

EXHIBIT 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE PFIZER INC. SECURITIES LITIGATION

No. 04-cv-9866 (LTS)(HBP)
ECF CASE

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement (the “Settlement Agreement”) is entered into, subject to Court approval, by and between (i) the Court-appointed lead plaintiff Teachers’ Retirement System of Louisiana (“Lead Plaintiff”) and additional Court-appointed class representatives Christine Fleckles, Julie Perusse and Alden Chace (collectively with Lead Plaintiff, “Plaintiffs” or “Class Representatives”) and (ii) defendants Pfizer Inc. (“Pfizer”), Henry A. McKinnell, Karen L. Katen, Joseph M. Feczko, and Gail Cawkwell (collectively, “Defendants” and, together with Plaintiffs, the “Parties”) in *In re Pfizer Inc. Securities Litigation* (the “Action”), pending in the United States District Court for the Southern District of New York (the “Court” or “District Court”), and embodies the terms and conditions of the settlement of the Action.¹

WHEREAS, on or about December 15, 2004, the first of a series of class action complaints was filed in the District Court, alleging, among other things, that Defendants violated the federal securities laws by making false, misleading or incomplete statements regarding the cardiovascular risks of Celebrex and Bextra;

¹ All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to them in paragraph 1 herein.

WHEREAS, on October 21, 2005, the Court consolidated the related actions and appointed Teachers' Retirement System of Louisiana as Lead Plaintiff and Grant & Eisenhofer P.A. as Lead Counsel for the putative class;

WHEREAS, Lead Plaintiff filed the Consolidated Class Action Complaint (the "Complaint") on February 16, 2006. The Complaint asserted claims under §§ 10(b), 20(a) and 20A of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder against Pfizer and the Individual Defendants;²

WHEREAS, on May 5, 2006, Pfizer and the Individual Defendants moved to dismiss the Complaint, and thereafter, on June 20, 2006, Plaintiffs moved to strike certain exhibits attached to and portions of the memoranda in support of the motion to dismiss;

WHEREAS, on February 22, 2008, the Action was reassigned to the Honorable Laura Taylor Swain;

WHEREAS, the Court, by Opinion and Order dated July 1, 2008 ("July 1 Order"), granted in part and denied in part Defendants' motion to dismiss the Complaint, and denied Plaintiffs' motion to strike as moot;

WHEREAS, on July 16, 2008, Pfizer and the Individual Defendants filed a motion for reconsideration of certain portions of the Court's July 1 Order, which the Court denied by Order dated September 4, 2008;

WHEREAS, on September 15, 2008, Pfizer and the Individual Defendants filed their answer and affirmative defenses to the Complaint;

² As defined in paragraph 1(s) below, the term "Individual Defendants" refers collectively to Henry A. McKinnell, John L. LaMattina, Karen L. Katen, Joseph M. Feczko and Gail Cawkwell. John L. LaMattina was dismissed with prejudice from the case on May 13, 2014 and was no longer a defendant at the time of settlement.

WHEREAS, discovery in the Action commenced thereafter, with the parties conducting over 60 depositions and exchanging approximately tens of millions of pages of documents;

WHEREAS, on March 16, 2011, Lead Plaintiff filed a motion for class certification, which Pfizer and the Individual Defendants opposed on November 22, 2011;

WHEREAS, on November 23, 2011, Pfizer and the Individual Defendants again moved the Court for reconsideration of its July 1 Order, which the Court denied by Order dated March 22, 2012, without prejudice to future summary judgment or other motion practice;

WHEREAS, on January 17, 2012, Plaintiffs moved the Court for leave to file an amended complaint, which the Court granted, and on March 27, 2012, Plaintiffs filed the Amended Consolidated Class Action Complaint (the “Amended Complaint”);

WHEREAS, by Opinion and Order filed March 29, 2012, as amended April 6, 2012, the Court granted Plaintiffs’ motion for class certification. As certified by the Court, the class consists of all persons or entities who purchased and/or otherwise acquired Pfizer common stock between and including October 31, 2000 and October 19, 2005 (the “Class Period”), with the exception of: (a) any persons or entities who both purchased and sold all of their shares of Pfizer common stock between and including October 31, 2000 and October 6, 2004; (b) Pfizer and the Individual Defendants; (c) members of the immediate family of each of the Individual Defendants; (d) subsidiaries or affiliates of Pfizer or any of the Individual Defendants; (e) any person or entity who is, or was during the Class Period, a partner, officer, director, employee or controlling person of Pfizer or any of the Individual Defendants; (f) any entity in which any of the Individual Defendants has a controlling interest; (g) the legal representatives, heirs, successors or assigns of any of the foregoing excluded persons or entities; and (h) the insurance carriers or their affiliates who insure Defendants (the “Main Class”). A subclass was also

certified by the Court and consists of all members of the Main Class who purchased Pfizer common stock contemporaneously with the sale of Pfizer common stock by Individual Defendants Henry A. McKinnell, Karen L. Katen and John L. LaMattina on any of the following dates: October 26, 2000, November 6, 2000, October 19, 2001, October 23, 2001, October 29, 2001, February 21, 2002, February 25, 2002, February 27, 2003, November 18, 2003, February 26, 2004, February 24, 2005, May 6, 2005, May 10, 2005 or August 16, 2005 (the “20A Subclass” and, together with the Main Class, the “Class”);

WHEREAS, on May 10, 2012, Pfizer and the Individual Defendants filed their answer and affirmative defenses to the Amended Complaint;

WHEREAS, on July 2, 2012, Pfizer and the Individual Defendants moved for summary judgment;

WHEREAS, by Order dated July 3, 2012, the Court approved the form and manner of notifying the Class of the pendency of the Action as a class action. Plaintiffs caused notice of this Action to be published in certain newspapers in July 2012, caused the Notice of Pendency of Class Action to be mailed to potential members of the Class beginning in July 2012, and reported to the Court in October 2012 on the number of Class Members who validly opted out of the Class;

WHEREAS, by Order filed March 28, 2013, the Court granted in part and denied in part Pfizer and the Individual Defendants’ motion for summary judgment;

WHEREAS, on September 30, 2013, the parties filed various motions in limine;

WHEREAS, on April 21, 2014, certain of the Individual Defendants moved for judgment on the pleadings seeking dismissal of Plaintiffs’ claims under Section 20A of the Exchange Act;

WHEREAS, on May 13, 2014, the Court approved the parties' stipulation of voluntary dismissal with prejudice under Fed. R. Civ. P. 41(a)(2) and 23(e) of defendant John L.

