 and our Chief Executive Officer from February 1991 to December 2000. Director of Dow Jones & Company, Inc., MetLife, Inc. and Health Management Associates, Inc. Director of the New York University Medical Center and the New York Botanical Garden. Member of the Board of Overseers of Memorial Sloan-Kettering Cancer Center. Our Director since 1987.

NAMED EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS

Name and Age as of the April 27, 2006 Annual Meeting	Position, Principal Occupation, Business Experience and Directorships
Karen Katen 57	Our Vice Chairman and President Pfizer Human Health, since March 2005. Executive Vice President and President of Pfizer Global Pharmaceuticals, the Company's worldwide pharmaceutical organization, from April 2001 to March 2005. President of our U.S. Pharmaceuticals Group from June 1995 to July 2002. Senior Vice President of the Company from May 1999 to April 2001. She is a Director of General Motors Corporation and Harris Corporation. Ms. Katen, a member of the Pfizer Executive Committee, joined us in 1974.
David L. Shedlarz 58	Our Vice Chairman since March 2005. Executive Vice President from May 1999 to March 2005 and our Chief Financial Officer from June 1995 to March 2005. Mr. Shedlarz was appointed a Senior Vice President in January 1997 with additional worldwide responsibility for our former Medical Technology Group. He is a Director of Pitney Bowes Inc., Trustee of the International Accounting Standards Committee Foundation and a member of the J. P. Morgan Chase & Co. National Advisory Board and the Standing Advisory Group of the Public Company Accounting Oversight Board. He also serves as Director of the Board of Overseers, Leonard N. Stern School of Business, New York University; and Director of the National Multiple Sclerosis Society. Mr. Shedlarz, a member of the Pfizer Executive Committee, joined us in 1976.
Jeffrey B. Kindler 50	Our Vice Chairman and General Counsel since March 2005. Executive Vice President and General Counsel from April 2004 to March 2005, and Senior Vice President and General Counsel from January 2002 to April 2004. Prior to joining Pfizer, Mr. Kindler served as Chairman of Boston Market Corporation, a food service company owned by McDonald's Corporation, from 2000 to 2001, and President of Partner Brands, also owned by McDonald's, during 2001. He was Executive Vice President, Corporate Relations and General Counsel of McDonald's Corporation from 1997 to 2001, and from 1996 to 1997 served as that company's Senior Vice President and General Counsel. Mr. Kindler is a member of the Pfizer Executive Committee.
John L. LaMattina 56	Our Senior Vice President; President, Pfizer Global Research and Development since October 2003. Dr. LaMattina has held various positions of increasing responsibility in research and development. He was elected Vice President of Pfizer Inc.; Executive Vice President Pfizer Global Research and Development; President Worldwide Research and Technology Alliances in May 2002. He was elected Vice President of Pfizer Inc.; Executive Vice President Pfizer Global Research and Development; President Worldwide Research in April 2001. He was elected Senior Vice President of Worldwide Development in 1999. He is a Director of Thermo Electron Corporation. Dr. LaMattina, a member of the Pfizer Human Health Leadership Team, joined us in 1977.

ITEM 2 Ratification of Independent Registered Public Accounting Firm

The Board of Directors, upon the recommendation of its Audit Committee, has ratified the selection of KPMG LLP to serve as our independent registered public accounting firm for 2006, subject to ratification by our shareholders.

Representatives of KPMG LLP 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.

We are asking our shareholders to ratify the selection of KPMG LLP as our independent registered public accounting firm. Although ratification is not required by our By-laws or otherwise, the Board is submitting the selection of KPMG LLP to our shareholders for ratification because we value our shareholders' views on the Company'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 as a direction 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 in its discretion may select a different independent registered public accounting firm, subject to ratification by the Board, at any time during the year if it determines that such a change would be in the best interests of the Company and our shareholders.

Your Board of Directors unanimously recommends a vote FOR the ratification of KPMG LLP as our independent registered public accounting firm for 2006.

Audit and Non-Audit Fees

The following table presents fees for professional audit services rendered by KPMG LLP for the audit of the Company's annual financial statements for the years ended December 31, 2005, and December 31, 2004, and fees billed for other services rendered by KPMG LLP during those periods.

	2005	2004
Audit fees:¹	\$ 23,358,000	\$ 25,493,000
Audit-related fees:²	1,005,000	2,827,000
Tax fees:³	5,952,000	10,950,000
All other fees:⁴	0	0
Total	\$ 30,315,000	\$ 39,270,000

- (1) Audit fees consisted principally of audit work performed on the consolidated financial statements and internal control over financial reporting, as well as work generally only the independent registered public accounting firm can reasonably be expected to provide, such as statutory audits.
- (2) Audit-related fees were principally for the audits of employee benefit plans in 2005. In 2004 these fees were principally for documentation assistance procedures to meet the requirements of the Sarbanes-Oxley Act of 2002 and also included fees for the audits of employee benefit plans.
- (3) Tax fees were for services related to tax compliance, reporting and assistance with matters related to the merging of various Pharmacia corporate entities with Pfizer in 2005 and 2004.
- (4) The Company generally does not engage KPMG LLP for other services.

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

Consistent with SEC rules regarding auditor independence, the Audit Committee has responsibility for appointing, setting compensation and overseeing the work 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.

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

1. ***Audit*** services include audit work performed on the financial statements and internal control over financial

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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.

2. **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.
3. **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.
4. **All Other** services are those services not captured in the audit, audit-related or tax categories. The Company generally does not request such services from the independent registered public accounting firm.

Prior to engagement, the Audit Committee pre-approves independent 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 member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next scheduled meeting.

Audit Committee Report

The Audit Committee reviews the Company'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.

In this context, the Committee has met and held discussions with management and the independent registered public accounting firm regarding the fair and complete presentation of the Company's results and the assessment of the Company's internal control over financial reporting. The Committee has discussed significant accounting policies applied by the Company in its financial statements, as well as alternative treatments. Management represented to the Committee that the Company's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, and the Committee has 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 by Statement on Auditing Standards No. 61 (Communication with Audit Committees).

In addition, the Committee reviewed and discussed with the independent registered public accounting firm the auditor's independence from the Company and its management. As part of that review, the Committee received the written disclosures and letter required by the Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and by all relevant professional and regulatory standards relating to KPMG's independence from the

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

The Committee reviewed and discussed Company policies with respect to risk assessment and risk management.

The Committee discussed with the Company's internal auditor and independent registered public accounting firm the overall scope and plans for their respective audits. The Committee meets with the internal auditor and independent registered public accounting firm, with and without management present, to discuss the results of their examinations, the evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2005, for filing with the Securities and Exchange Commission. The Committee has selected, and the Board of Directors has ratified, subject to shareholder ratification, the selection of the Company's independent registered public accounting firm.

The Audit Committee:

Mr. Howell (Chair)
Mr. Cornwell
Mr. Burns

The Audit Committee Report does not constitute soliciting material, and shall not be deemed to be filed or incorporated by reference into any other 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.

**ITEM 3 Management Proposal to Amend the Company's Restated
Certificate of Incorporation to Eliminate the Supermajority
Vote Requirements and Fair Price Provision**

The Board of Directors has considered carefully the advantages and disadvantages of the supermajority vote requirements and the fair price provision (explained below) in our Restated Certificate of Incorporation. After this review, the Board of Directors determined that it is appropriate to propose an amendment to the Restated Certificate of Incorporation that would eliminate these provisions. This determination by the Board furthers its goal of increasing its accountability to Shareholders.

Some supermajority vote provisions, such as the fair price provision in the Restated Certificate of Incorporation, are intended to encourage a person making an unsolicited bid for a company to negotiate with the Board of Directors to reach terms that are fair and in the best interests of Shareholders. Other provisions, such as those in our Restated Certificate of Incorporation that require a supermajority vote to amend certain provisions of the Restated Certificate of Incorporation, can be viewed as facilitating corporate governance stability by requiring broad stockholder consensus to effect changes. However, many investors and others view these provisions as inconsistent with principles of good corporate governance. Although these measures can be beneficial, the Board recognizes that the requirement of a supermajority vote can limit the ability of a majority of the Shareholders at any particular time to effect change by essentially providing a veto to a large minority shareholder or group of shareholders. In addition, a lower threshold for shareholder votes can increase shareholders' ability to participate effectively in corporate governance.

