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Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Attention: Elizabeth M. Murphy, Secretary

Re: File No. S7-31-10
Release Nos. 33-9153/34-63124
Shareholder Approval of Executive and Golden Parachute Compensation

Ladies and Gentlemen:

On behalf of Pfizer Inc., I am writing to comment on the proposed rules on shareholder approval of executive compensation and golden parachute compensation.

We greatly appreciate the opportunity to comment on the Commission's proposals and to voice our support for many of the proposals. In a limited number of cases, for the reasons specified below, we respectfully suggest that the proposals be modified or reconsidered.

Shareholder Approval of Executive Compensation ("Say on Pay Proposals")

We Generally Support the Commission's Approach to Say on Pay Proposals

The Release does not mandate the language to be used in resolutions submitting executive compensation to an advisory vote pursuant to Section 951 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). We support this approach, though it may be helpful for the final rules to include non-exclusive examples of language that would be acceptable for this purpose.

The Release asks whether the final rules should specify which shares are entitled to vote on Say on Pay Proposals and whether any other disclosures should be provided. We believe that the proposals in the Release are sufficient and that no additional provisions are necessary on either subject.

The Commission Should Not Mandate Disclosure of the Consideration Given to Votes on Previous Say on Pay Proposals

The Commission proposes to amend Item 402(b) of Regulation S-K to require companies to disclose in the Compensation Discussion and Analysis ("CD&A") whether and, if so, how their compensation policies and decisions have taken into account the results of votes on previous Say on Pay Proposals. We believe that this disclosure should not be required. Instead, the impact of votes on previous Say on Pay Proposals could be included as a non-exclusive example of information that may need to be addressed in the CD&A. Our reasons are as follows:

- The disclosure would not be meaningful where a Say on Pay Proposal receives a majority of the votes cast. For example, the Board-sponsored Say on Pay Proposal submitted to Pfizer shareholders at our 2010 Annual Meeting received a favorable vote in excess of 96% of the votes cast. As a practical matter, companies like Pfizer whose Say on Pay Proposals receive high levels of shareholder support would find it difficult to provide meaningful disclosure as to the impact of the vote on compensation policies and decisions. At the same time, we do not see any benefit in providing "negative" disclosure (i.e., that the vote had no impact) where the Say on Pay Proposal is supported.

- Item 402(b) of Regulation S-K arguably already requires disclosure where the vote on a Say on Pay Proposal materially affects compensation policies and decisions. Specifically, Instruction 3 to Item 402(b) states that the CD&A should "focus on the material principles underlying…executive compensation policies and decisions…." It appears that if the vote on a Say on Pay Proposal has a material impact on those policies and decisions, disclosure would be required under current rules.

If the Commission determines to require such disclosure, we believe it should be limited (1) to cases where the Say on Pay Proposal does not receive a majority of the votes cast (for the reasons noted above) and (2) to the vote on the most recently submitted Say on Pay Proposal. Disclosure of the impact of earlier votes on Say on Pay Proposals would unnecessarily increase the length of the CD&A and could be confusing to shareholders.

Shareholder Preference as to Frequency of Say on Pay Proposals ("Frequency Proposals")

We Support the Commission's Approach to Frequency Proposals

The Release does not mandate the language to be used in Frequency Proposals. We support this approach, subject to one concern. Specifically, while Section 951 of the Dodd-Frank Act technically requires that Frequency Proposals take the form of a "separate resolution," we believe that it is difficult to frame a Frequency Proposal (i.e., a request that shareholders select one of three preferences) as a resolution. Therefore, we propose that the Commission either (1) clarify that the "separate resolution" requirement is satisfied by inclusion of a Frequency Proposal as a separate voting item

or (2) provide non-exclusive examples of how such a "separate resolution" might be formulated.

The Release asks whether the final rules should specify which shares are entitled to vote on Frequency Proposals; whether the shareholder choices on Frequency Proposals proposed in the Release (i.e., annual, biennial, triennial or abstain) are appropriate; and whether any other disclosures should be provided on this subject. We believe that the proposals in the Release are sufficient and that no additional provisions are necessary on any of these subjects.