LaMattina;

WHEREAS, the Court, by Order issued on May 22, 2014, denied the remaining Individual Defendants' motions for judgment on the pleadings;

WHEREAS, on May 22, 2014, the Court granted Defendants' motion to exclude the testimony of Plaintiffs' loss causation and damages expert Daniel R. Fischel;

WHEREAS, on June 6, 2014, Plaintiffs moved for leave to file a supplemental expert report and Defendants moved for summary judgment;

WHEREAS, on July 8, 2014, the Court denied Plaintiffs' leave to amend the expert report of Daniel R. Fischel and granted summary judgment to all Defendants;

WHEREAS, on July 9, 2014, the Court entered judgment in favor of Defendants and dismissed the Action;

WHEREAS, on August 7, 2014, Plaintiffs noticed their appeal to the United States Court of Appeals for the Second Circuit ("Second Circuit") with respect to, *inter alia*, the Court's grant of summary judgment to Defendants;

WHEREAS, on April 12, 2016, the Second Circuit issued a decision reversing the Court's grant of summary judgment to Defendants;

WHEREAS, on May 10, 2016, Defendants filed in the Second Circuit a petition for rehearing and rehearing *en banc* (the "Rehearing Petition");

WHEREAS, the Parties reached an agreement-in-principle to resolve the Action on July 18, 2016, and thereafter, filed a joint motion for limited remand of the appeal, without prejudice,

pending approval of the Parties' proposed settlement and to hold the pending Rehearing Petition in abeyance;

WHEREAS, on July 27, 2016, the Second Circuit issued an order for a limited remand of the case to the district court so that the district court may consider the proposed settlement, with the Rehearing Petition to be held in abeyance pending final approval of the proposed settlement;

WHEREAS, the Parties wish to fully and finally settle and resolve all claims asserted in the Amended Complaint, all claims that could have been asserted in the Amended Complaint, and all claims that could in the future be asserted in any court or forum that arise out of or relate to the claims asserted in the Amended Complaint;

WHEREAS, based upon their investigation, prosecution, and negotiations regarding the resolution of the Action, Plaintiffs and their counsel have concluded that the terms and conditions of this Settlement Agreement are fair, reasonable, and adequate and in the best interests of the Class. Based on Plaintiffs' direct oversight of the prosecution of this matter and with the advice of their counsel, Plaintiffs have agreed to resolve the Released Plaintiffs' Claims in accordance with this Settlement Agreement, after considering, among other things: (i) the substantial financial benefit that the members of the Class will receive under the proposed Settlement; and (ii) the significant risks and costs of continued litigation and trial; and

WHEREAS, Defendants deny any improper conduct or violation of the federal securities laws or any other laws or regulations and assert that they are settling the Action solely to avoid the burden and expense of further litigation. Specifically, Defendants contend that they disclosed all material information about the cardiovascular safety of Celebrex and Bextra;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among Plaintiffs (individually and on behalf of all members of the Class) and Defendants, by and through their respective undersigned attorneys, and subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the benefits flowing to the Parties from the Settlement, all Released Plaintiffs' Claims as against the Releasees and all Released Defendants' Claims as against the Plaintiffs' Releasees shall be settled, released and dismissed with prejudice, upon and subject to the terms and conditions and definitions set forth below.

A. Definitions

1. As used in this Settlement Agreement and any exhibits attached hereto and made a part hereof, the following capitalized terms have the following meanings:

a. "Action" means *In re Pfizer Inc. Securities Litigation*, No. 04-cv-9866 (LTS)(HBP).

b. "Attorneys' Fees and Expenses Application" means the application for fees and expenses to be made by Lead Counsel pursuant to paragraph 15 below, which may include a request for reimbursement to Plaintiffs for their costs and expenses incurred in connection with their representation of the Class.

c. "Attorneys' Fees and Expenses Award" means the fees and expenses awarded by the Court to Lead Counsel (and any other counsel representing Plaintiffs), including the fees and expenses of experts and consultants and any costs and expenses of Plaintiffs directly related to their representation of the Class.

d. “Authorized Claim” means a claim for recovery from an Authorized Claimant that has been found to be timely and valid under the terms of this Settlement Agreement.

e. “Authorized Claimant” means a Class Member (or the representative of such Class Member, including, without limitation, agents, administrators, executors, heirs, predecessors, successors, affiliates or assigns) whose claim for recovery has been found to be timely and valid under the terms of this Settlement Agreement.

f. “Claim” or “Claims” means any and all claims, losses, rights, actions, causes of action, proceedings, adjustments, executions, offsets, contracts, judgments, obligations, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, variances, covenants, trespasses, damages, demands (whether written or oral), agreements, promises, liabilities, controversies, costs, expenses, attorneys’ fees, matters and issues of any sort whatsoever, whether in law, in admiralty or in equity, and whether based on a United States federal, state or foreign statutory or common-law right of action or otherwise, foreseen or unforeseen, matured or unmatured, known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, accrued or not accrued, existing now or to be created in the future, including “Unknown Claims” (as defined below).

g. “Claim Form” means the form that a Class Member must complete and submit to the Settlement Administrator in order to be eligible to receive a payment from the Net Cash Settlement Amount pursuant to this Settlement Agreement, which will, subject to Court approval, be substantially in the form set out in Exhibit A-2 hereto.

h. “Claimant” means a person or entity who or that submits a Claim Form to the Settlement Administrator seeking to be eligible to receive a payment from the Net Cash Settlement Amount pursuant to this Settlement Agreement.

i. “Class” means the class of investors certified by the Court pursuant to Opinion and Order filed March 29, 2012, as amended April 6, 2012, consisting of all persons or entities who purchased and/or otherwise acquired Pfizer common stock between and including October 31, 2000 and October 19, 2005, with the exception of: (a) any persons or entities who both purchased and sold all of their shares of Pfizer common stock between and including October 31, 2000 and October 6, 2004; (b) Pfizer and the Individual Defendants; (c) members of the immediate family of each of the Individual Defendants; (d) subsidiaries or affiliates of Pfizer or any of the Individual Defendants; (e) any person or entity who is, or was during the Class Period, a partner, officer, director, employee or controlling person of Pfizer or any of the Individual Defendants; (f) any entity in which any of the Individual Defendants has a controlling interest; (g) the legal representatives, heirs, successors or assigns of any of the foregoing excluded persons or entities; and (h) the insurance carriers or their affiliates who insure Defendants (the “Main Class”). A subclass was also certified by the Court and consists of all members of the Main Class who purchased Pfizer common stock contemporaneously with the sale of Pfizer common stock by Individual Defendants Henry A. McKinnell, Karen L. Katen and John L. LaMattina on any of the following dates: October 26, 2000, November 6, 2000, October 19, 2001, October 23, 2001, October 29, 2001, February 21, 2002, February 25, 2002, February 27, 2003, November 18, 2003, February 26, 2004, February 24, 2005, May 6, 2005, May 10, 2005 or August 16, 2005 (the “20A Subclass” and, together with the Main Class, the “Class”). Also excluded from the Class are all investors who validly opted out of the Class in connection

with the Notice of Pendency of Class Action and were not previously accepted back into the Class, as set forth on Exhibit C hereto.