To effect these changes, our Board of Directors is recommending that the Shareholders approve certain amendments to Article Seventh, and the deletion of Article Eighth, of Pfizer's Restated Certificate of Incorporation. These provisions and the proposed amendments are described below.

Supermajority Vote Requirements

Article SEVENTH of our Restated Certificate of Incorporation requires the affirmative vote of at least 80% of our outstanding voting stock to amend, alter or repeal certain provisions of our Restated Certificate of Incorporation. The proposed amendments would remove the 80% supermajority vote requirement currently in place to approve, alter, amend or repeal the provisions of the Restated Certificate of Incorporation relating to:

The authorized number of directors of the Corporation;

The authority of a majority of the Board of Directors to fill newly created directorships resulting from increases in the authorized number of directors or vacancies in the Board of Directors;

The number of directors necessary to constitute a quorum;

The power of the Board of Directors to adopt, amend or repeal the By-laws of the Corporation;

The role of the Board of Directors to direct management of the Company;

The ability of shareholders to amend or repeal any of the foregoing provisions; and

The limitation of directors' liability under Delaware law.

If such amendment is approved by the Shareholders, the principal effect will be that those provisions may be amended, altered or repealed upon approval of the Board of Directors and the vote of the holders of a majority of Pfizer's outstanding stock entitled to vote on such amendment.

Fair Price Provision

Article EIGHTH of our Restated Certificate of Incorporation, which is sometimes referred to as a fair price provision, requires the affirmative vote of the holders of at least 80% of the outstanding voting stock to approve certain transactions involving any person or group that beneficially owns at least 10% of our outstanding voting stock (a Related Person). Under the proposed amendments, this Article would be deleted in its entirety. The current supermajority requirements of Article EIGHTH apply to the following transactions between a Related Person and Pfizer:

A merger or consolidation;

A sale, lease, exchange or other disposition of all or any substantial part of Pfizer's assets or any of its majority owned subsidiaries;

Certain issuances to a Related Person of our stock or securities convertible into or exchangeable for our stock or stock of one of our a majority-owned subsidiaries; or

A voluntary dissolution or liquidation.

This voting requirement does not apply to (a) transactions approved by the Board of Directors and the majority of the Continuing Directors (directors who were directors prior to the time the Related Person became a Related Person, and directors recommended for election by such directors) and (b) in the case of any action or transaction pursuant to which shareholders will receive cash, property, securities or other consideration, the cash or market value of the property, securities or other consideration to be received by the shareholders is deemed to be fair (the cash or market value must be not less than the higher of (x) the highest price per share paid by the Related Person in acquiring any of its holdings of Pfizer stock, or (y) the highest closing sale price on any day either since the Related Person acquired its first share of capital stock of Pfizer which it continues to own or control or during the five years preceding the date of consideration of the action or transaction by the Pfizer's Board of Directors, whichever period is shorter). ARTICLE EIGHTH also includes: restrictions on certain other actions by Related Persons; certain technical provisions; and a requirement that Article EIGHTH can only be amended, altered or repealed with the affirmative vote of the holders of at least 80% of all of the then outstanding shares of voting stock, voting together as a single class.

The repeal of Article EIGHTH will have two principal effects on stockholder voting: First, those transactions covered by Article EIGHTH that would otherwise require a stockholder vote under the Delaware General Corporation Law would require the vote of the holders of a majority of our outstanding stock, rather than an 80% supermajority vote. Second, the Board of Directors will be able to effect, without obtaining stockholder approval, those transactions covered by Article EIGHTH that do not otherwise require stockholder approval under Delaware law.

Pfizer will continue to be subject to Section 203 of the Delaware General Corporation Law without regard to whether the proposed amendments are approved. Section 203 provides, in general, that a transaction constituting a business combination within the meaning of Section 203 involving a person owning 15% or more of our voting stock (referred to as an interested stockholder), cannot be completed for a period of three years after the date the person became an interested stockholder unless (1) the Board of Directors approved either the business combination or the transaction that resulted in the person becoming an interested stockholder prior to such business combination or transaction, (2) upon consummation of the transaction that resulted in the person becoming an interested stockholder, that person owned at least 85% of our outstanding voting stock (excluding shares owned by persons who are directors and also officers of Pfizer and shares owned by certain Pfizer employee benefit plans), or (3) the business combination was approved by the Board of Directors and by the affirmative vote of at least 66²/₃% of our outstanding voting stock not owned by the interested stockholder.

The Board of Directors has adopted resolutions approving and declaring the advisability of amendments to our Restated Certificate of Incorporation to eliminate these supermajority vote requirements and the fair price provision. The proposed amendments to the Restated Certificate of Incorporation are set forth in Annex 7, with deletions indicated by strikeout and additions indicated by underline.

The affirmative vote of at least 80% of all outstanding shares of Common Stock is required for approval of this proposal. An abstention on this proposal is not an affirmative vote and therefore will have the same effect as a vote against this proposal. Therefore, it is important that you vote your shares either in person at the Meeting or by proxy.

The Board of Directors unanimously recommends a vote FOR the proposal to amend the Restated Certificate of Incorporation to eliminate all supermajority vote requirements and the fair price provision.

SHAREHOLDER PROPOSALS

We expect the following proposals (Items 4 through 11 on the proxy card) to be presented by shareholders at the Annual Meeting. Some of the proposals contain assertions about Pfizer that we believe are incorrect. We have not attempted to refute all these inaccuracies. However, the Board of Directors has recommended a vote against these proposals for broader policy reasons as set forth following each proposal. Names, addresses and share holdings of the various shareholder proponents and, where applicable, of co-filers, will be supplied upon request.

ITEM 4 Shareholder Proposal Relating to Term Limits for Directors

Resolved: That the stockholders of Pfizer recommend that the Board take the necessary steps so that future outside directors shall not serve for more than six years.

Reasons: The President of the U.S.A. has a term limit, so do Governors of many states.

Newer directors may bring in fresh outlooks and different approaches with benefits to all shareholders.

No director should be able to feel that his or her directorship is until retirement.

Last year the owners of 369,835,214 shares, representing approximately 7.9% of shares voting, voted for this proposal.

If you AGREE, please mark your proxy FOR this resolution.

YOUR COMPANY'S RESPONSE

We believe that arbitrary six-year terms for members of Pfizer's Board of Directors is not in the best interests of the Company and its shareholders. The process that brings a new medicine from initial discovery to approval for patients is among the most complex, lengthy and investment-intensive research processes in industry. Setting an arbitrary limit on the terms of Directors could result in the premature departure of Directors who have acquired extensive knowledge of our industry and Company. Rather than deprive the Company and the Board of the service of highly valued Directors by imposing fixed-term limits, our Board follows practices designed to ensure that directors are well qualified and well evaluated in their performance. In addition, every member of the Board of Directors stands for election by the shareholders every year. Below are our practices for Director Qualification and election, as stated in our Restated Certificate of Incorporation and in our Corporate Governance Principles.

Annual Election of Directors

All Directors are elected on an annual basis, following a formal nomination by the Corporate Governance Committee of the Board. This Committee, which is comprised solely of independent directors, annually considers the merits of all candidates and their individual contributions to the Board prior to making these nominations.

Majority Voting

In June 2005, the Board adopted an innovative amendment to the Company's Corporate Governance Principles that requires any Director receiving a greater number of Withheld votes than For votes to tender his or her resignation to the Corporate Governance Committee. A full description of the policy on Voting for Directors is found in this Proxy Statement under the caption Election of Directors and in our Corporate Governance Principles under Voting for Directors.

