

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE PFIZER INC. SECURITIES LITIGATION

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

ECF CASE

NOTICE OF PROPOSED SETTLEMENT OF SECURITIES CLASS ACTION, APPLICATION FOR ATTORNEYS' FEES AND EXPENSES, AND SETTLEMENT FAIRNESS HEARING

To: All persons and entities who purchased and/or otherwise acquired Pfizer Inc. ("Pfizer" or "PFE") common stock between and including October 31, 2000 and October 19, 2005.

A federal court has authorized this notice. This is not a solicitation from a lawyer.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE EXPLAINS IMPORTANT RIGHTS YOU MAY HAVE, INCLUDING THE POSSIBLE RECEIPT OF CASH FROM THE SETTLEMENT.

IF YOU ARE A MEMBER OF THE CLASS, YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT WHETHER YOU TAKE ANY ACTION PURSUANT TO THIS NOTICE OR NOT.

This Notice has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of New York (the "Court"). The purpose of this Notice is to inform you of the proposed settlement (the "Settlement") of the above-captioned class action lawsuit (the "Action") against Pfizer, Henry A. McKinnell, Karen L. Katen, Joseph M. Feczko and Gail Cawkwell (collectively the "Defendants") for a total of \$486,000,000 in cash (the "Settlement Amount") that, if approved, will resolve all claims in the Action. The Notice also is being sent to inform you of the hearing (the "Final Approval Hearing") to be held by the Court to consider (i) the fairness, reasonableness and adequacy of the Settlement as set forth in the Settlement Agreement¹ and whether the Settlement should be approved; (ii) whether the proposed plan for allocating the proceeds of the Settlement to eligible members of the Class (as set forth in Appendix A hereto) should be approved; (iii) Lead Counsel's application for attorneys' fees and expenses, including reimbursement of Plaintiffs' costs and expenses (as addressed on page 8, Question No. 14, below); and (iv) certain other matters.

This Notice is directed to you in the belief that you may be a member of the Class whose rights might be affected by the Settlement. If you do not meet the Class definition or if you previously excluded yourself from the Class in connection with the Notice of Pendency of Class Action previously disseminated in 2012 (the "Class Notice") and are listed on Exhibit C to the Settlement Agreement, this Notice does not apply to you. If you are uncertain whether you are a member of the Class, contact Lead Counsel identified below, or consult your own attorney.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT	
SUBMIT A CLAIM FORM.	The only way to be eligible to receive a payment from the Settlement Fund is to submit a Claim Form postmarked no later than January 28, 2017.
OBJECT TO THE SETTLEMENT, PLAN OF ALLOCATION OR REQUESTS FOR ATTORNEYS' FEES AND EXPENSES.	If you want to object to the proposed Settlement, the proposed Plan of Allocation or the request for attorneys' fees and expenses, you must write to the Court and explain why you do not like the Settlement, the Plan of Allocation, Lead Counsel's request for attorneys' fees and expenses and/or Plaintiffs' request for reimbursement of costs and expenses. Objections must be received no later than November 28, 2016.
GO TO THE FINAL APPROVAL HEARING ON DECEMBER 21, 2016.	If you want to appear in person and speak in Court at the scheduled hearing about the fairness of the proposed Settlement, the proposed Plan of Allocation, and/or the request for attorneys' fees and expenses, you must submit a notice of intention to appear, along with your written objection. Notices of intention to appear must be received no later than November 28, 2016.
DO NOTHING.	If you are a Class Member and do nothing, you will not be eligible to receive any payment from the Settlement Fund, you will give up your rights to sue about the claims that are being resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

The rights and options set forth above - and the deadlines to exercise them - are explained in this Notice.

¹ Any capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated August 26, 2016 (the "Settlement Agreement"), which is available at www.pfizersecuritieslitigationsettlement.com.

Summary of the Notice

* **Description of the Action and the Class:** This Action was brought by investors 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. Defendants vigorously denied and disputed Plaintiffs' claims. A more detailed description of the Action is set forth on pages 3-4, Question No. 3, below.

* **Statement of Plaintiffs' Recovery:** Subject to Court approval, the Settlement will result in the creation of a cash settlement fund in the principal amount of \$486,000,000, plus any interest that may accrue thereon (the "Settlement Fund"). A portion of the Settlement Fund will be used to pay for, among other things, the expense of class notice and administration of the Settlement, taxes and tax-related expenses, Court-awarded attorneys' fees and expenses to Plaintiffs' Counsel and Court-awarded reimbursement of costs and expenses to Plaintiffs. The balance of the Settlement Fund will be available for distribution to Class Members who submit valid and timely Claim Forms, according to a Court-approved plan of allocation. The plan of allocation being proposed by Plaintiffs and Lead Counsel (the "Plan of Allocation") is set forth in Appendix A hereto. Based on Plaintiffs' damages expert's estimate of the number of shares of Pfizer common stock purchased during the Class Period that may have been affected by the conduct at issue in the Action, and assuming that all Class Members elect to participate in the Settlement, the estimated average recovery (before deduction of any Court-approved fees, expenses and costs (as described herein) is \$0.13 per affected share of Pfizer common stock. **You should note, however, that the foregoing average recovery per share is only an estimate.** Your recovery from the Settlement will depend on a number of things, such as the number of shares of Pfizer common stock you purchased or otherwise acquired during the period between and including October 31, 2000 and December 16, 2004, and the timing of your purchases, acquisitions and any sales, at what prices such shares were purchased, acquired or sold, and the total number of valid Claim Forms submitted.