j. “Class Distribution Order” means an order entered by the Court authorizing and directing that the Net Cash Settlement Amount be distributed, in whole or in part, to Authorized Claimants.

k. “Class Period” means the period of time between and including October 31, 2000 and October 19, 2005.

l. “Defendants” means Pfizer Inc., Henry A. McKinnell, Karen L. Katen, Joseph M. Feczko, and Gail Cawkwell.

m. “Defendants’ Counsel” means Allen & Overy LLP, Baker Botts LLP, Baker & Hostetler LLP, DLA Piper LLP (US), Gibson, Dunn & Crutcher LLP, Paul, Weiss, Rifkind, Wharton & Garrison LLP, Simpson Thacher & Bartlett LLP, Skadden, Arps, Slate, Meagher & Flom LLP, and Wilkinson Walsh & Eskovitz PLLC.

n. “Effective Date” shall be conditioned on the occurrence of all of the events and conditions specified hereafter: (i) execution of this Settlement Agreement and such other documents as may be required to obtain final Court approval of the Settlement Agreement in a form satisfactory to the Parties, (ii) the Court has entered the Preliminary Approval Order, substantially in the form of Exhibit A hereto, (iii) the Settlement Amount has been deposited into the Escrow Account in accordance with paragraph 2 hereto, (iv) Defendants have not exercised any option they may have to terminate the Settlement Agreement, (v) Plaintiffs have not exercised any option they may have to terminate the Settlement Agreement, (vi) the Court has approved the Notice, substantially in the form of Exhibit A-1 hereto, (vii) the Court has approved the Settlement as described herein, following notice to the Class and a

hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure, (*viii*) the Court has entered the Judgment, substantially in the form of Exhibit B hereto, and (*ix*) the Judgment has become Final, as defined herein.

o. “Escrow Account” means the account to be established by Lead Counsel at Amalgamated Bank, into which the Settlement Amount will be paid pursuant to paragraph 2 of this Settlement Agreement and held in escrow under the control of Lead Counsel.

p. “Escrow Agent” means Amalgamated Bank.

q. “Final” means, when used in connection with any court judgment or order, that the judgment or order will be final: (1) if no appeal is taken, on the date on which the time to appeal from the judgment or order (including any potential extension of time) has expired; or (2) if any appeal is taken from the order and judgment, the date on which all such appeals – including any petitions for rehearing *en banc*, petitions for *certiorari* or any other form of review and any related appeals or petitions, including as to any appeal bond – have been finally disposed of, such that the time to appeal therefrom (including any potential extensions of time) has expired, in a manner resulting in an affirmance of the relevant judgment or order. Any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to (*i*) the Attorneys’ Fees and Expenses Award or (*ii*) the plan of allocation for the Net Cash Settlement Amount (as submitted or subsequently modified), shall not in any way delay or preclude the Judgment from becoming Final.

r. “Final Approval Hearing” means the hearing to be set by the Court under Rule 23(e)(2) of the Federal Rules of Civil Procedure to consider, among other things, (*i*) whether to approve the Settlement as fair, reasonable and adequate; (*ii*) whether to approve

the proposed plan for allocating the proceeds of the Settlement to eligible members of the Class; and (iii) whether to grant the Attorneys' Fees and Expenses Application.

s. "Individual Defendants" means Henry A. McKinnell, John L. LaMattina, Karen L. Katen, Joseph M. Feczko and Gail Cawkwell.

t. "Judgment" means the final judgment to be entered by the Court pursuant to the Order Approving Settlement and Final Judgment, which shall be substantially in the form set out in Exhibit B to this Settlement Agreement.

u. "Lead Counsel" means the law firm of Grant & Eisenhofer P.A., including all of its attorneys, employees, and representatives.

v. "Lead Plaintiff" means Teachers' Retirement System of Louisiana.

w. "Net Cash Settlement Amount" means the balance remaining in the Escrow Account (including any interest that has accrued) after the payments described in paragraph 4 below are made from the Escrow Account.

x. "Nominees" means brokerage firms, banks and other institutions that hold Pfizer securities in street name or other similar fashion for the benefit of other persons or entities.

y. "Notice" means the notice to be mailed to Class Members to inform them of the proposed Settlement, which notice shall, subject to Court approval, be substantially in the form set out in Exhibit A-1 hereto.

z. "Notice and Administrative Expenses" means all expenses associated with administration and implementation of this Settlement, including the Settlement Administrator's fees and expenses; *provided, however*, that Notice and Administrative Expenses shall not include the Attorneys' Fees and Expenses Award.

aa. “Objection Date” means the date by which objections to the Settlement proposed in this Settlement Agreement must be filed with the Court and served on counsel as set out in the Preliminary Approval Order.

bb. “Order Approving Settlement and Final Judgment” means the order to be entered by the Court approving the Settlement and this Settlement Agreement as contemplated in paragraph 43 of this Settlement Agreement, which order shall be substantially in the form set out in Exhibit B to this Settlement Agreement.

cc. “Parties” means Defendants and Plaintiffs, on behalf of themselves and the Class.

dd. “Plaintiffs” or “Class Representatives” means Teachers’ Retirement System of Louisiana, Christine Fleckles, Julie Perusse and Alden Chace.

ee. “Plaintiffs’ Counsel” means Lead Counsel, Kessler Topaz Meltzer & Check, LLP and all other counsel representing Plaintiffs in this matter.

ff. “Plaintiffs’ Releasee” means each and every one of, and “Plaintiffs’ Releasees” means all of (i) Plaintiffs, (ii) all other Class Members, (iii) Plaintiffs’ Counsel, and (iv) any consultants, experts or other professionals retained by Plaintiffs’ Counsel during the course of this Action.

gg. “Plan of Allocation” means the terms and procedures for allocating the Net Cash Settlement Amount among, and distributing the Net Cash Settlement Amount to, Authorized Claimants, which shall, subject to Court approval, be substantially in the form contained in the Notice, attached hereto as Exhibit A-1.