Annual Board Self Evaluation

The Board prepares an annual self-evaluation, and this process is also an important factor in determining continuing service.

Change in Director Occupation

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When a Director's principal occupation or business association changes substantially during his or her tenure as a Director, that Director must tender his or her resignation for consideration by the Corporate Governance Committee, which recommends to the full Board the action, if any, to be taken with respect to the resignation.

Mandatory Retirement Age

Directors are required to retire from the Board when they reach the age of 72.

Director Qualification Standards

As outlined in this Proxy Statement, our Board of Directors has adopted a formal set of categorical Director Qualification Standards with respect to the determination of director independence, which either meet or exceed the standards set by the New York Stock Exchange. These standards must be met by all Directors not only at the time of initial election to the Board, but in each year of a Director's service.

We believe that the principles and practices currently in place provide the means to ensure the continuity of independent oversight by the Pfizer Board, and that requiring term limits could weaken the Board and undermine our system of corporate governance.

Your Board of Directors unanimously recommends a vote AGAINST this proposal.

**ITEM 5 Shareholder Proposal Requesting Reporting on
Pharmaceutical Price Restraint**

Shareholders request the Board of Directors report by September 2006 on measures Pfizer is taking to contain the price increases of its most-prescribed drugs to levels equal to or below the annual rate of inflation.

SUPPORTING STATEMENT:

Enacting this proposal will align our company with its previously stated practice on prescription drug price increases.

Access to pharmaceutical products is essential for adequate health care for all Americans; we believe that restraining price increases is an effective way to expand access to pharmaceutical products.

In 2002, Pfizer stated: Over the past decade, after accounting for discounts to federal government buyers and Medicaid, Pfizer's annual price increase in the United States has averaged less than the annual rate of inflation as measured by the Consumer Price Index. (*Improving Access to Innovative Medicines* , Pfizer Forum, 2002).

2004 saw the largest average annual price increases in four years, with Pfizer's increases ranging from 2.9% (Lipitor 20 mg and 40 mg) to Norvasc (7.1%). (AARP Public Policy Institute, April 2005).

In 2003, more than 14 million American adults with chronic conditions could not afford all of their prescriptions. As medical needs for prescription drugs increase, the proportion of working-age Americans, especially those with chronic conditions, going without prescription drugs because of cost concerns will likely grow. (Center for Studying Health System Change Issue Briefing 95, May 2005);

In a survey, one-fifth of all women said they hadn't bought at least one prescribed drug because they felt they couldn't afford it. (Kaiser Family Foundation July 2005)

Spending in the U.S. for prescription drugs rose by 400% since 1990, with price increases for existing drugs accounting for 25% of the increase. (Kaiser Family Foundation, Prescription Drug Trends, October 2004).

We believe our proposal can be implemented with minimal disruption of research and development. As *The Economist* noted: There is a fallacy that the price of a drug is somehow related to the cost of R&D. One will often hear arguments made by industry to justify high prices. The reality is that the price of a drug on the market has absolutely no relation to how much it cost to produce it. Drugs are priced in a way...that is essentially what the market will bear. (*Prescription for Change* , The Economist, June 16, 2005)

Rapidly rising drug costs reduce the impact of drug discount programs and prescription drug benefits. The *LA Times* reported that industry discount programs are not easy to work with and some health care providers have had to hire full-time staff members who do nothing but help patients with their applications. (*Free drugs for poor may be hard to get* , Los Angeles Times, May 15, 2005).

Our company offers a discount drug program for the uninsured, Pfizer Pfriends. While such programs are welcome, moderating price increases could be a more efficient and effective way to increase access to medicines, with minimal impacts of profits and research.

If you agree, please vote in favor of this proposal.

YOUR COMPANY'S RESPONSE

Pfizer is deeply concerned about Americans who do not have adequate access to healthcare, including their medicines. We have demonstrated a commitment to meaningful and sustainable programs that provide greater access to our medicines. In 2005, we provided more than \$1 billion in free and low cost medicines to patients in the United States.

We are committed to maintaining our effort to assure that our medicines are available to those who need them. This commitment extends to new cancer medicines, such as Sutent, as well as HIV medicines either marketed or in development.

In our view, part of Pfizer's commitment to access in the United States has been a history of moderate pricing. Over the past decade, we have typically introduced our new medicines at prices lower than those of competing products and have typically raised prices less than have the

makers of other products.

Over 30 years of providing access to Pfizer medicines

Pfizer has over a 30-year history in providing access to medicines for those without

prescription coverage. These programs provide access to many Pfizer medicines, including new medicines and those most widely prescribed. Through a single toll free number (866 706 2400) live operators guide patients to programs best suited to their needs, including both Pfizer-sponsored and public assistance programs, based on their income and medical needs. Anyone interested in knowing more about these programs and how they are helping people today can visit www.PfizerHelpfulAnswers.com.

Pfizer Helpful Answers

In July 2004, we launched Pfizer Helpful Answers to help expand access to Pfizer prescription medicines. Pfizer Helpful Answers is a family of programs to help people without prescription coverage save on many Pfizer medicines; regardless of age or income. Some people may qualify to get their Pfizer medicines for free depending on their income.

Together Rx Access

Additionally, Pfizer participates in Together Rx Access (www.togetherrxaccess.com), a program where 10 pharmaceutical companies offer savings on over 275 medicines to Americans without prescription coverage and not eligible for Medicare.

Partnership for Prescription Assistance

Pfizer also participates in the Partnership for Prescription Assistance, which is an industry program that offers a single point of access to more than 475 patient assistance programs, including 180 programs offered by pharmaceutical companies, such as Pfizer Helpful Answers.

International Initiatives

Internationally, we are combating HIV/AIDS and trachoma in developing countries through donating medicines, training health care providers, funding public health initiatives and building medical infrastructure. We are very proud of our efforts in all parts of the world and are convinced that we are doing a great deal of good for people everywhere by keeping people healthy and helping them avoid the often very painful and costly consequences of illness.

Medicare Prescription Drug Benefit

In addition to the steps we have taken, the implementation of the Medicare prescription drug benefit will help millions of Americans seniors afford the medicines they need. We have worked hard to assure that access to our products is as wide as possible under this program and when it is fully implemented, we expect millions of Americans to have improved access to our products.

Pressing for More Affordable Co-Pays

Unfortunately, Pfizer cannot control the co-pays that insurers charge for our medicines. Patients who are insured have faced significant increases in their co-pays, well beyond the underlying wholesale price increase of pharmaceuticals. For example, from 2001 to 2005, our compound annual average net price increase was 3.3 percent. This compares with compound annual co-payment increases of 11.1 and 15.5 percent charged by insurers for preferred and nonpreferred drugs, respectively. (Source: 2005 Employer Health Benefits Survey, an annual publication by the Kaiser Family Foundation and Health Research and Educational Trust, available at <http://www.kff.org/insurance/7148/index.cfm>). In our opinion, keeping co-pays affordable is critical to better health at more manageable costs for payers, as good preventive and disease management care can limit the costly complications that truly drive up our health care costs as a society.

Pfizer is committed to doing our part to respond to public need today, but we also care about patients who are still waiting for new treatments. Prices that adequately reflect the value of our products provide us with the best opportunity to invest in the research and other operations needed to discover, develop and manufacture treatments for people with untreated medical conditions. In our opinion, we help more people in more effective ways by setting prices based on the real value of our medicines, and then working hard to help those who genuinely need assistance, than by adopting the mostly symbolic policy advocated by this proposal.

In light of our commitment to access, our long-standing record of responsible pricing, and our responsibility to maintain shareholder value, we believe the resolution as set forth by the proponents is unnecessary and not in the best interest of our Company, our patients, and our investors.

Your Board of Directors unanimously recommends a vote AGAINST this proposal.