* **Statement of Potential Outcome of Case:** The Parties do not agree on the average amount of damages per share that would be recoverable if Plaintiffs were to prevail in the Action. Among other things, Defendants do not agree with the assertion that they violated the federal securities laws or that damages were suffered by any members of the Class as a result of their conduct. Plaintiffs estimate, based on a trading model used by their experts, that the maximum recovery for the Class might be as large as \$5.37 billion in the aggregate, or approximately \$1.46 per damaged share. This assumes Plaintiffs would prevail on every element of their claims and that the jury would find that each of the alleged corrective disclosures revealed information that had been concealed.

* **Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel in the Action, which have been prosecuting the Action on a wholly contingent basis since its inception in 2004, despite having advanced millions of dollars in expenses and having spent well over \$100 million in time representing in excess of 200,000 hours, have not received any payment of attorneys' fees for their work on behalf of the Class and have advanced substantial expenses necessary to prosecute this Action and negotiate the Settlement on behalf of the Class. Lead Counsel, on behalf of Plaintiffs' Counsel, will ask the Court for an award of attorneys' fees not to exceed 30% of the Settlement Fund and expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against Defendants in an amount not to exceed \$25 million, plus interest, to be paid from the Settlement Fund. In addition, Plaintiffs may seek reimbursement of up to an aggregate amount not to exceed \$100,000 for their reasonable costs and expenses incurred in representing the Class. If these amounts are requested and approved by the Court, the estimated average cost per affected share of Pfizer common stock will be \$0.05. **Please note that this amount is only an estimate.**

* **Reasons for the Settlement:** Plaintiffs believe that the Settlement is a good recovery and is in the best interests of the Class. Because of the risks associated with continuing to litigate and proceeding to trial, there was a danger that the Class would not have prevailed on any of its claims, in which case the Class would receive nothing. Also, the amount of damages recoverable by the Class was and is challenged by Defendants. Recoverable damages in this case are limited to losses caused by conduct actionable under the applicable law and, had the Action gone to trial, Defendants would have asserted that any losses of Class Members were caused by non-actionable market, industry, or general economic factors. Defendants would also have asserted that throughout the Class Period, the risks associated with the purchase of Pfizer common stock were fully and adequately disclosed. The Settlement provides an immediate benefit to Class Members and will avoid the years of delay that would likely occur in the event of a contested trial and appeals.

Defendants have denied and continue to 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.

* **Identification of Attorney Representatives and Further Information:** For more information about this Notice or the Settlement please contact the Settlement Administrator or Lead Counsel:

Settlement Administrator
Pfizer Securities Litigation Settlement
c/o Garden City Group, LLC
P.O. Box 10305
Dublin, OH 43017-5905
888-236-0464
info@pfizersecuritieslitigationsettlement.com

Lead Counsel
Mary S. Thomas, Esq.
Grant & Eisenhofer P.A.
123 Justison Street
Wilmington, DE 19801
302-622-7000
www.gelaw.com

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1. WHY DID I RECEIVE THIS NOTICE PACKAGE?

This Notice is being sent to you pursuant to an Order of the Court because you or someone in your family or an investment account for which you serve as custodian may have purchased or acquired Pfizer common stock between and including October 31, 2000 and October 19, 2005. This Notice was sent because you have a right to know about the proposed Settlement of this Action, and about all of your rights and options, before the Court decides whether to approve the Settlement. This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

This Notice does not express any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

2. WHY IS THE ACTION A CLASS ACTION?

A class action is a type of lawsuit in which one or several individuals or entities prosecute claims on behalf of all members of a group of similarly-situated individuals and entities to obtain monetary or other relief for the benefit of the entire group, known as a class. Class actions avoid the necessity of each member of a class having to file a separate lawsuit to obtain relief. Class actions are used to decide legal and factual issues that are common to all members of a class. The Court in charge of this Action is the United States District Court for the Southern District of New York. The Judge presiding over the Action is The Honorable Laura Taylor Swain, United States District Judge. If the Settlement is approved, it will resolve all claims in the Action by Class Members against the Defendants.

In this Action, the Court found that the elements necessary for a class action are satisfied and, by Order dated March 29, 2012, as amended by Order dated April 6, 2012, the Court certified the Action as a class action on behalf of a class of purchasers and acquirers of Pfizer common stock. A description of who is in the Court-certified Class is set forth in response to Question No. 5 below. The Class Notice was previously mailed to potential Class Members and a related summary notice was published. The Court set a deadline of September 9, 2012 for any Class Member to request exclusion from the Class. The Court has ordered that no second opportunity for requesting exclusion be allowed. Those persons and entities that previously submitted a valid request for exclusion from the Class are listed on Exhibit C to the Settlement Agreement and available on the website, www.pfizersecuritieslitigationsettlement.com, and shall be automatically excluded from the Settlement without any further action on their part.

3. WHAT IS THE ACTION ABOUT?

Beginning in December 2004, several putative securities fraud class actions were filed against Pfizer and certain of its officers and directors for allegedly violating Sections 10(b), 20(a) and 20A of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5. By Order dated October 21, 2005, the Court consolidated these actions and appointed Teachers' Retirement System of Louisiana as Lead Plaintiff pursuant to the Private Securities Litigation Reform Act of 1995. The Court also designated Grant & Eisenhofer P.A. as Lead Counsel for the Class.