hh. “PSLRA” means the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, *et seq.*

ii. “Preliminary Approval Order” means the order to be entered by the Court preliminarily approving the Settlement, directing notice of the Settlement to the Class, and scheduling the Final Approval Hearing, as contemplated in paragraph 42 of this Settlement Agreement, which order shall be substantially in the form set out in Exhibit A to this Settlement Agreement.

jj. “Publication Notice” means the notice to be published, which notice shall, subject to Court approval, be substantially in the form set out in Exhibit A-3.

kk. “Qualified Settlement Fund” means a fund within the meaning of Treasury Regulations § 1.468B-1.

ll. “Recognized Claim” shall have the meaning attributed to it in the Plan of Allocation.

mm. “Releases” means the releases set forth in paragraphs 37-40 of this Settlement Agreement.

nn. “Releasee” means each and every one of, and “Releasees” means all of, Pfizer and the Individual Defendants, any of the Individual Defendants’ immediate family members, any of Defendants’ parent entities, business units, business divisions, associates, affiliates or subsidiaries and each and all of their past, present, or future officers, directors, stockholders, employees, attorneys, financial or investment advisors, consultants, accountants, investment bankers, commercial bankers, insurers, engineers, other professionals, advisors or agents, heirs, executors, trustees, general or limited partners or partnerships, personal representatives, estates, administrators, and each of their respective predecessors, successors, and assigns.

oo. “Releasor” means each and every one of, and “Releasors” means all of, (i) Plaintiffs, (ii) all other Class Members, and (iii) their respective legal representatives, heirs, executors, administrators, predecessors, successors in interest, transferees and assignees, in their capacities as such.

pp. “Released Plaintiffs’ Claims” means any and all Claims arising from or related in any way to both (i) the purchase of Pfizer Inc. common stock during the Class Period and (ii) the acts, facts, statements or omissions that have been, could have been, or could be alleged by Plaintiffs in the Action, including any and all Claims and claims, demands, losses, rights, causes of action, liabilities, obligations, judgments, suits, matters and issues of any kind or nature whatsoever, whether known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, that have been, could have been, or could be asserted in the Action or in any court, tribunal, forum or proceeding (including, but not limited to, any claims arising under federal, state or foreign law, common law, statute, rule or regulation relating to alleged fraud, breach of any duty, negligence, violations of the federal securities laws, or otherwise and including all claims within the exclusive jurisdiction of the federal courts), whether individual or class, which Plaintiffs or any member of the Class, or their legal representatives, heirs, executors, administrators, predecessors, successors in interest, transferees and assignees, ever had, now have, or hereafter can, shall, or may have had, except claims to enforce the Settlement.

qq. “Released Defendants’ Claims” means any and all Claims that have been, could have been, or could be asserted in the Action or in any other proceeding by any Releasee against any Plaintiffs’ Releasee that arises out of or relates in any way to the institution, prosecution, investigation, or resolution of the Action, except claims to enforce the Settlement.

rr. “Settlement” means the settlement terms, conditions and other provisions that are memorialized in this Settlement Agreement.

ss. “Settlement Administrator” means Garden City Group, LLC, subject to Court approval.

tt. “Settlement Amount” means \$486,000,000.

uu. “Settlement Fund” means the Settlement Amount plus any and all interest earned thereon.

vv. “Termination Date” means that date on which any of the Parties provides notice that he, she or it is exercising a right to terminate this Settlement Agreement under paragraphs 46-50 of this Settlement Agreement.

ww. “Unknown Claims” means any and all *(i)* Released Plaintiffs’ Claims that any Releasor does not know or suspect exists with respect to one or more Releasees at the time of the release of the Releasees or *(ii)* Released Defendants’ Claims that any Releasee does not know or suspect exists with respect to one or more Releasors at the time of the release of the Releasors, which, if known by such Releasee or Releasor (as the case may be) might have affected his, her or its decision(s) concerning the Settlement. As to all Claims released by this Settlement Agreement, the Parties stipulate and agree that, upon the Effective Date of the Settlement, each of the Parties expressly waives, and each Class Member shall be deemed to have waived, and by operation of the Order Approving Settlement and Final Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States or of any other country, or any principle of federal or common law, that is similar, comparable or equivalent to California Civil Code Section 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time

of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Parties acknowledge, and all other Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of Unknown Claims in the Claims released pursuant to the Settlement Agreement was separately bargained for and is a key element of this Settlement Agreement.

B. Settlement Consideration

2. In consideration for the full and final settlement, satisfaction, compromise and release of the Released Plaintiffs' Claims, Pfizer shall pay or cause to be paid the Settlement Amount as follows: (a) 15 business days after the District Court enters the Preliminary Approval Order, \$3,000,000 of the Settlement Amount will be deposited into the Escrow Account; and (b) the remainder of the Settlement Amount will be deposited 30 calendar days before the Final Approval Hearing. Lead Counsel will provide Pfizer with the necessary details of the Escrow Account (name/address of bank, routing number, account number, and account name) at least 20 calendar days before payment is due. Once the above payments are made, Defendants shall have no further monetary obligations of any sort or kind to Plaintiffs, members of the Class, or any counsel for Plaintiffs under the terms and conditions of the Settlement.

3. The Escrow Agent shall invest the Settlement Amount in short term United States Agency or Treasury securities or other instruments backed by the full faith and credit of the United States Government or an Agency thereof, or fully insured by the United States Government or an Agency thereof, or in money market mutual funds invested in such instruments, and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. Any residual cash balances up to the amount that is insured by the Federal Deposit Insurance Corporation ("FDIC") may be deposited in any

account that is fully insured by the FDIC. In the event that the yield on United States Agency or Treasury securities is negative, in lieu of purchasing such securities, all or any portion of the funds held by the Escrow Agent may be deposited in any account that is fully insured by the FDIC or backed by the full faith and credit of the United States.

4. The Settlement Fund shall be used to pay: (i) any taxes and tax expenses as provided in §J below, (ii) Notice and Administrative Expenses in accordance with paragraph 13 below, and (iii) the Attorneys' Fees and Expenses Award as provided in paragraphs 15-18 below. The balance of the Settlement Fund (i.e., the Net Cash Settlement Amount) will be distributed to Authorized Claimants as allowed by this Settlement Agreement, the plan of allocation approved by the Court, or any order of the Court, as described in paragraphs 19-33 below.

5. All funds held by the Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be distributed or returned pursuant to the terms of this Settlement Agreement and/or further order of the Court. The Escrow Agent shall not disburse the Settlement Fund except as provided in the Settlement Agreement, by an order of the Court, or with the written agreement of counsel for Defendants.

6. Subject to further order(s) and/or directions as may be made by the Court, or as provided in this Settlement Agreement, the Escrow Agent is authorized to execute such transactions as are consistent with the terms of this Settlement Agreement. The Releasees shall have no responsibility for, interest in, or liability whatsoever with respect to the actions of the Escrow Agent, or any transaction executed by the Escrow Agent.