ITEM 6 Shareholder Proposal Relating to Cumulative Voting

RESOLVED: Cumulative Voting. Shareholders recommend that our Board adopt cumulative voting as a bylaw or long-term policy. Cumulative voting means that each shareholder may cast as many votes as equal to number of shares held, multiplied by the number of directors to be elected. A shareholder may cast all such cumulated votes for a single candidate or split votes between multiple candidates, as that shareholder sees fit. Under cumulative voting shareholders can withhold votes from certain nominees in order to cast multiple votes for others.

Cumulative voting won impressive yes-votes of 54% at Aetna and 56% at Alaska Air in 2005. Cumulative voting also won an all-time record support for any GM shareholder proposal topic at the 2005 GM annual meeting more than 49% of the yes and no votes.

I believe Cumulative voting will improve our corporate governance and increase the possibility of electing at least one director with a specialized expertise needed at our company from time to time.

Cumulative voting allows a significant group of shareholders to elect a director or directors of its choice safeguarding minority shareholder interests and bringing independent perspectives to Board decisions.

Cumulative Voting Yes on 6.

YOUR COMPANY S RESPONSE

The Board opposes this proposal because we do not believe cumulative voting is in the best interests of the Company and its shareholders for the following reasons:

Cumulative voting could impair the effective functioning of the Board by electing a director obligated to represent the special interest of a small group of shareholders rather than all of the Company s shareholders.

Cumulative voting also allows shareholders a voice in director elections that is disproportionate to their economic investment in the Company. The Board does not believe that any minority of shareholders should be advantaged or disadvantaged compared with all other shareholders.

In addition, the Board believes that cumulative voting is unnecessary because the Company has a longstanding reputation for being highly responsive to shareholder concerns:

For Example:

The Company has been in the forefront of corporate governance best practices for over two decades.

In June 2005, the Board adopted an innovative amendment to the Company s Corporate Governance Principles that requires any director receiving a greater number of WITHHELD votes than FOR votes to tender his or her resignation to the Corporate Governance Committee.

In 2003, the shareholders approved a proposal by management to declassify the Board of Directors. All Company directors are now elected at each annual meeting.

Eleven of the Company s 13 directors are independent, as defined in the Company s Corporate Governance Principles, whose definition of independence not only meets but exceeds the Listing Standards of the New York Stock Exchange.

The Corporate Governance Committee of the Board, which serves as the nominating committee, is comprised solely of independent directors.

Every director has received FOR votes of at least 95% for at least the past five years.

The Board has never ignored a proposal from a shareholder that received a majority of votes cast.

This proposal would alter the current process by which each director is elected by the vote of all shareholders. The proposal could permit shareholders representing a relatively small minority of all shares to elect a director. Since each director oversees the management of the Company for the benefit of ALL shareholders, the Board believes that changing the current voting procedure would not be in the best interest of

all shareholders.

Your Board of Directors unanimously recommends a vote AGAINST this proposal.

ITEM 7 Shareholder Proposal Requesting Separation of Roles of Chairman and CEO

RESOLVED: The shareholders of Pfizer request the Board of Directors establish a policy of, whenever possible, separating the roles of Chairman and Chief Executive Officer, so that an independent director who has not served as an executive officer of the Company serves as Chair of the Board of Directors.

This proposal shall not apply to the extent that complying would necessarily breach any contractual obligations in effect at the time of the 2006 shareholder meeting.

SUPPORTING STATEMENT:

We believe in the principle of the separation of the roles of Chairman and Chief Executive Officer. This is a basic element of sound corporate governance practice.

We believe an independent Board Chair separated from the CEO is the preferable form of corporate governance. The primary purpose of the Board of Directors is to protect shareholder's interests by providing independent oversight of management and the CEO. The Board gives strategic direction and guidance to our Company.

The Board will likely accomplish both roles more effectively by separating the roles of Chair and CEO. An independent Chair will enhance investor confidence in our Company and strengthen the integrity of the Board of Directors.

A number of respected institutions recommend such separation. CalPER's Corporate Core Principles and Guidelines state: the independence of a majority of the Board is not enough and that the leadership of the board must embrace independence, and it must ultimately change the way in which directors interact with management.

An independent Board structure will also help the Board address complex issues facing our company, including the increasing criticism of our company's business model. Those criticisms include skepticism of our marketing practices, increased demands for disclosure of trial data, and concerns about the rate of innovation in the industry. All of these issues may impact our company's long-term value.

Independent board leadership will also help the board address reputation issues facing our company. Recent surveys found 70% of respondents say drug companies put profits ahead of people. Fully one half say they have an unfavorable view of drug companies, according to the study, which was completed by the Kaiser Family Foundation in February of 2005. As the largest drug company (by total revenue and market capitalization, as of the date this resolution was filed) in the world, Pfizer may be materially impacted by these perceptions.

We believe an independent Chair and vigorous Board will be better able to forge solutions to these challenges.

A similar resolution voted on in 2005 was supported by 41 percent of shareholders.

In order to ensure that our Board can provide the proper strategic direction for our Company with independence and accountability, we urge a vote FOR this resolution.

YOUR COMPANY'S RESPONSE

Your Board fully recognizes that independence from management is an important component of an effective board and believes that it has discharged this responsibility well to date.

Your Board is composed of a majority of independent board members with the autonomy to act independently from management when making decisions that will benefit the Company and long-term shareowners.

We take seriously our commitment to the highest standards of corporate governance, including independent leadership, and we base our policies and practices on the principles of transparency, accountability and integrity.

Corporate Governance Principles

The Board's Corporate Governance Principles, instituted over a decade ago and evaluated annually, support the autonomy of our oversight and preserve the integrity of our function as shareholder representatives. These Principles are designed to ensure independence and thought leadership whether or not the Chairman and Chief Executive Officer roles are separated.

Lead Independent Director

In September 2005, the Board elected a Lead Independent Director, with clearly defined leadership authority and responsibilities. The role of the Lead Independent Director is to:

Preside at executive sessions of independent directors

Call meetings of independent directors

Serve as principal liaison on board-wide issues between the independent directors and the Chairman

Approve the quality, quantity and timeliness of information sent to the Board, as well as approving meeting agenda items

Approve meeting schedules to assure that there is sufficient time for discussion of all agenda items

Recommend to the Chairman the retention of outside advisors and consultants who report directly to the Board of Directors on board-wide issues

Upon request, ensure availability, when appropriate, for consultation and direct communication with shareholders

Independent Board Committees

Except for the Executive Committee, all of the committees are composed entirely of independent directors.

Corporate Governance Website

In furtherance of your Board's commitment to transparency and accountability, our governance structure has been available on our Website long before recent regulatory mandates, and includes our Corporate Governance Principles, Committee Charters, Director Qualification Standards, Board member backgrounds and contact information for directors.

As indicated above, the governance profile of the Company is sufficient to ensure Board independence and accountability. The Board believes it is in the best interests of the Company and its shareholders to retain flexibility to exercise its collective judgment to determine who should serve as Chairman, given the circumstances at any particular point in time.

Your Board of Directors unanimously recommends a vote AGAINST this proposal.

ITEM 8 Shareholder Proposal Requesting a Report on Political Contributions

RESOLVED: That the shareholders of Pfizer (Pfizer or the Company) hereby request that the Company provide a report, updated semi-annually, disclosing the Company s:

1. Policies and procedures for political contributions and expenditures (both direct and indirect) made with corporate funds.
2. Monetary and non-monetary political contributions and expenditures not deductible under section 162 (e)(1)(B) of the Internal Revenue Code, including but not limited to contributions to or expenditures on behalf of political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code and any portion of any dues or similar payments made to any tax exempt organization that is used for an expenditure or contribution if made directly by the corporation would not be deductible under section 162 (e)(1)(B) of the Internal Revenue Code. The report shall include the following:
 - a. An accounting of the Company s funds that are used for political contributions or expenditures as described above;
 - b. Identification of the person or persons in the Company who participated in making the decisions to make the political contribution or expenditure; and,
 - c. The internal guidelines or policies, if any, governing the Company s political contributions and expenditures.