On February 16, 2006, Lead Plaintiff filed its Consolidated Class Action Complaint (the "Complaint"). The Complaint alleged, among other things, that Pfizer and the Individual Defendants, who were officers or employees of Pfizer, made materially false and misleading statements and omitted material information from Pfizer's public reports and documents about the cardiovascular risks associated with two drugs, Celebrex and Bextra. As a result of these misrepresentations and omissions, Plaintiffs alleged that the price of Pfizer common stock during the Class Period was artificially inflated. Plaintiffs alleged that once the truth about these cardiovascular risks began to emerge, the price of Pfizer common stock declined in value and Class Members suffered losses. Plaintiffs also alleged that three former officers and/or directors of Pfizer sold shares of Pfizer stock during the Class Period while in possession of material information about the cardiovascular safety of Celebrex and Bextra that was not disclosed to the public. The Complaint asserted claims under several provisions of the Exchange Act as well as state securities and fraud law.

Pfizer and the Individual Defendants moved to dismiss the Complaint on May 5, 2006. The motion and the Action were thereafter reassigned to Judge Swain on February 22, 2008. By Order dated July 1, 2008, the Court granted in part and denied in part the motion to dismiss (the "Motion to Dismiss Opinion"). The Court dismissed Plaintiffs' claims for common law fraud, violations of state securities laws, and Section 18 of the Exchange Act but allowed Plaintiffs to continue litigating their claims for violations of Sections 10(b), 20(a), and 20A of the Exchange Act.

On July 16, 2008, Pfizer and the Individual Defendants filed a motion for reconsideration of certain portions of the Court's Motion to Dismiss Opinion. The Court denied this request by Order dated September 4, 2008.

Pfizer and the Individual Defendants answered the Complaint on September 15, 2008. In their answer, Pfizer and the Individual Defendants denied Plaintiffs' legal claims. In particular, Pfizer and the Individual Defendants denied that any of them made material misstatements relating to Celebrex or Bextra's cardiovascular safety or omitted alleged material facts about those issues. They also denied that any of them acted recklessly or with intent to defraud Pfizer's shareholders, as is required to find a violation of the federal securities provisions at issue. Pfizer and the Individual Defendants further denied that they caused Plaintiffs' economic losses.

Thereafter, at Defendants' request, the Court directed the parties to conduct discovery to determine whether reliable scientific evidence existed to show that Celebrex or Bextra was associated with increased cardiovascular risk. The parties exchanged expert reports on these scientific issues and, pursuant to Rule 702 of the Federal Rules of Evidence, the Court held a five-day *Daubert* hearing in October 2009. Each of the parties asked the Court to preclude the other side from offering the opinion testimony of their experts. Following the *Daubert* hearing, the Court denied the parties' respective motions, refusing to exclude any experts.

Thereafter, the parties commenced discovery on all aspects of the case. The parties conducted over 60 depositions of fact and expert witnesses and have exchanged tens of millions of pages of documents.

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

While Lead Plaintiff's motion for class certification was pending, Pfizer and the Individual Defendants again moved the Court for reconsideration of the Motion to Dismiss Opinion. By Order dated March 22, 2012, the Court denied this second motion for reconsideration.

During the same time, Lead Plaintiff moved the Court for leave to file an amended complaint. The Court granted Lead Plaintiff's motion on March 22, 2012. Lead Plaintiff filed the Amended Consolidated Class Action Complaint on March 27, 2012 (the "Amended Complaint").

On March 29, 2012, the Court issued its Opinion and Order granting Lead Plaintiff's motion for class certification. On April 6, 2012, the Court issued its Amended Order Granting Motion for Class Certification. 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, and thereafter, the Class Notice was mailed to potential members of the Class.

On May 10, 2012, Pfizer and the Individual Defendants answered the Amended Complaint.

On July 2, 2012, Pfizer and the Individual Defendants moved for summary judgment. On March 28, 2013, the Court granted in part and denied in part Defendants' motion for summary judgment.

In 2013, as the parties were preparing for trial, they made numerous pre-trial motions, including motions to narrow the issues to be tried and to exclude the testimony of various witnesses. One such motion was a motion by Pfizer and the Individual Defendants to exclude the testimony of Plaintiffs' loss causation and damages expert witness, Daniel R. Fischel. On May 22, 2014, the Court granted this motion. 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. On July 9, 2014, the Court entered judgment in favor of Defendants and dismissed the Action.²

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. On April 12, 2016, the Second Circuit issued a decision reversing the Court's grant of summary judgment to Defendants. On May 10, 2016, Defendants filed in the Second Circuit a petition for rehearing and rehearing *en banc* (the "Rehearing Petition"). The Second Circuit has not issued a decision on the Rehearing Petition.

Following extensive negotiations, 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.

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 pending Rehearing Petition to be held in abeyance pending final approval of the proposed Settlement.

On August 26, 2016, the Parties entered into the Settlement Agreement setting forth the terms and conditions of the Settlement. The Settlement Agreement can be viewed at www.pfizersecuritieslitigationsettlement.com.

On September 16, 2016, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Class Members, and scheduled the Final Approval Hearing to consider whether to grant final approval to the Settlement.

Defendants have denied and continue to deny all of the claims and contentions alleged by Plaintiffs in the Action. 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. Defendants also have denied and continue to deny that Plaintiffs or the Class have suffered any damage; that the price of Pfizer common stock was artificially inflated by reason of alleged misrepresentations, non-disclosures or otherwise; that Plaintiffs or the Class were harmed by the conduct alleged in the Action; or that Defendants knew or were reckless with respect to the alleged misconduct. Defendants maintain that they have meritorious defenses to all claims alleged in the Action and believe that the evidence developed supports their position that they acted properly at all times and that the Action is without merit.