7. This is not a “claims made” settlement. No portion of the Settlement Amount (or accumulated interest) shall be returned to Defendants, or any other person or entity funding the Settlement Amount, once the Effective Date has occurred.

C. Notice to Class Members

8. Subject to the requirements of the Preliminary Approval Order, Lead Counsel shall cause the Notice and the Claim Form, substantially in the forms annexed hereto as Exhibits A-1 and A-2, respectively, to be mailed, by first class mail, postage prepaid, within fifteen (15) calendar days after the entry of the Preliminary Approval Order, to all persons and entities who were previously mailed copies of the Notice of Pendency of Class Action and any other potential Class Members who can be identified through reasonable effort. Lead Counsel shall, at least seven (7) calendar days before the Final Approval Hearing, file with the Court proof of mailing of the Notice and Claim Form.

9. Subject to the additional requirements of the Preliminary Approval Order, within ten (10) calendar days following the mailing of the Notice and Claim Form: (i) Lead Counsel shall cause the Publication Notice, substantially in the form annexed hereto as Exhibit A-3, to be published once in *The Wall Street Journal* and *The New York Times*, and transmitted once over PR Newswire; and (ii) the Settlement Administrator shall post these documents on the website developed for the Settlement.

D. CAFA Notice

10. Within 10 calendar days of executing this Settlement Agreement, Defendants may choose to provide notice of the Settlement pursuant to the Class Action Fairness Act (“CAFA”) at Defendants’ expense.

E. Other Communications

11. The Parties, Plaintiffs' Counsel and Defendants' Counsel agree that the Settlement shall not be publicly announced by any of them except through public relations statements that are exchanged in advance and mutually acceptable to all Parties.

12. At the time of signing of this Settlement Agreement, the Parties, Plaintiffs' Counsel and Defendants' Counsel agree to exchange and approve any such public relations statements they intend to issue. The Parties, Plaintiffs' Counsel and Defendants' Counsel will not, at any time, make public statements (which includes press releases, communications to the press or other media, statements on the Internet, speeches, or other communications in public fora) concerning the Settlement, the Action, the litigation of the Action, or the Parties, witnesses, individuals or counsel involved in the Action, apart from the agreed public relations statements, with the exceptions that (i) the Parties shall have the right to disclose the Settlement to comply with their financial, legal, reporting, and securities obligations, (ii) the Parties shall have the right to take actions to enforce the Settlement to the extent necessary, (iii) Defendants' Counsel and Plaintiffs' Counsel shall have the right to communicate with their clients regarding the Action and the Settlement, (iv) Pfizer shall have the right to communicate with its shareholders regarding the Action and the Settlement, (v) Plaintiffs' Counsel shall have the right to communicate with Class Members regarding the Action and the Settlement, and (vi) as set forth below:

(a) with respect to Plaintiffs and Plaintiffs' Counsel, their public relations statement shall be permitted to contain the following or similar statements: that the Settlement was entered into for purposes of avoiding the risks associated with continuing litigation, that they believe the Settlement is a good outcome for the Class, and that they are quite

satisfied with the results. Plaintiffs and Plaintiffs' Counsel can make the same statements in response to inquiries by the media and Class Members and on their websites, and can advise the questioner to review the formal Settlement papers and briefing for any further information regarding the Settlement, and

(b) with respect to Defendants and Defendants' Counsel, their public relations statement shall be permitted to contain the following or similar statements: that the Settlement was entered into for purposes of avoiding continuing costs of litigation, that the Settlement does not constitute any admission as to liability or wrongdoing, and that they are satisfied with the results. Defendants and Defendants' Counsel can make the same statements in response to inquiries by the media and on their websites, and can advise the questioner to review the formal Settlement papers and briefing for any further information regarding the Settlement.

F. Notice and Administrative Expenses

13. Lead Counsel or the Settlement Administrator may draw up to \$3,000,000 from the Escrow Account at any time after the funding described in paragraph 2 herein, to pay the reasonable costs of providing notice of the Settlement to the Class, as well as customary administration costs without further approval from Defendants or any prior order or approval from the Court. With the exception of amounts disbursed for providing notice to the Class, customary administration costs, and the payment of any awarded attorneys' fees and expenses as set forth in paragraphs 16-17, the Settlement Amount (including accumulated interest) shall not be distributed until the Settlement is reduced to a final, non-appealable judgment. If prior to the Effective Date, Notice and Administrative Expenses exceed \$3,000,000, Lead Counsel may pay Notice and Administrative Expenses exceeding \$3,000,000 upon prior approval from Defendants. Following the Effective Date, Notice and Administrative Expenses exceeding

\$3,000,000 may be paid from the Escrow Account without further approval from Defendants or any prior order or approval from the Court.

G. Objections by Class Members

14. Any Class Member who wishes to object to the fairness, reasonableness or adequacy of the Settlement, to any term(s) of this Settlement Agreement, to the proposed Plan of Allocation, or to the Attorneys' Fees and Expenses Application may do so no later than twenty-five (25) calendar days prior to the Final Approval Hearing, and subject to the requirements set out in the Preliminary Approval Order and Notice.

H. Attorneys' Fees and Expenses

15. Lead Counsel, on behalf of Plaintiffs' Counsel, shall file and serve the Attorneys' Fees and Expenses Application not later than forty (40) calendar days prior to the Final Approval Hearing. The Attorneys' Fees and Expenses Application may include a request by Plaintiffs for reimbursement of their reasonable costs and expenses incurred in connection with their representation of the Class.

16. The Attorneys' Fees and Expenses Award shall be paid out of the Settlement Fund.

17. The Attorneys' Fees and Expenses Award shall be paid to Lead Counsel from the Escrow Account, within 5 business days after the date the District Court enters the Attorneys' Fees and Expenses Award, irrespective of the existence of any objections or appeals related to the Attorneys' Fees and Expenses Award, the Settlement itself or the Plan of Allocation. Lead Counsel shall be permitted to share such fees with Plaintiffs' Counsel, but shall be obligated and liable (a) to repay promptly the Attorneys' Fees and Expenses Award in full, and with interest thereon, in the event that (i) any of the conditions set forth in paragraph 1(n)

herein are not satisfied or in the event of a reversal of such an award or (ii) the Settlement is terminated, and (b) to repay promptly such fees and expenses in the appropriate amount, and interest thereon, in the event of a reduction of such an award of fees and expenses.