This report shall be presented to the board of directors audit committee or other relevant oversight committee, and posted on the Company s Website to reduce costs to shareholders.

SUPPORTING STATEMENT

As long-term shareholders of Pfizer, we support policies that apply transparency and accountability to corporate spending on political activities. Such disclosure is consistent with public policy and in the best interest of the Company s shareholders.

Company executives exercise wide discretion over the use of corporate resources for political activities. These decisions involve political contributions with corporate funds, called soft money. They also involve payments to trade associations and other tax-exempt groups used for political activities that media accounts call the new soft money. Most of these expenditures are not publicly disclosed. In 2003-04, the last fully reported election cycle; our Company contributed at least \$1,052,681 in soft money contributions. (Center for Public Integrity, Silent Partners: <http://www.publicintegrity.org/527/db.aspx?act=main>). However, its payments to trade associations used for political activities are undisclosed and unknown. Our proposal asks the Company to disclose its political contributions and payments to tax-exempt organizations including trade associations.

The Bi-Partisan Campaign Reform Act of 2002 allows companies to contribute to independent political committees, also known as 527s, and to give to tax-exempt organizations that make political expenditures and contributions.

Absent a system of accountability, corporate executives will be free to use company assets for political objectives that are not shared by and may be inimical to the interests of the Company and its shareholders. Relying on publicly available data does not provide a complete picture of the Company s political expenditures. The Company s Board and its shareholders need complete disclosure to be able to fully evaluate the political use of corporate assets. Thus, we urge your support FOR this critical governance reform.

YOUR COMPANY S RESPONSE

Pfizer Must be Actively Involved in the Political Process.

Pfizer s involvement in the political process is essential. The pharmaceutical business is one

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of the most highly regulated industries in our country. Pfizer is directly impacted by federal tax, trade, environmental and health policies, including the enactment of a Medicare prescription drug benefit. Additionally, state governments are extremely active in proposing further regulations on the pharmaceutical industry, including access restrictions and price controls. As a major participant in this highly regulated business environment, Pfizer must be actively involved in the political process. Indeed, it is vital that we engage legally in appropriate activities to help elect policy makers who support innovation and access in health care.

Pfizer complies with all Federal, State and Local Laws regarding Reporting of Political Contributions.

Pfizer complies fully with all Federal, state and local laws and reporting requirements governing Political Action Committees (PAC) and corporate political contributions. Any contributions of the types described by the proponent are fully disclosed by the Company or by the recipient of the contribution, or by both the Company and recipient, in publicly available filings as required by applicable federal and state laws.

Pfizer's Corporate Reporting Procedure

Pfizer also has a specific Corporate Procedure that requires all PAC and corporate political contributions to be compiled and published semi-annually in a report that is made available on the Company's Website at www.pfizer.com under the "Who We Are For Investors" in the Corporate Governance section. The semi-annual reports are presented to the Pfizer Board of Directors prior to release.

Trade Associations and Contributions

With respect to trade associations, Pfizer generally does not earmark payments for political purposes. In those isolated instances in which it does, Pfizer discloses those payments as political contributions, as the Policy requires. Thus, all payments that Pfizer makes to trade associations specifically for political purposes are reported under the Policy.

Steering Committee Oversight

With respect to political contribution governance, Pfizer has a Steering Committee comprised of eight colleagues that review and approve all PAC and corporate political contributions on a monthly basis. To ensure adequate representation, Steering Committee members represent different divisions within the Pfizer organization. In addition, all Federal PAC contribution requests are shared with the Pfizer Political Contributions Policy Committee for review and approval. Representatives serving on the Political Contributions Policy Committee include the General Counsel, Pfizer PAC Treasurer, head of Government Relations, and several others.

Pfizer also has a long-standing policy forbidding the use of corporate contributions in Federal elections, and the Company expects all colleagues to comply with the Federal Election Campaign Act (FECA), the Bipartisan Campaign Reform Act (BCRA) and Pfizer Corporate Policy regarding U.S. Election Contributions. Pfizer colleagues are prohibited from using corporate resources, including corporate funds or in-kind items or services, to support or oppose a Federal election. In state and local jurisdictions that permit corporate contributions, colleagues must seek review and approval from the Legal Division prior to committing corporate funds or resources to a state or local candidate, political party or political committee.

Pfizer has been recognized as a leader in disclosure with respect to its political contributions. In 2004, representatives of the Nathan Cummings Foundation stated that in their opinion, Pfizer's report on political contributions represented the standard of disclosure to which other companies should aspire.

We believe that the Company's current policies and practices as well as federal and state reporting requirements are sufficient to advance the Company's interest and provide public disclosure. Adopting a policy as set forth in the proposal would create an unnecessary expense and would therefore not be a productive use of the Company's funds.

Your Board of Directors unanimously recommends a vote AGAINST this proposal.

ITEM 9 Shareholder Proposal Requesting a Report on the Feasibility of Amending Pfizer's Corporate Policy on Laboratory Animal Care and Use

WHEREAS: the Company conducts tests on animals as part of its product research and development; and

WHEREAS: the Company also retains independent laboratories to conduct tests on animals as part of product research and development; and

WHEREAS: abuses in independent laboratories have recently been revealed and disclosed by the media; and

WHEREAS: the Company has a *Laboratory Animal Care and Use* policy posted on its Website as part of its commitment to Corporate Responsibility;

NOW THEREFORE, BE IT RESOLVED: that the shareholders request that the Board issue a report to shareholders on the feasibility of amending the Company's *Laboratory Animal Care and Use* policy to ensure (a) that it extends to all contract laboratories and that it is reviewed with such outside laboratories on a regular basis, and (b) superior standards of care for animals who continue to be used for these purposes, both by the Company itself and by all independently retained laboratories, including provisions to ensure that animals' psychological, social and behavioral needs are met. Further, the shareholders request that the Board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures.

SUPPORTING STATEMENT

A number of pharmaceutical companies have adopted and prominently published animal welfare policies on their Websites relating to the care of animals used in product research and development. The Company has a published policy committed to approaching all research involving animals with the highest level of humane concern ...¹

However, the recent disclosure of atrocities recorded at Covance, Inc. has made the need for a formalized, publicly available animal welfare policy that extends to all outside contractors all the more relevant, indeed urgent. Filmed footage showed primates being subjected to such gross physical abuses and psychological torments that Covance sued to stop PETA Europe from publicizing it. The Honorable Judge Peter Langan, in the United Kingdom, who denied Covance's petition, stated in his decision that the video was highly disturbing and that just two aspects of it, namely the rough manner in which animals are handled and the bleakness of the surroundings in which they are kept ... even to a viewer with no particular interest in animal welfare, at least cry out for explanation.²

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

We urge shareholders to support this Resolution.

1 http://www.pfizer.com/pfizer/are/about_public/mn_about_laboratory_use.jsp

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

YOUR COMPANY'S RESPONSE

Pfizer is a global research-based pharmaceutical company dedicated to finding cures for human AND animal disease and improving their quality of life. We are committed to expanding the application and accuracy of alternative methods, but in the course of discovering new cures, it is necessary to conduct some research in animals. There are many questions in research and safety assessment that only studies in whole animals can answer. In addition, a number of studies are also required by regulatory authorities for approval of our medicines for human use.

Our Company has long recognized that ensuring the health and well-being of our research animals is not only an ethical

imperative but also fundamental to good scientific outcomes in the discovery and development of important new medicines.

We conduct each of our studies with the highest level of humane concern for the animals.

All our sites have one or more veterinarians whose primary responsibility is the care and welfare of the research animals and our animal care staff is trained to very high standards.

Our comprehensive programs of animal care and use at each site, which meet or exceed regulatory standards, also include provisions for environmental enrichment for our animals.

The 3Rs of Animal Research

Pfizer is committed to the principles embodied by the 3Rs of animal research: seeking alternatives that Reduce, Replace or Refine our work with animals wherever such alternatives are available and appropriate.