4. WHY IS THERE A SETTLEMENT?

The Settlement is the result of extensive arm's-length negotiations among Lead Counsel and counsel for Defendants following more than twelve years of vigorous and hard-fought litigation. Plaintiffs believe that the claims asserted in the Action have merit and that the evidence supports the claims. However, Plaintiffs and Lead Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against Defendants through trial and appeals. Plaintiffs and Lead Counsel have also taken into account the uncertain outcome and risk of any litigation, especially in complex cases such as this. Among other things, Plaintiffs and Lead Counsel have taken into account that Defendants' Rehearing Petition remains pending in the Second Circuit, and that if Defendants were successful on that Petition, the Action could be dismissed and there could be no recovery for the Class whatsoever. Plaintiffs and Lead Counsel are also mindful of the inherent problems of proof and possible defenses to the securities law violations alleged in the Action. Plaintiffs and Lead Counsel believe that the Settlement confers substantial benefits upon the Class. Based on their evaluation, Plaintiffs and Lead Counsel have determined that the Settlement is in the best interests of the Class.

5. HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

If you are a Class Member, you are subject to the Settlement unless you are excluded from the Class as set forth below. The Class consists of:

(a) 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*:

(1) 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; (2) Pfizer and the Individual Defendants; (3) members of the immediate family of each of the Individual Defendants; (4) subsidiaries or affiliates of Pfizer or any of the Individual Defendants; (5) 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; (6) any entity in which any of the Individual Defendants has a controlling interest; (7) the legal representatives, heirs, successors or assigns of any of the excluded persons or entities specified in this paragraph; and (8) the insurance carriers or their affiliates who insure the Defendants (the "Main Class"); and

² Individual Defendant, John L. LaMattina, was previously dismissed with prejudice under Fed. R. Civ. P. 41(a)(2) and 23(e) pursuant to the parties' stipulation of voluntary dismissal which was approved by the Court on May 13, 2014.

(b) A subclass consisting of all persons or entities in the Main Class, not otherwise excluded, 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, February 21, 2002, February 25, 2002, February 27, 2003, November 18, 2003, February 24, 2005, May 6, 2005, May 10, 2005 or August 16, 2005 (the "20A Subclass").

Also excluded from the Class are the persons and entities identified on Exhibit C to the Settlement Agreement which can be viewed on the Settlement website at www.pfizersecuritieslitigationsettlement.com. These are the investors who validly opted out of the Class in connection with the Class Notice disseminated in 2012 and were not previously accepted back into the Class.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A CLASS MEMBER AND YOU WISH TO BE POTENTIALLY ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN JANUARY 28, 2017.

6. I'M STILL NOT SURE IF I AM INCLUDED IN THE CLASS.

If you are still not sure whether you are included, you can ask for free help. You can call Lead Counsel, Grant & Eisenhofer P.A., at 302-622-7000 or the Settlement Administrator, at 888-236-0464 for more information. Or you can fill out and return the Claim Form described in Question No. 10, to see if you qualify.

7. WHAT DOES THE SETTLEMENT PROVIDE?

The full terms and provisions of the Settlement are set forth in the Settlement Agreement, which can be viewed at www.pfizersecuritieslitigationsettlement.com.

The Settlement will result in the creation of a cash settlement fund in the principal amount of \$486,000,000, plus any interest that may accrue thereon.

The Settlement Fund, subject to deduction for, among other things, the expense of class notice and administration of the Settlement, taxes and tax-related expenses and for attorneys' fees and expenses as approved by the Court, will be available for distribution to Class Members.

8. WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?

If you are a Class Member, you will be bound by any orders and judgments issued by the Court. If the Settlement is approved, the Court will enter the Judgment. The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Plaintiffs and all other Class Members, on behalf of themselves and their other Releasors (as defined below), for good and sufficient consideration, shall be deemed to have, and by operation of law and the Judgment shall have, fully, finally and forever released, relinquished, settled, and discharged all Released Plaintiffs' Claims (as defined below) against each and every one of the Releasees (as defined below), except to the extent otherwise specified in the Settlement Agreement.

* "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, accrued or not accrued, existing now or to be created in the future, including "Unknown Claims" (as defined below).

* "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.

* "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.

* "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.

* "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 the 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 the Settlement Agreement.

9. HOW MUCH WILL MY PAYMENT BE IN THE SETTLEMENT?

At this time, it is not possible to make any determination as to how much any individual Class Member may receive from the Settlement. If you are a Class Member, your share of the Net Cash Settlement Amount will depend on the number of valid Claim Forms that Class Members submit, and how many shares of Pfizer common stock you purchased, acquired, and sold during the Class Period, and when you purchased, acquired, and sold such shares.

Appendix A to this Notice sets forth the Plan of Allocation for allocating the Net Cash Settlement Amount among Authorized Claimants, as proposed by Plaintiffs and Lead Counsel. The Court may modify the Plan of Allocation, or approve a different plan of allocation, without further notice to the Class.

10. HOW CAN I RECEIVE A PAYMENT IN THE SETTLEMENT?

To be potentially eligible to receive a payment from the Settlement, you must be an eligible Class Member and you must timely complete and return a Claim Form with adequate supporting documentation. A Claim Form is enclosed with this Notice. You may also get a Claim Form on the Internet at www.pfizersecuritieslitigationsettlement.com, or by contacting the Settlement Administrator toll free at 1-888-236-0464 or by e-mail at info@pfizersecuritieslitigationsettlement.com. Read the instructions in the Claim Form carefully, fill out the Claim Form, include the documents the Claim Form asks for, sign it, and mail it, **postmarked no later than January 28, 2017**, to:

**Pfizer Securities Litigation Settlement
c/o Garden City Group, LLC
P.O. Box 10305
Dublin, OH 43017-5905**

If you are excluded from the Class by definition or you are listed on Exhibit C of the Settlement Agreement, or if you do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Cash Settlement Amount.