18. Other than Pfizer's payment of the Settlement Amount, Defendants shall bear no expenses, costs, damages, fees, or taxes alleged or incurred by any member of the Class, or by any of their attorneys, experts, advisors, agents, or representatives. Court approval of the Settlement is not in any way conditioned on Court approval of Plaintiffs' allocation of recovery amounts among various Claimants or Court approval of the Attorneys' Fees and Expenses Application.

I. Settlement Administration

19. The Settlement Administrator shall be retained by Lead Counsel subject to the approval of the Court.

20. The Settlement Administrator shall administer the Settlement, including but not limited to the process of receiving, reviewing and approving or denying Claims under Lead Counsel's supervision and subject to the jurisdiction of the Court. Defendants shall have no responsibility for the administration of the Settlement and shall have no liability to Class Members or Lead Counsel in connection with this administration. Lead Counsel shall designate a contact person at the Settlement Administrator to whom Defendants may refer all inquiries they receive from potential Claimants.

21. The Settlement Administrator shall receive Claims and determine first, whether the Claim is an Authorized Claim, in whole or in part; and second, each Authorized Claimant's *pro rata* share of the Net Cash Settlement Amount based upon each Authorized

Claimant's Recognized Claim (as calculated pursuant to the Plan of Allocation set forth in the Notice annexed hereto as Exhibit A-1, or in such other plan of allocation as the Court approves).

22. The Plan of Allocation contained in Exhibit A-1 hereto is not a necessary term of this Settlement Agreement, and it is not a condition of this Settlement Agreement that any particular plan of allocation be approved. No Defendant shall have any involvement with or liability, obligation or responsibility whatsoever for the application of the Court-approved plan of allocation.

23. Each Authorized Claimant shall be allocated a *pro rata* share of the Net Cash Settlement Amount based on his, her or its Recognized Claim compared to the total Recognized Claims of all Authorized Claimants.

24. Any Class Member who does not submit a valid Claim Form will not be entitled to receive any distribution from the Net Cash Settlement Amount, but will otherwise be bound by all of the terms of this Settlement Agreement and the Settlement, including the terms of the Judgment to be entered in the Action and the Releases provided for herein, and will be barred and enjoined from bringing any action against the Releasees concerning the Released Plaintiffs' Claims.

25. Lead Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the Net Cash Settlement Amount by the Settlement Administrator. Defendants shall have no liability, obligation or responsibility for the administration of the Settlement or disbursement of the Net Cash Settlement Amount. Defendants shall not be permitted to review, contest or object to any submitted Claim Form or any decision of the Settlement Administrator or Lead Counsel with respect to accepting or rejecting any submitted Claim Form or Claim for payment by a Class Member. Lead Counsel

shall have the right, but not the obligation, to waive what it deems to be formal or technical defects in any Claim Forms submitted in the interests of achieving substantial justice.

26. For purposes of determining the extent, if any, to which a Class Member shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

a. Each Class Member shall be required to submit a Claim Form substantially in the form attached hereto as Exhibit A-2, supported by such documents as are designated therein, including proof of the Claimant's loss, or such other documents or proof as the Settlement Administrator or Lead Counsel, in their discretion, may deem acceptable.

b. All Claim Forms must be submitted by the date set by the Court in the Preliminary Approval Order and specified in the Notice, unless such deadline is extended by Order of the Court. Any Class Member who fails to submit a Claim Form by such date shall be forever barred from receiving any distribution from the Net Cash Settlement Amount or payment pursuant to this Settlement Agreement (unless, by Order of the Court, late-filed Claim Forms are accepted), but shall in all other respects be bound by all of the terms of this Settlement Agreement and the Settlement including the terms of the Judgment and the Releases provided for herein, and will be barred and enjoined from bringing any action against the Releasees concerning the Released Plaintiffs' Claims. A Claim Form shall be deemed to be submitted when posted, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, a Claim Form shall be deemed to have been submitted on the date when actually received by the Settlement Administrator.

c. Each Claim Form shall be submitted to and reviewed by the Settlement Administrator, under the supervision of Lead Counsel, who shall determine in

accordance with this Settlement Agreement and the Court-approved plan of allocation, the extent, if any, to which each Claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below.

d. Claim Forms that do not meet the submission requirements may be rejected. Prior to rejecting a Claim in whole or in part, the Settlement Administrator shall communicate with the Claimant in writing, to give the Claimant the chance to remedy any curable deficiencies in the Claim Form submitted. The Settlement Administrator, under the supervision of Lead Counsel, shall notify, in a timely fashion and in writing, all Claimants whose Claim they propose to reject in whole or in part, setting forth the reasons therefore, and shall indicate in such notice that the Claimant whose claim is to be rejected has the right to a review by the Court if the Claimant so desires and complies with the requirements of subparagraph (e) below.

e. If any Claimant whose Claim has been rejected in whole or in part desires to contest such rejection, the Claimant must, within twenty (20) days after the date of mailing of the notice required in subparagraph (d) above, serve upon the Settlement Administrator a notice and statement of reasons indicating the Claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a Claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review to the Court.

27. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claimant's Claim, and the Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, *provided, however* that such investigation and discovery shall be limited to that Claimant's status as a Class Member and the validity and

amount of the Claimant's Claim. No discovery shall be allowed on the merits of the Action or Settlement in connection with the processing of Claim Forms.

28. Following the date on which the Settlement is no longer subject to further appeal or review, whether by exhaustion of any possible appeal, lapse of time, or otherwise, and the Settlement Administrator has completed processing all of the Claims submitted in connection with the Settlement, Lead Counsel will apply to the Court, on notice to Defendants' Counsel, for a Class Distribution Order: (a) approving the Settlement Administrator's administrative determinations concerning the acceptance and rejection of the Claims submitted; (b) approving payment of any unpaid Notice and Administrative Expenses associated with the administration of the Settlement from the Escrow Account; and (c) if the Effective Date has occurred, directing payment of the Net Cash Settlement Amount to the Authorized Claimants.

29. Upon entry of the Class Distribution Order, the Net Cash Settlement Amount (which excludes (i) the Attorneys' Fees and Expenses Award, (ii) Notice and Administrative Expenses incurred, (iii) estimated Notice and Administrative Expenses for distributing the Net Cash Settlement Amount to eligible Class Members, and (iv) any taxes paid or to be paid on the Settlement Amount (and accumulated interest) and related tax preparation expenses) shall be promptly distributed to Authorized Claimants in accordance with the plan of allocation approved by the Court.