Fourth and Fifth Rs

These principles form the foundation of our Corporate Policy on Laboratory Animal Care and Use, but Pfizer also has added fourth and fifth Rs as fundamental and important principles in all our work. These are Respect for Animals and Recognition of the important contributions that animal-based research makes to our goal of improving human and animal health worldwide.

Monitoring

Pfizer believes that we have already implemented the superior standards of care requested by the proposal. Furthermore, contract research organizations engaged by Pfizer are required to demonstrate their compliance with applicable regulations and standards, which include provisions for both the physical and psychological well-being of animals. Regular monitoring of these facilities by Pfizer is already standard practice, and they are held accountable not only to Pfizer and their other customers, but also to many regulatory authorities and accrediting agencies including the United States Department of Agriculture (USDA), the Food and Drug Administration (FDA), the Public Health Service (PHS) and the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC), and others.

Should the rare circumstance arise that a contract testing facility is found to be out of compliance, Pfizer will take immediate and appropriate action. As a rule, we would not publicly announce, comment or discuss these actions.

Producing an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures would not serve any useful purpose and create an unnecessary expense.

Your Board of Directors unanimously recommends a vote AGAINST this proposal.

ITEM 10 Shareholder Proposal Requesting Justification for Financial Contributions which Advance Animal-Based Testing Methodologies

WHEREAS, The Company has adopted a *Laboratory Animal Care and Use* policy (the Policy) which appears on the Pfizer Website;

WHEREAS, the Policy asserts that Pfizer is committed to the principles known as the 3Rs of animal research ;

WHEREAS, the 3Rs include i) the refinement of the use of research animals to use less painful or the least invasive procedures whenever possible ; ii) the reduction of the numbers of animals used in each study to the absolute minimum necessary to obtain valid results ; and iii) the replacement of animal experiments with non-animal experiments such as mathematical models, computer simulations, and *in vitro* biological systems whenever appropriate ;

WHEREAS, it was reported in the Financial Times² that Pfizer and two other pharmaceutical companies³ donated four million pounds (£4M) to British universities to promote medical research and training specifically using animals;

WHEREAS, the article reported that Pfizer and the other two companies stated the donation was part of a greater willingness by their industry to back animal testing publicly ;

WHEREAS, a credibility gap arises from the Company's professed Policy and its affirmative promotion of animal testing as reported in the Financial Times;

RESOLVED, that the Board is requested to report to shareholders on the justification for affirmatively contributing to the advancement of animal-based testing while publicly promoting an animal care Policy that affirmatively commits to the advancement of non-animal based test methodologies.

SUPPORTING STATEMENT

Affirmatively supporting and promoting animal testing is wholly inconsistent with Pfizer's Policy of reducing, refining, and replacing animal-based methods. Moreover, in the Proxy Materials for the 2004 annual meeting of shareholders, the Company relied on its commitment to the Policy in an effort to convince shareholders to vote against a Shareholder Proposal Relating to *In Vitro* Testing. That Proposal sought support for five validated non-animal test methods. The Company opposed the Proposal, arguing that Pfizer was fully committed to its animal care Policy which rendered the Proposal unnecessary. Pfizer made the following statements in the 2004 Proxy Statement:

We are committed to the principles embodied by the 3Rs of animal research: seeking alternatives that Reduce, Replace or Refine our work with animals when such alternatives are available and appropriate.

Pfizer has always supported the use of *in vitro* alternatives ...

We approach all research involving animals with the highest level of humane concern.

[W]e are already working with regulators in an effort to increase the use of alternative models where such alternatives can be used appropriately.

These statements cannot be reconciled with the decision to commit significant funds for the purpose of affirmatively promoting and publicly advancing animal testing and training graduate students to conduct animal experiments.

We urge our fellow shareholders to support this Resolution and bring Pfizer's actions into harmony with the Company's Animal Care and Use Policy.

1 http://www.pfizer.com/pfizer/are/about_public/mn_about_laboratory_use.jsp

2 Drugs groups to fund university animal research, 7/29/04

3 The other two pharmaceutical companies are AstraZeneca and GlaxoSmithKline.

YOUR COMPANY'S RESPONSE

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Pfizer remains committed to the use of alternative testing methods wherever such tests are scientifically valid and do not compromise patient safety or the effectiveness of our medicines. We are working with regulators in

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an effort to increase the use of alternative models where such alternatives can be used appropriately. However, we are in agreement with regulators that the overall testing process must involve some level of *in vivo* testing in order to meet our overriding responsibility to provide patients with medicines that are both effective and as safe as possible.

It is in connection with this responsibility that Pfizer and the other pharmaceutical companies are working to support the quality of *in vivo* research in the UK. By providing these grants to institutions with expertise in the conduct of *in vivo* studies under the highest standards of animal welfare, we support training of a new generation of skilled scientists that will understand and apply the principles of humane care and use of research animals.

We believe that such funding is in complete harmony with those aspects of our Policy that relate to Respect for animals and Recognition of the important contributions that animal-based research makes to our goal of improving human and animal health worldwide, as well as seeking alternatives that Reduce, Replace or Refine our work with animals when such alternatives are available and appropriate.

The concerns of the proponent have been substantially addressed. The Board does not believe that adopting this proposal would be in the shareholders' best interest.

Your Board of Directors unanimously recommends a vote AGAINST this proposal.

ITEM 11 Shareholder Proposal Relating to Policy on Executive Pension Benefits

RESOLVED: The shareholders of Pfizer Inc. (the Company) urge the Board of Directors (the Board) to seek shareholder approval of any senior executive's annual pension benefit from the Company's supplemental executive retirement plans that will exceed 100 percent of the senior executive's final average salary, as calculated at the Board's discretion. This policy shall apply to senior executives' existing pension benefits only if they can be legally modified by the Company, and will otherwise apply to all new pension benefits to the fullest extent permitted by law.

SUPPORTING STATEMENT

We believe that executives should receive retirement benefits in the same proportions that are generally offered to other employees of the Company. In our opinion, pension plans are intended to provide senior executives and other employees with retirement security, not as wealth creation vehicles for already highly compensated executives.

The New York Times reported that Pfizer Chairman and CEO Henry McKinnell will receive an estimated annual retirement benefit of \$6.5 million—the largest out of 500 CEOs studied by the Corporate Library, an independent corporate-governance research firm. (The New Executive Bonanza: Retirement, *New York Times*, April 3, 2005). In contrast, Dr. McKinnell received approximately \$2.2 million in salary in 2004.

Unlike many companies' executive retirement plans that are calculated only using cash compensation, Pfizer's executive pension benefit formula has also included certain equity compensation awards that were established before 2001. In 2004, Dr. McKinnell received over \$5.8 million in stock awards that will be included in his pension benefit formula.

Senior executives typically receive a far greater proportion of their compensation in the form of variable pay and equity compensation. For this reason, we believe including these forms of compensation in pension calculations can disproportionately favor senior executives, and can amount to an extraordinary retirement benefit.

Although Pfizer has stopped including new stock awards in its pension calculations, we believe the pension benefits based on past awards should be rescinded if they would result in an excessive pension benefit for senior executives. To help ensure that pension benefits for senior executives are in the best interests of shareholders, we believe such benefits should be submitted for shareholder approval when they exceed 100 percent of a senior executive's salary.

A study by Harvard Law School Professor Lucian Bebchuk has estimated that Dr. McKinnell has received about \$67 million in total compensation during his tenure as Pfizer's CEO. In contrast, the study estimates the actuarial present value of Dr. McKinnell's expected pension benefit to be approximately \$71.5 to \$83 million. (Putting Executive Pensions on the Radar Screen, March 2005. Harvard Law and Economics Discussion Paper No. 507.)

In our opinion, extraordinary executive retirement benefits undermine the goal of linking pay to performance. According to Pfizer's 2005 proxy statement, Pfizer slightly underperformed its competitors over the previous five-year period. We believe that giving Dr. McKinnell an extraordinary pension benefit will reward this unexceptional performance.