In addition, please note, in connection with Defendants' summary judgment motion, the Court ruled that the full extent of the truth was in the public domain as of the end of the day on December 19, 2004 and that Plaintiffs identified no loss-causing risk information disclosure after December 19, 2004. In addition, based upon the Court's ruling, it also became clear that any Pfizer common stock purchased or otherwise acquired on December 17, 2004 and December 18, 2004 did not incur a loss attributable to the allegedly misrepresented information. As a result, if you purchased or otherwise acquired shares of Pfizer common stock on any date after December 16, 2004, you will not receive any recovery resulting from such purchases or acquisitions.

11. WHEN WILL I RECEIVE MY PAYMENT IN THE SETTLEMENT?

The Court will hold a hearing on December 21, 2016 to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain when these appeals will be resolved, and resolving them can take time, perhaps more than a year. Even if no appeals are filed, it will take time for the Settlement Administrator to process all of the Claim Forms and determine the ultimate distribution amounts. Please be patient.

12. WHAT AM I GIVING UP TO RECEIVE A PAYMENT IN THE SETTLEMENT?

All Class Members will be bound by the release of Claims against the Defendants. That means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the Released Plaintiffs' Claims in this case. It also means that all of the

Court's orders will apply to you and legally bind you and you will release your Claims in this case against the Defendants. See Question No. 8 above. Note: If you object, but the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as members of the Class who do not object.

13. DO I HAVE A LAWYER IN THE ACTION?

The court appointed the law firm of Grant & Eisenhofer P.A. to represent you and other Class Members. These lawyers are called Lead Counsel. You will not be personally liable for the fees and expenses incurred by these lawyers. Any attorneys' fees and expenses awarded to Lead Counsel, on behalf of Plaintiffs' Counsel, will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

14. HOW WILL THE LAWYERS BE PAID?

Before final approval of the Settlement, Lead Counsel, on behalf of Plaintiffs' Counsel, will formally move the Court for an award of attorneys' fees in an amount not to exceed 30% of the Settlement Fund and for expenses paid or incurred in the Action in an amount not to exceed \$25 million, plus interest. In addition, Plaintiffs may seek reimbursement of up to an aggregate amount not to exceed \$100,000 for their reasonable costs and expenses incurred in representing the Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Plaintiffs' Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. Plaintiffs' Counsel have been litigating this case for over twelve years without any compensation while simultaneously being at risk of losing everything, including tens of millions of dollars in expenses incurred on behalf of the Class and a lodestar in excess of \$100 million resulting from well over 200,000 hours spent prosecuting this Action. The attorneys' fees requested will compensate Plaintiffs' Counsel for their work in achieving the Settlement.

15. WHAT HAPPENS IF I DO NOTHING AT ALL?

If you fail to submit a valid Claim Form, you will receive no money from the Settlement. You will nevertheless be bound by the Releases in the Settlement, and you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants or the other Releasees for the Claims released by the Settlement ever again.

16. HOW DO I NOTIFY THE COURT THAT I DO NOT LIKE THE SETTLEMENT, THE PLAN OF ALLOCATION, OR THE REQUESTS FOR ATTORNEYS' FEES AND EXPENSES?

If you are a Class Member you can object to the Settlement of the Action, the proposed Plan of Allocation, the request for attorneys' fees and expenses to Plaintiffs' Counsel and/or the request for reimbursement of Plaintiffs' costs and expenses. To object, you must send a letter saying that you are a Class Member and that you object to the Settlement, and stating the reasons why you object, including any legal and evidentiary support you wish to bring to the Court's attention. You should also include the name of the case: *In re Pfizer Inc. Securities Litigation*, Case No. 04-cv-9866 (LTS)(HBP) (S.D.N.Y.). Your objection must include: (i) your name, address, telephone number, and your signature and (ii) documents sufficient to prove your membership in the Class, including the number of shares of Pfizer common stock that you purchased, acquired and/or sold during the Class Period, as well as the dates and prices of each such purchase, acquisition and sale. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Southern District of New York at the address set forth below **on or before November 28, 2016**. You must also serve your objection on the designees for Lead Counsel and Defendants' Counsel at the addresses listed below, so that it is **received no later than November 28, 2016**.

Clerk's Office:

United States District Court
Southern District of New York
Clerk of the Court
United States Courthouse
500 Pearl Street
New York, NY 10007

Lead Counsel Designee:

Mary S. Thomas, Esq.
Grant & Eisenhofer P.A.
123 Justison Street
Wilmington, DE 19801

Defendants' Counsel Designee:

Lynn K. Neuner, Esq.
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017

17. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT AND THE REQUESTED ATTORNEYS' FEES AND EXPENSES?

The Court will hold the Final Approval Hearing on **December 21, 2016 at 10:00 a.m.**, at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, with the Honorable Laura Taylor Swain presiding. At this hearing the Court will consider whether the Settlement and the Plan of Allocation are fair, reasonable and adequate and in the best interests of the Class, and whether Lead Counsel's request for an award of attorneys' fees and expenses to Plaintiffs' Counsel and the request for reimbursement of costs and expenses to Plaintiffs should be granted. If there are written objections to the Settlement, the Court will consider them at this hearing. The Court will also permit people to speak who have asked in writing by the appropriate deadline.

You should be aware that the Court may change the date and time of the Final Approval Hearing without another notice being sent to Class Members. If you want to attend the Final Approval Hearing, you should check with Lead Counsel or visit the Settlement website, www.pfizersecuritieslitigationsettlement.com, beforehand to be sure that the date and/or time of the hearing have not changed.