30. In the event that the Settlement is no longer subject to further appeal or review, the Settlement Administrator has completed processing all of the Claims submitted in connection with the Settlement, and the Court has entered an order authorizing distribution of the Settlement proceeds to the Class, but the Attorneys' Fees and Expenses Award is on appeal or subject to further appeal or review, Lead Counsel may conduct a partial distribution of the Net

Cash Settlement Amount to eligible members of the Class after setting aside and holding in reserve the amount of attorneys' fees and expenses at issue on appeal.

31. If there is any balance remaining in the Net Cash Settlement Amount after nine (9) months from the date of distribution of the Net Cash Settlement Amount (whether by reason of tax refunds, uncashed checks, or otherwise), Lead Counsel shall, if economically feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. Lead Counsel shall conduct further re-distributions of the Net Cash Settlement Amount to Authorized Claimants until it is determined that further re-distributions are not economically feasible. Thereafter, any balance that still remains in the Net Cash Settlement Amount shall be donated to an appropriate non-profit organization to be agreed upon by counsel for Plaintiffs and Defendants.

32. Payment pursuant to the Class Distribution Order shall be final and conclusive against all Class Members. All Class Members whose Claims are not approved by the Court shall be barred from participating in distributions from the Net Cash Settlement Amount, but otherwise shall be bound by all of the terms of this Settlement Agreement and the Settlement, including the terms of the Judgment to be entered in the Action and the Releases provided for herein and therein, and will be barred and enjoined from bringing any action against any and all of the Releasees concerning any and all of the Released Plaintiffs' Claims.

33. All proceedings with respect to the administration, processing and determination of Claims and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of Claims, shall be subject to the jurisdiction of the Court.

J. Taxes

34. The Parties and the Escrow Agent agree to treat the Settlement Fund as being at all times a “qualified settlement fund” within the meaning of Treas. Reg. §1.468B-1. In addition, Lead Counsel, or agent designated by Lead Counsel, shall timely make such elections as necessary or advisable to carry out the provisions of this paragraph, including the “relation-back election” (as defined in Treas. Reg. §1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of Lead Counsel, or agent designated by Lead Counsel, to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

35. For the purpose of §468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be Lead Counsel. Lead Counsel, or agent designated by Lead Counsel, shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including, without limitation, the returns described in Treas. Reg. §1.468B-2(k)). Such returns (as well as the election described in paragraph 34) shall be consistent with this paragraph and in all events shall reflect that all taxes (including any estimated taxes, interest or penalties) on the income earned by the Settlement Fund shall be paid out of the Escrow Account as provided in paragraph 36.

36. All (*i*) taxes (including any estimated taxes, interest or penalties) arising with respect to the income earned by the Settlement Fund, including any taxes or tax detriments that may be imposed upon the Releasees or Releasors or their counsel with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify

as a “qualified settlement fund” for federal or state income tax purposes, and (ii) expenses and costs incurred in connection with the operation and implementation of this paragraph (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this paragraph) (“tax expenses”), shall be paid out of the Escrow Account; in all events the Releasees and their counsel shall have no liability or responsibility for any taxes or tax expenses. The Settlement Fund shall indemnify and hold each of the Releasees and their counsel harmless for taxes and tax expenses (including, without limitation, taxes payable by reason of any such indemnification). Further, taxes and tax expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall be timely paid by the Escrow Agent, upon instruction from Lead Counsel, out of the Escrow Account without prior order from the Court, and the Escrow Agent, upon instruction from Lead Counsel, shall be authorized (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any taxes and tax expenses (as well as any amounts that may be required to be withheld under Treas. Reg. §1.468B-2(1)(2)). The Parties agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this paragraph.

K. Releases and Waivers

37. Pursuant to the Order Approving Settlement and Final Judgment, without further action by anyone, and whether or not a Claim Form has been executed and/or delivered by or on behalf of any such Class Member, on and after the Effective Date, Plaintiffs and all other Class Members, on behalf of themselves and their other Releasers, and anyone claiming

through or on behalf of any of them, for good and sufficient consideration, shall be deemed to have, and by operation of law and of the Order Approving Settlement and Final Judgment shall have, fully, finally, and forever released, relinquished, settled, and discharged all Released Plaintiffs' Claims against each and every one of the Releasees, except to the extent otherwise specified in this Settlement Agreement.

38. Pursuant to the Order Approving Settlement and Final Judgment, without further action by anyone, on and after the Effective Date, each and all Defendants, on behalf of themselves and their respective legal representatives, heirs, executors, administrators, predecessors, successors in interest, transferees and assignees, in their capacities as such, for good and sufficient consideration, shall be deemed to have, and by operation of law and of the Order Approving Settlement and Final Judgment shall have, fully, finally, and forever released, relinquished, settled, and discharged all Released Defendants' Claims against each and every one of the Plaintiffs' Releasees, except to the extent otherwise specified in this Settlement Agreement.

39. Nothing in the Order Approving Settlement and Final Judgment shall bar any action or Claim by the Parties or their counsel to enforce the terms of this Settlement Agreement or the Order Approving Settlement and Final Judgment.

40. Pending final determination of whether the Settlement should be approved and applied in the Action, neither Plaintiffs, nor any of the Class Members, shall commence, maintain or prosecute against Defendants, the other Releasees, or any of them, any action or proceeding in any court or tribunal asserting or relating to any of the Released Plaintiffs' Claims, and none of Defendants shall commence, maintain or prosecute against Plaintiffs, the other

Plaintiffs' Releasees, or any of them, any action or proceeding in any court or tribunal asserting or relating to any of the Released Defendants' Claims.

41. The releases and waivers contained herein were separately bargained for and are essential elements of the Settlement Agreement.

L. Preliminary Approval of Settlement

42. Promptly upon execution of this Settlement Agreement, Plaintiffs shall file a motion for preliminary approval of the Settlement Agreement and the Court's entry of the Preliminary Approval Order, substantially in the form of Exhibit A hereto. Defendants shall not oppose Plaintiffs' motion if consistent with the terms of the Settlement.

M. Final Approval Hearing, Order Approving Settlement and Final Judgment and Dismissal

43. The Parties shall request that the Court schedule a Final Approval Hearing at which to consider whether to approve this Settlement Agreement, and the Settlement embodied herein, as fair, reasonable and adequate and in the best interest of the Class and if approved, to enter the Judgment, substantially in the form attached hereto as Exhibit B. In connection therewith, Plaintiffs shall request the Court *(i)* to approve the Plan of Allocation, and *(ii)* to approve Lead Counsel's Attorneys' Fees and Expenses Application.