YOUR COMPANY'S RESPONSE

Our Company believes that we have already taken the appropriate actions to substantially implement the shareholder proposal. On December 12, 2005, Pfizer's Board of Directors approved the following policy (The Pfizer Policy) that we believe addresses the proponent's concerns.

Board Policy on Pension Benefits for Executives

The Board will seek shareholder approval prior to the payment to any senior executive from the Company's defined benefit pension plans if his or her benefit, computed as a single life annuity, will exceed 100 percent of the senior

executive's final average salary, as calculated at the discretion of the Company's Compensation Committee. This policy will apply prospectively, for all benefit accruals after January 1, 2006. For purposes of this policy, final average salary means the average of the highest five calendar years' earnings, where earnings includes salary earned during the year and annual cash incentives (or bonus) earned for the year.

As noted above, the Proposal requests that the Board seek shareholder approval of any senior executive annual pension benefit from Pfizer's supplemental executive retirement plans that will exceed 100 percent of the senior executive's final average salary, as calculated at the Board's discretion. With respect to the Company's definition of final average salary under the proposal, our retirement plan includes earned bonuses in addition to base salary. This is in keeping with standard industry practice. Thus, in this regard, the Policy is consistent with industry practice as well as the longstanding terms of the Company's retirement plan.

The Pfizer Policy applies prospectively to all benefit accruals after January 1, 2006. It does not apply to existing pension benefits for two reasons.

First, we believe that rescinding, retroactively, any money duly earned by any Pfizer colleague, through the fully disclosed, long term pension plan, is contrary to the spirit of the tacit agreement between colleague and Company. Basically, when the Company makes a promise to provide a certain benefit for certain services, the Company should keep that promise. The benefits referenced in the shareholder proposal were earned over a number of years during which Pfizer led the industry sector in overall return to shareholders.

Second, actually withdrawing the earned pension may cause Pfizer to violate federal law, as well as the contractual rights of participants under the Pfizer pension plan and the provisions of Dr. McKinnell's employment agreement. Dr. McKinnell receives no special treatment under either the pension plan or the long-term performance award program. The rules, both past and present, apply to all U.S. based participants in the program.

While we oppose retroactive changes to earned pension benefits, we do believe that changes in plans can be made on a going forward basis if the Board determines that such changes are necessary. In 2000, the inclusion of long-term incentive awards as part of the earnings under the pension plan was discontinued on a going forward basis. Long-term performance awards that were established prior to, and not completed by January 1, 2001, continued to be included in the pension benefit calculation because the Compensation Committee believed then, and continues to believe now, that the Company should honor its commitment to the participants with respect to their accrued pension amounts.

We believe that the Board's recent approval of the policy on Pension Benefits for Executives addressed the proponent's issues and that the resolution as set forth by the proponent is unnecessary and not in the best interests of our Company and its stakeholders.

Your Board of Directors unanimously recommends a vote AGAINST this proposal.

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Compensation Committee Report and Executive Compensation

Overview of Compensation Philosophy and Program

The Compensation Committee, composed entirely of independent directors, administers the Company's executive compensation program. The role of the Committee is to oversee Pfizer's compensation and benefit plans and policies, administer its stock plans (including reviewing and approving equity grants to elected officers) and review and approve annually all compensation decisions relating to elected officers, including those for the Chairman and CEO and the other executive officers named in the Summary Compensation Table (the "Named Executive Officers"). The Committee submits its decisions regarding compensation for the Chairman and CEO to the independent Directors of the Board for ratification.

The Committee recognizes the importance of maintaining sound principles for the development and administration of compensation and benefit programs, and has taken steps to significantly enhance the Committee's ability to effectively carry out its responsibilities as well as ensure that the Company maintains strong links between executive pay and performance. Examples of actions that the Committee has taken include:

- Rotated Committee members over the past year;

- Initiated a practice of holding executive sessions (without Company management present) at every Committee meeting;

- Hired an independent compensation consultant to advise on executive compensation issues;

- Made the following changes in the executive compensation program:

 - Transparent disclosure of compensation policy and actions;

 - Realigned compensation structures based on targeting median competitive pay;

 - Established a higher-performing pharmaceutical peer group for performance comparisons;

 - Introduced a Fortune-100 peer group to better align target compensation with median competitive data;

 - Strengthened the link between the CEO annual pay and shareholder value through specific objectives;

 - Refocused the 2006 performance-share grants in the Executive Long-Term Incentive Program so that payouts are determined solely on shareholder value;

 - Established annual reviews of detailed compensation tally sheets for the Named Executive Officers;

 - Established limitations on executive pension benefits, on a going-forward basis;

 - Initiated limitations on executive change-in-control agreements; and

 - Eliminated long-term compensation from pension benefits.

Charter

The Compensation Committee's Charter reflects these responsibilities, and the Committee and the Board periodically review and revise the Charter. The full text of the Compensation Committee Charter is shown in Annex 4 to this Proxy Statement. The Committee's membership is determined by the Board. There were 15 meetings of the Committee in 2005, including seven executive sessions with the Committee members only.

Compensation Consultant

The Executive Compensation group in Pfizer's Corporate Human Resources Department supports the Committee in its work. In addition, the Committee has the authority under its charter to engage the services of outside advisors, experts and others to assist the Committee. In accordance with this authority, the Committee engages George B. Paulin, Chief Executive Officer of Frederic W. Cook & Co., as independent outside compensation consultant to advise the Committee on all matters related to CEO and other executive compensation. The independent compensation consultant's firm does not advise management of the Company, and receives no other compensation from the Company, other than a fee of less than \$5,000 to provide an executive salary survey. The consultant attended all of the Committee meetings in 2005.

General Compensation Philosophy

The Committee believes that compensation paid to executive officers should be closely aligned with the performance of the Company on both a short-term and long-term basis, and that such compensation should assist the Company in attracting and retaining key executives critical to its long-term success. Compensation should be structured to ensure that a significant portion of compensation opportunity will be directly related to Company stock performance and other factors that directly and indirectly influence shareholder value. To that end, it is the view of the Board that the total compensation program for executive officers should consist of the following:

Salaries;

Annual cash incentive awards;

Long-term incentive compensation; and

Certain other benefits.

It is the intent of the Committee that midpoint salary, target bonus levels and target annual long-term incentive award values be set at the median of a peer group of pharmaceutical companies and also a general industry peer group of Fortune-100 companies, based on available survey data. The companies that comprised our pharmaceutical peer group in 2005 consist of Abbott Laboratories, Amgen, AstraZeneca, Bristol-Myers Squibb Company, Eli Lilly and Company, GlaxoSmithKline, Johnson & Johnson, Merck and Co., Inc., Schering-Plough Corporation and Wyeth. Where appropriate, the target position is adjusted to reflect Pfizer's scale and scope. For salary and bonus levels, these adjustments, if any, are generally based on differences in revenues and relative market cap. In 2005, the long-term incentive target awards were positioned to align with the median of the survey data.

As noted above, the Committee also uses a general industry peer group consisting of about one half of the Fortune-100 companies that best align with our sales volume, cash flow and market capitalization, as well as with the nature of our business and workforce, in determining the competitive positioning of pay. This general industry peer group can change from time to time based on the criteria stated above. In addition to reviewing executive officers' compensation against the comparative groups, the Committee also considers recommendations from the Chairman and CEO regarding total compensation for those executives reporting directly to him. Management provides to the Committee historical and prospective breakdowns of the total compensation components for each executive officer.

Financial Restatement

It is the Board of Directors' Policy that the Committee will, to the extent permitted by governing law, have the sole and absolute authority to make retroactive adjustments to any cash or equity based incentive compensation paid to executive officers and certain other officers where the payment was predicated upon the achievement of certain financial results that were subsequently the subject of a restatement. Where applicable, the Company will seek to recover any amount determined to have been inappropriately received by the individual executive.