18. DO I HAVE TO COME TO THE HEARING?

No. Lead Counsel will answer any questions the Court may have, but you are welcome to come at your own expense. If you send an objection, you do not have to come to the Final Approval Hearing to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

19. MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

You may ask the Court for permission to speak at the Final Approval Hearing. To do so, you must send a letter stating that you are a Class Member, that it is your intention to appear in person at the Final Approval Hearing, that you object to some part of the Settlement in *In re Pfizer Inc. Securities Litigation*, Case No. 04-cv-9866 (LTS)(HBP) (S.D.N.Y.), and the reasons why you object. You must also follow all of the instructions set forth in Question No. 16 above regarding demonstrating Class membership.

Your notice of intention to appear must be filed with the Clerk's office and served on the designees for Lead Counsel and Defendants' Counsel, at the addresses listed in Question No. 16 above, so that it is **received no later than November 28, 2016**.

You may file a written objection without having to appear at the Final Approval Hearing. You may not, however, appear at the Final Approval Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

20. ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

This Notice provides only a summary of the Settlement. For more detailed information, you may contact Lead Counsel or the Settlement Administrator, or visit www.pfizersecuritieslitigationsettlement.com.

PLEASE DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION OR ADVICE REGARDING THIS NOTICE.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

Please Note: If you previously provided names and addresses of persons and entities on whose behalf you purchased or otherwise acquired Pfizer common stock between and including October 31, 2000 and October 19, 2005, in connection with the Class Notice, and (i) those names and addresses remain valid and (ii) you have no additional names and addresses for potential Class Members to provide to the Settlement Administrator, you need do nothing further at this time. The Settlement Administrator will mail a copy of the Notice and Claim Form to the beneficial owners whose names and addresses were previously provided in connection with the Class Notice.

If you have not already provided a list of names and addresses for persons and entities on whose behalf you purchased or otherwise acquired Pfizer common stock between and including October 31, 2000 and October 19, 2005, in connection with the Class Notice, then, the Court has ordered that you must, WITHIN TEN (10) DAYS OF YOUR RECEIPT OF THIS NOTICE, either: (a) send the Notice and the Claim Form to all beneficial owners of such Pfizer common stock, or (b) send a list of the names and addresses of such beneficial owners to the Settlement Administrator, in which event the Settlement Administrator shall promptly mail the Notice and the Claim Form to such beneficial owners. **AS STATED ABOVE, IF YOU HAVE ALREADY PROVIDED THIS INFORMATION IN CONNECTION WITH THE CLASS NOTICE, UNLESS THAT INFORMATION HAS CHANGED (E.G., BENEFICIAL OWNER HAS CHANGED ADDRESS), IT IS UNNECESSARY TO PROVIDE SUCH INFORMATION AGAIN.**

If you select option (a) above, the Settlement Administrator shall forward the same number of copies of the Notice and the Claim Form to you to forward to your beneficial owners. If you request additional copies of the Notice and Claim Form, please contact the Settlement Administrator. The Settlement Administrator shall, if requested, reimburse Nominees solely for their reasonable out-of-pocket expenses incurred in providing the Notice and Claim Form to beneficial owners who are Class Members out of the Settlement Fund, which expenses would not have been incurred except for the sending of such Notice, subject to further order of this Court with respect to any dispute concerning such compensation. All communications concerning the foregoing should be addressed to the Settlement Administrator at:

**Pfizer Securities Litigation Settlement
c/o Garden City Group, LLC
P.O. Box 10305
Dublin, OH 43017-5905**

Dated: September 30, 2016

BY THE ORDER OF THE COURT:
United States District Court
for the Southern District of New York

APPENDIX A

PROPOSED PLAN OF ALLOCATION OF NET CASH SETTLEMENT AMOUNT

The objective of the proposed Plan of Allocation is to equitably distribute the Net Cash Settlement Amount to those Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws set forth in the Amended Consolidated Class Action Complaint dated March 27, 2012, as opposed to economic losses caused by market or industry factors or company-specific factors unrelated thereto. The Plan of Allocation reflects Plaintiffs' damages expert's analysis undertaken to that end, including a review of publicly available information regarding Pfizer and statistical analysis of the price movements of publicly traded Pfizer common stock ("Pfizer Common Stock") and the performance of relevant market and peer indices during the Class Period. However, the calculations made pursuant to the Plan of Allocation do not represent a formal damages analysis that has been adjudicated in the Action. Defendants have had, and will have, no involvement or responsibility for the terms or application of the Plan of Allocation.

The calculations made pursuant to the Plan of Allocation also are not intended to measure the amounts that Class Members would recover after a trial. Nor are these calculations intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Cash Settlement Amount.³

The Plan of Allocation generally measures the amount of loss that a Class Member can claim for purposes of making *pro rata* allocations of the Net Cash Settlement Amount to Authorized Claimants. For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the security. Accordingly, to have a "Recognized Loss Amount" pursuant to the Plan of Allocation, Pfizer Common Stock must have been purchased or otherwise acquired during the Class Period and held through at least one of the alleged corrective disclosures that removed alleged artificial inflation related to that information. After the submission of expert reports in the Action, the Court found that there were five dates on which corrective disclosures removed artificial inflation from the price of Pfizer Common Stock: October 7, 2004, October 15, 2004, November 10, 2004, December 17, 2004, and December 20, 2004.⁴ Based upon the Court's ruling, it also became clear that any Pfizer Common Stock purchased or otherwise acquired from December 17, 2004 through October 20, 2005 did not incur a loss attributable to the allegedly misrepresented information. Therefore, if a Class Member's only transactions during the Class Period fall within this date range, it is not necessary to fill out and submit a Claim Form as purchases and acquisitions during this time will not be eligible for a recovery from the Settlement.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

1. For purposes of determining whether a Claimant has a "Recognized Claim," purchases, acquisitions, and sales of Pfizer Common Stock will first be matched on a First In/First Out ("FIFO") basis as set forth in paragraph 6 below.