N. No Admissions

44. Except as otherwise expressly provided herein, this Settlement Agreement, whether or not consummated, and any proceedings taken pursuant to it:

a. shall not be offered or received against Defendants for any purpose, including without limitation as evidence of, or construed as or deemed to be evidence of, any presumption, concession or admission by any of Defendants with respect to the truth of any fact alleged by Plaintiffs or the validity of any Claim that had been or could have been

asserted against Defendants in the Action or in any litigation, or of any liability, negligence, fault or wrongdoing of Defendants;

b. shall not be offered or received against Defendants for any purpose, including without limitation as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Defendant, or against Plaintiffs or any other Class Members as evidence of any infirmity in the claims of Plaintiffs or the other Class Members;

c. shall not be offered or received against Defendants or against Plaintiffs or any other Class Members for any purpose, including without limitation as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the Parties to this Settlement Agreement, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Settlement Agreement; *provided, however*, that if this Settlement Agreement is approved by the Court, Defendants may refer to them to effectuate the liability protection granted them hereunder;

d. shall not be construed against Defendants, Plaintiffs or any other Class Members for any purpose, including without limitation as an admission or concession that the consideration to be given hereunder represents the amount that could be or would have been recovered after trial; and/or

e. shall not be construed as or received in evidence as an admission, concession or presumption against Plaintiffs or other Class Members or any of them that any of their Claims are without merit or that damages recoverable under the Amended Complaint would not have exceeded the Settlement Amount.

O. Modification or Termination of this Settlement Agreement

45. The terms and provisions of this Settlement Agreement may not be altered, amended or modified except in writing signed by all Parties.

46. Any Party shall have the right to terminate the Settlement if the Court does not approve the Settlement Agreement, or if the Court (or any appellate court) modifies the Settlement Agreement in any way that a Party in good faith determines is material. Plaintiffs have the right to terminate the Settlement if Pfizer fails to timely and completely fund the Settlement Amount in accordance with this Settlement Agreement.

47. Plaintiffs may not terminate the Settlement based on the Attorneys' Fees and Expenses Award or the Court's approval of a plan of allocation.

48. This Settlement Agreement does not provide for Class Members to opt out of the Class since they were already given the opportunity to opt out in 2012 in connection with the Notice of Pendency of Class Action. If, contrary to the Parties' agreement, the District Court requires a second opt-out period, the Parties agree to negotiate a provision allowing Defendants to terminate the Settlement if Class Members who purchased more than a certain percentage of the total number of shares of Pfizer common stock purchased during the Class Period request exclusion from the Class. Any such provision shall be confidential and shall not be filed with the Court unless necessary to establish that such option to terminate has been triggered.

49. Unless otherwise ordered by the Court, in the event this Settlement Agreement shall terminate, or be canceled, or shall not become effective for any reason, within twenty (20) business days after written notification of such event is sent by Defendants' Counsel or Lead Counsel to the Escrow Agent, the Settlement Amount (including accrued interest), less Notice and Administrative Expenses that have either been incurred or disbursed pursuant to

paragraph 13 hereof and taxes and tax expenses incurred or disbursed, shall be refunded pursuant to written instructions from Defendants' Counsel. If said amount or any portion thereof is not returned within twenty-five (25) business days after receiving written instructions from Defendants' Counsel, then interest shall accrue thereon at twice the rate as earned by the Settlement Amount until the date that said amount is returned. The Escrow Agent or its designee shall apply for any tax refund that may be owed or receivable on the Settlement Fund and pay the proceeds, after deduction of any fees or expenses incurred in connection with such application(s) for refund, directly pursuant to written instructions from Defendants' Counsel.

50. In the event this Settlement Agreement shall terminate, or be canceled, or shall not become effective for any reason, the Parties shall return to their respective positions in the Action as of July 18, 2016, the date of their Memorandum of Understanding memorializing the Parties' agreement-in-principle to settle the Action.

P. Miscellaneous Provisions

51. Plaintiffs and their counsel represent and warrant that none of the Released Plaintiffs' Claims or causes of action referred to herein has been assigned, encumbered or in any manner transferred in whole or in part.

52. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

53. The Parties to this Settlement Agreement intend the Settlement to be a final and complete resolution of all disputes asserted or that could be asserted by Plaintiffs, any other Class Members and their attorneys against the Releasees with respect to the Released Plaintiffs' Claims. Accordingly, Plaintiffs and Defendants agree not to assert in any forum that the Action was brought by Plaintiffs or defended by Defendants in bad faith or without a

reasonable basis. The Parties hereto shall assert no claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the prosecution, defense or settlement of the Action. The Parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's-length in good faith by the Parties and reflect a settlement that was reached voluntarily after consultation with experienced legal counsel.

54. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

55. The administration and consummation of the Settlement as embodied in this Settlement Agreement shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and expenses to Plaintiffs' Counsel and reimbursement of costs and expenses to Plaintiffs and enforcing the terms of this Settlement Agreement.

56. The waiver by one party of any breach of this Settlement Agreement by any other party shall not be deemed a waiver of any other prior or subsequent breach of this Settlement Agreement.

57. This Settlement Agreement and its exhibits constitute the entire agreement among the Parties hereto concerning the Settlement of the Action, and no representations, warranties or inducements have been made by any party hereto concerning this Settlement Agreement and its exhibits other than those contained and memorialized in such documents.

58. This Settlement Agreement may be executed in one or more original, faxed, and/or scanned and electronically mailed counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument *provided, however*, that counsel

for the signatories of this Settlement Agreement shall exchange among themselves, which exchange may be by fax or by electronic mail, original signed counterparts.

59. This Settlement Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto.

60. The construction, interpretation, operation, effect and validity of this Settlement Agreement, and all documents necessary to effectuate it, shall be governed by the internal laws of the State of New York without regard to conflicts of laws principles, except to the extent that federal law requires that federal law govern.

61. This Settlement Agreement shall not be construed more strictly against one party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that it is the result of arm's-length negotiations between the Parties, and all Parties have contributed substantially and materially to the preparation of this Settlement Agreement.

62. All counsel and any other persons executing this Settlement Agreement and any of the exhibits hereto, or any related Settlement documents, warrant and represent that they have full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to this Settlement Agreement to effectuate its terms.


63. This Settlement will not be conditioned on the obtaining of or any judicial approval of any releases between or among Defendants and/or any third parties.

64. The Parties shall at all times act in good faith and use their best efforts to secure final Court approval of the Settlement and the dismissal of the Action upon the material terms set forth in this Settlement Agreement.

65. All Parties will bear their own costs, except as provided herein.

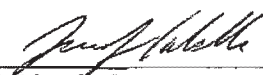
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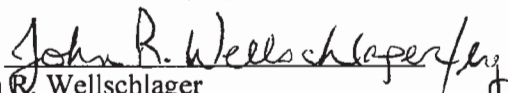
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