Tax Deductibility of Pay

Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Tax Code"), places a limit of \$1,000,000 on the amount of compensation that Pfizer may deduct in any one year with respect to each of its five most highly paid executive officers. There is an exception to the \$1,000,000 limitation for performance-based compensation meeting certain requirements. Annual cash incentive compensation, stock option awards and Performance-Contingent Share Awards generally are performance-based compensation meeting those requirements and, as such, are fully deductible. To maintain flexibility in compensating executive officers in a manner designed to promote varying corporate goals, the Committee has not adopted a policy requiring all compensation to be deductible. Since Dr. McKinnell's and Ms. Katen's salaries are above the \$1,000,000 threshold, a portion of their salaries and the Internal Revenue Service (IRS) value of their perquisites are not deductible by the Company. Restricted stock and restricted stock units are not considered performance-based under Section 162(m) of the Tax Code and, as such, are not deductible by the Company. All annual incentives and long-term incentive amounts will be deductible when they are paid to the executive officers.

Total Compensation Tally Sheets

The Company intends to continue its strategy of compensating its executives through programs that emphasize performance-based incentive compensation. To that end, executive compensation is tied directly to the performance of the Company and is structured to ensure that, due to the nature of the business, there is an appropriate balance between the long-term and short-term performance of the Company, and also a balance between Company financial performance and shareholder return. For 2005, the actual total compensation of the Named Executive Officers generally fell within the third quartile of total compensation paid to executives holding equivalent positions in the pharmaceutical peer group companies. The Committee believes that this position was consistent with Company financial performance and the individual performance of each of the Named Executive Officers, and also believes that the compensation was reasonable in its totality. Compensation tally sheets for each of the Named Executive Officers were prepared and reviewed by the Committee in 2005. These tally sheets affixed dollar amounts to all components of the Named Executive Officers' 2005 compensation, including current pay (salary and bonus), deferred compensation, outstanding equity awards, benefits, perquisites and potential Change-in-Control severance payments. The Committee has committed to review tally sheets at least on an annual basis.

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The following Summary Compensation Table includes salary, bonus, other compensation, long-term compensation and the number of stock options granted for 2005.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			
		Salary (\$)	Bonus ⁽¹⁾ (\$)	Other Annual Compensation ⁽²⁾ (\$)	Awards		Payouts	
					Restricted Stock Awards ⁽³⁾ (\$)	Securities Underlying Options (#)	LTIP Payouts ⁽⁴⁾ (\$)	All Other Compensation ⁽⁵⁾ (\$)
Dr. McKinnell Chairman and CEO	2005	2,270,500	3,700,000	145,814	0	880,000	5,489,400	281,556
	2004	2,224,900	3,986,300	19,482	4,292,181	525,000	5,829,120	307,454
	2003	2,042,700	4,607,400	19,534	0	1,000,000	2,786,978	249,390
Ms. Katen Vice Chairman and President, Pfizer Human Health	2005	1,176,200	1,535,600	143,644	0	371,000	3,326,576	110,263
	2004	1,158,300	1,274,100	7,459	2,326,218	350,000	3,307,392	117,751
	2003	1,086,700	1,434,400	10,459	326,840	275,000	1,510,448	103,631
Mr. Shedlarz Vice Chairman	2005	983,100	1,088,000	99,193		301,000	2,316,527	89,473
	2004	966,500	1,005,200	11,405	1,873,326	275,000	2,521,728	90,432
	2003	889,133	1,043,100	8,108	260,866	225,000	1,216,379	79,922
Mr. Kindler Vice Chairman and General Counsel	2005	902,200	1,000,000	102,652	0	261,000	1,041,418	79,731
	2004	887,300	869,600	7,388	792,561	225,000	1,319,472	80,496
	2003	827,900	901,500	8,254	248,989	200,000	857,703	68,962
Dr. LaMattina Senior V.P.; President, Pfizer Global Research and Development	2005	837,500	787,300	14,342	0	219,500	1,630,352	69,421
	2004	820,000	705,200	512	1,024,154	175,000	1,622,016	63,760
	2003	677,250	596,900	0	199,303	100,000	664,998	50,353

Footnotes to the Summary Compensation Table

- (1) The amounts shown in this column constitute the cash Annual Incentive Awards made to each Named Executive Officer based on the Board's evaluation of each Officer's performance. These awards are discussed in further detail under the heading Executive Annual Incentive Awards.
- (2) The amounts shown in this column represent tax payments made by Pfizer on behalf of each Named Executive Officer relating to his or her use of Company transportation and, in 2005, the value of perquisites. In 2005, this amount also includes a nominal tax payment associated with participation in our Healthy Directions program. This program, which is designed to foster healthier living for our employees and their families, is open to all U.S. Pfizer employees. Program participants received a small incentive and related tax gross-up in 2005. In 2004, the amounts also included tax payments relating to a holiday gift, a program which ended in 2005. For Mr. Kindler, in 2003 the amount also includes tax payments relating to temporary housing costs incurred in connection with his relocation. In 2005, the perquisite value was determined based on our revised incremental cost methodology.
- (3) The amounts shown in this column represent the dollar value of the grant of restricted stock based on the value of the Pfizer common stock on the grant date. All grants of restricted stock were made under the 2001 Stock and Incentive Plan or its predecessor Plan. Dividends are paid or reinvested during the restricted period. The Company grants awards of restricted stock from time to time either as part of a program for a particular year, or on an ad hoc basis to encourage retention of key talent. The Company has granted restricted stock units rather than restricted stock since 2003. The restricted stock units are settled in stock, and accumulate reinvested dividend equivalent units which are also paid in stock at the same time that the restricted stock units are paid. Below is a table of outstanding restricted stock and restricted stock unit awards to the Named Executive Officers.
- (4) The amounts shown in this column represent the dollar market value of shares of Pfizer common stock on February 23, 2006 (the payment date), earned under the 2001 Performance-Contingent Share Award Plan and the previous Performance-Contingent Share Award Program based on the closing price of Pfizer common stock (\$26.14) on the New York Stock Exchange on that date. The number of Performance-Contingent Shares awarded to each Named Executive Officer was as follows: Dr. McKinnell, 210,000 shares; Ms. Katen,

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127,260 shares; Mr. Shedlarz, 88,620 shares; Mr. Kindler, 39,840 shares; and Dr. LaMattina, 62,370 shares.

- ⁽⁵⁾ The amounts shown in this column represent Company matching funds under the Pfizer Savings Plan (a tax-qualified retirement savings plan) and related Supplemental Plan, which are discussed under the heading Employee Benefit and Long-Term Compensation Plans.

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Restricted Stock and Restricted Stock Unit Awards Not Yet Vested

The table below provides additional detail about the Restricted Stock Awards shown in Column 3 of the Summary Compensation Table.

Name	Grant Date	Vesting Date	Initial Grant Amount	Initial Price	Initial Value	Remaining Shares*	Current Value**
Dr. McKinnell	March 25, 2004	March 25, 2007	125,100	\$ 34.31	\$ 4,292,181	131,053	\$ 3,056,156
Ms. Katen	March 25, 2004	March 25, 2007	67,800	\$ 34.31	\$ 2,326,218	71,027	\$ 1,656,350
	February 27, 2003	February 27, 2006	11,117	\$ 29.40	326,840	11,863	276,645
						Total	1,932,995
Mr. Shedlarz	March 25, 2004	March 25, 2007	54,600	\$ 34.31	\$ 1,873,326	57,198	\$ 1,333,857
	February 27, 2003	February 27, 2006	8,873	\$ 29.40	260,866	9,468	220,794
						Total	1,554,651
Mr. Kindler	March 25, 2004	March 25, 2007	23,100	\$ 34.31	\$ 792,561	24,199	\$ 564,321
	February 27, 2003	February 27, 2006	8,469	\$ 29.40	248,989	9,037	210,743
	January 1, 2002	1/5 per year					