2. A "Recognized Loss Amount" will be calculated as set forth below for each share of Pfizer Common Stock purchased or otherwise acquired from October 31, 2000 through December 16, 2004 that is listed in the Claim Form and for which adequate documentation is provided.

3. For some shares, alleged inflation at the time of sale will be greater than the alleged inflation at the time of purchase resulting in a gain rather than a loss from the alleged fraud ("Recognized Gain Amount"), which will be used to offset the Claimant's losses from other transactions in Pfizer Common Stock. The sum of a Claimant's Recognized Loss Amounts and Recognized Gain Amounts will be the Claimant's "Recognized Claim." To the extent that the calculation of a Claimant's Recognized Claim results in a negative number, that number shall be set to zero.

4. For each share of Pfizer Common Stock purchased or otherwise acquired from October 31, 2000 through December 16, 2004 and sold on or before March 16, 2005,⁵ an "Out of Pocket Loss" will be calculated. Out of Pocket Loss is defined as the purchase/acquisition price (excluding all fees, taxes, and commissions) *minus* the sale price (excluding all fees, taxes, and commissions).

5. For each share of Pfizer Common Stock purchased or otherwise acquired from October 31, 2000 through and including December 16, 2004 and

A. Sold on or before October 6, 2004, the Recognized Loss Amount for each share shall be zero.⁶

³ Because any Recognized Claim for the 20A Sub-Class would be rendered insignificant relative to the costs to administer a separate and distinct plan of allocation for 20A claims, the Net Cash Settlement Amount will be allocated among all Class Members based solely upon the plan of allocation as it relates to Section 10(b) Claims.

⁴ Plaintiffs' damages expert also identified six dates in which alleged artificial inflation in Pfizer Common Stock increased during the Class Period: April 16, 2003, August 26, 2004, September 30, 2004, December 21, 2004, December 22, 2004, and February 18, 2005.

⁵ March 16, 2005 represents the last day of the 90-day period subsequent to December 16, 2004 (the "90-day look back period"), the last date on which the Court found that corrective information was revealed. The PSLRA imposes a statutory limitation on recoverable damages using the 90-day look back period. This limitation is incorporated into the calculation of a Class Member's Recognized Loss Amount. Specifically, a Class Member's Recognized Loss Amount cannot exceed the difference between the purchase price paid for the Pfizer Common Stock and the average price of Pfizer Common Stock during the 90-day look back period if the share was held through March 16, 2005, the end of this period. Losses on Pfizer Common Stock purchased/acquired during the period from October 31, 2000 through December 16, 2004 and sold during the 90-day look back period cannot exceed the difference between the purchase price paid for the Pfizer Common Stock and the average price of Pfizer Common Stock during the portion of the 90-day look back period elapsed as of the date of sale, as set forth in Table 2 below.

⁶ As referenced above in Paragraph 3 and reflected on Table 1, alleged inflation is increasing from the beginning of the Class Period until October 7, 2004, when the first corrective disclosure is made. As a result, it is possible that shares of Pfizer Common Stock could be sold at an inflation level that is greater than the inflation level at the time of purchase/acquisition. In this instance, a Recognized Gain Amount shall be calculated based upon the difference between the inflation set forth on Table 1 at the time of purchase/acquisition and the inflation set forth on Table 1 at the time of sale, which Recognized Gain Amount shall be utilized to offset Recognized Loss Amounts from other transactions from October 31, 2000 through December 16, 2004.

- B. Sold after October 6, 2004 and on or before December 16, 2004, the Recognized Loss Amount for each share shall be **the lesser of**:
- (i) the dollar amount of alleged artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1** below *minus* the dollar amount of alleged artificial inflation applicable to each such share on the date of sale as set forth in **Table 1** below; or
 - (ii) the Out of Pocket Loss.
- C. Sold after December 16, 2004 and on or before March 16, 2005, the Recognized Loss Amount for each share shall be **the least of**:
- (i) the dollar amount of alleged artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1** below;
 - (ii) the purchase/acquisition price of each such share (excluding all fees, taxes, and commissions) *minus* the average closing price of Pfizer Common Stock on the date of sale as set forth in **Table 2** below; or
 - (iii) the Out of Pocket Loss.
- D. Held as of the close of trading on March 16, 2005, the Recognized Loss Amount for each share shall be **the lesser of**:
- (i) the dollar amount of alleged artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1** below; or
 - (ii) the purchase/acquisition price of each such share (excluding all fees, taxes, and commissions) *minus* \$25.74 (the average closing price of Pfizer Common Stock between December 17, 2004 and March 16, 2005, as shown on the last line in **Table 2** below).

ADDITIONAL PROVISIONS

6. If a Class Member has more than one purchase/acquisition or sale of Pfizer Common Stock during the period from October 31, 2000 through December 16, 2004, all purchases/acquisitions and sales shall be matched on a FIFO basis. Sales during this period will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the period from October 31, 2000 through December 16, 2004.

7. Purchases/acquisitions and sales of Pfizer Common Stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of Pfizer Common Stock during the period from October 31, 2000 through December 16, 2004 shall not be deemed a purchase, acquisition or sale of these shares of Pfizer Common Stock for the calculation of an Authorized Claimant's Recognized Claim, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such shares of Pfizer Common Stock unless (i) the donor or decedent purchased or otherwise acquired such shares of Pfizer Common Stock during the period from October 31, 2000 through December 16, 2004; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of Pfizer Common Stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

8. The date of covering a "short sale" is deemed to be the date of purchase or acquisition of Pfizer Common Stock. The date of a "short sale" is deemed to be the date of sale of Pfizer Common Stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on "short sales" is zero. In the event that a Claimant has an opening short position in Pfizer Common Stock, the earliest purchases or acquisitions during the period from October 31, 2000 through December 16, 2004 shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

9. Pfizer Common Stock is the only security eligible for recovery under the Plan of Allocation. Option contracts to purchase or sell Pfizer Common Stock are not securities eligible to participate in the Settlement. With respect to Pfizer Common Stock purchased or sold through the exercise of an option, the purchase/sale date of the Pfizer Common Stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

10. An Authorized Claimant's Recognized Claim shall be the amount used to calculate the Authorized Claimant's *pro rata* share of the Net Cash Settlement Amount. If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Cash Settlement Amount is greater than the Net Cash Settlement Amount, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Cash Settlement Amount. The *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Cash Settlement Amount.

11. If the Net Cash Settlement Amount exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Cash Settlement Amount, the excess amount in the Net Cash Settlement Amount shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

12. Receipt of monies by each Authorized Claimant pursuant to either paragraph 10 or 11 above will be deemed full and complete payment from the Settlement of his, her or its Recognized Claim.

13. The Net Cash Settlement Amount will be allocated among all Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

14. 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 which 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.

15. Each Claimant is deemed to have submitted to the jurisdiction of the United States District Court of the Southern District of New York with respect to his, her or its claim.

16. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Plaintiffs after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the website for this Action, www.pfizersecuritieslitigationsettlement.com.

TABLE 1
Pfizer Common Stock Estimated Artificial Inflation for Purposes of
Calculating Purchase and Sale Inflation

Purchase or Sale Date	Artificial Inflation
October 30, 2000 - April 15, 2003	\$0.96
April 16, 2003 - August 25, 2004	\$1.92
August 26, 2004 - September 29, 2004	\$2.23
September 30, 2004 - October 6, 2004	\$3.28
October 7, 2004 - October 14, 2004	\$2.76
October 15, 2004 - November 9, 2004	\$1.96
November 10, 2004 - December 16, 2004	\$1.44

TABLE 2
Pfizer Common Stock Closing Price and Average Closing Price
December 17, 2004 - March 16, 2005

Date	Closing Price	Average Closing Price between December 17, 2004 and Date Shown	Date	Closing Price	Average Closing Price between December 17, 2004 and Date Shown
12/17/2004	\$25.75	\$25.75	2/2/2005	\$24.07	\$25.52
12/20/2004	\$24.29	\$25.02	2/3/2005	\$23.91	\$25.48
12/21/2004	\$24.97	\$25.00	2/4/2005	\$24.23	\$25.44
12/22/2004	\$25.95	\$25.24	2/7/2005	\$24.91	\$25.42
12/23/2004	\$26.07	\$25.41	2/8/2005	\$25.55	\$25.43
12/27/2004	\$26.50	\$25.59	2/9/2005	\$25.05	\$25.42
12/28/2004	\$26.94	\$25.78	2/10/2005	\$25.05	\$25.41
12/29/2004	\$27.26	\$25.97	2/11/2005	\$25.15	\$25.40
12/30/2004	\$27.01	\$26.08	2/14/2005	\$25.48	\$25.40
12/31/2004	\$26.89	\$26.16	2/15/2005	\$25.22	\$25.40
1/3/2005	\$26.45	\$26.19	2/16/2005	\$24.95	\$25.39
1/4/2005	\$26.45	\$26.21	2/17/2005	\$25.06	\$25.38
1/5/2005	\$26.27	\$26.22	2/18/2005	\$26.80	\$25.41
1/6/2005	\$26.29	\$26.22	2/22/2005	\$26.59	\$25.44
1/7/2005	\$26.30	\$26.23	2/23/2005	\$26.31	\$25.46
1/10/2005	\$26.44	\$26.24	2/24/2005	\$26.40	\$25.48
1/11/2005	\$26.15	\$26.23	2/25/2005	\$26.86	\$25.51
1/12/2005	\$26.03	\$26.22	2/28/2005	\$26.29	\$25.52
1/13/2005	\$25.33	\$26.18	3/1/2005	\$26.61	\$25.54
1/14/2005	\$25.25	\$26.13	3/2/2005	\$26.61	\$25.57
1/18/2005	\$25.30	\$26.09	3/3/2005	\$26.59	\$25.58
1/19/2005	\$24.88	\$26.04	3/4/2005	\$26.85	\$25.61
1/20/2005	\$24.98	\$25.99	3/7/2005	\$27.18	\$25.64
1/21/2005	\$24.48	\$25.93	3/8/2005	\$26.76	\$25.66
1/24/2005	\$24.26	\$25.86	3/9/2005	\$26.74	\$25.68
1/25/2005	\$24.59	\$25.81	3/10/2005	\$26.75	\$25.70
1/26/2005	\$24.59	\$25.77	3/11/2005	\$26.36	\$25.71
1/27/2005	\$24.68	\$25.73	3/14/2005	\$26.53	\$25.72
1/28/2005	\$24.35	\$25.68	3/15/2005	\$26.29	\$25.73
1/31/2005	\$24.16	\$25.63	3/16/2005	\$26.05	\$25.74
2/1/2005	\$23.86	\$25.57			