We Request Clarification on Company Recommendations as to Frequency Proposals

The Release notes the Commission's expectation that boards of directors "will include a recommendation as to how shareholders should vote on [Frequency Proposals]," stating that companies "must make clear in these circumstances that the proxy card provides for four choices (every 1, 2, or 3 years, or abstain) and that shareholders are not voting to approve or disapprove the [company's] recommendation." We believe the final rules (or the adopting Release) should clarify how companies can address their boards' recommendations in both the proxy statement and the proxy card. Specifically, the final rules should expressly permit companies to:

- include the Board's recommendation on the Frequency Proposal in the customary proxy card language regarding the board's voting recommendations (e.g., "The Board recommends that shareholders vote in favor of…");

- state on the proxy card that if the shareholder does not specify a preference that the shares will be voted in accordance with the board's recommendations, including its recommendation on the Frequency Proposal; and

- include at the end of the proxy statement discussion of the Frequency Proposal a statement (generally in bold type) to the effect that the board of directors recommends a vote in favor of a particular frequency.

The Commission Should Not Require 10-Q or 10-K Disclosure on the Frequency of Future Say on Pay Proposals

We believe that the Commission should not require disclosure in a 10-Q, 10-K or 8-K report concerning whether the company's policy on future Say on Pay Proposals is "consistent" with the plurality of votes cast on the most recent Frequency Proposal.

The Dodd-Frank Act is clear that Frequency Proposals are non-binding. In that regard, Frequency Proposals are similar to non-binding shareholder proposals that have been submitted to shareholders for many years under Rule 14a-8. Companies have never been required to provide 10-Q or 10-K disclosure as to whether or how they will react to the passage of shareholder proposals. Instead, companies have had the discretion to determine the timing and nature of any disclosure concerning the response to a vote on a shareholder proposal under Rule 14a-8. We do not believe this disclosure is called for, and the Release does not provide any rationale for this requirement. While we

assume that the proposed requirement is intended to give potential proponents of future Say on Pay Proposals (and possibly the Commission's staff) notice of the company's position in an effort to reduce the likelihood of future shareholder-proposed Say on Pay and/or Frequency Proposals, we see no reason why the Frequency Proposal – unlike any other non-binding proposal – should trigger this requirement.

Moreover, proposed Rule 14a-21(b) would apply undue time pressure on boards of directors to make and disclose decisions on Frequency Proposals within a very short period of time. We believe this is inadvisable from the standpoint of good governance and would deprive boards and their committees of the ability to carefully consider available alternatives and the best interest of their companies. It would also make it difficult if not impossible for companies to discuss the vote on the Frequency Proposal with their shareholders, thereby defeating one of the principal stated purposes of Say on Pay Proposals – i.e., to induce companies to discuss their compensation programs and disclosures with their owners. In addition, Proposed Rule 14a-21(b) assumes that the shareholders will express a clear preference on the Frequency Proposal, thereby giving the board a "mandate" as to the requested timing for future Say on Pay Proposals. However, it is quite possible that the Frequency Proposal will lead to inconclusive results, which may necessitate more extensive deliberations and shareholder outreach.

We Strongly Support the Proposed Amendment of Rule 14a-8 to Exclude Say on Pay and Frequency Proposals, but the Scope of the Amendment Should Be Clarified

We applaud the Commission for proposing the exclusion of Say on Pay and Frequency Proposals on the basis of "substantial implementation" under Rule 14a-8(i)(10) when a company's policy on the frequency of Say on Pay Proposals is consistent with the plurality of the votes cast on the most recent Frequency Proposal. The inclusion in a company's proxy statement of repeated (and repetitive) shareholder-submitted Say on Pay and/or Frequency Proposals would impose costs and other burdens on companies and shareholders alike and would vitiate the purposes of Section 951 of the Dodd-Frank Act. We also support the use the plurality voting standard specified in the proposed Note to paragraph (i)(10) of Rule 14a-8 (as opposed to a majority or other voting standard), and we believe that the exclusion of Say on Pay and Frequency Proposals should not be affected by changes in a company's compensation program or other factual scenarios.

However, we suggest that the proposed Note to paragraph (i)(10) of Rule 14a-8 be revised to clarify the scope of the exclusion. As worded, the proposed Note seems to clearly provide that a "true" Say on Pay Proposal – i.e., one that seeks shareholder approval of the compensation of the named executive officers as disclosed pursuant to Item 402 of Regulation S-K – would be excluded. It is not clear whether the Note would exclude more narrowly crafted proposals seeking shareholder approval of a component of such officers' compensation; for example, would a proposal seeking approval of the executive officers' annual incentive compensation be excluded? Would a proposal seeking approval of the officers' long-term incentive compensation, equity compensation or some other compensation component be excluded? We respectfully suggest that if such "component-based" proposals are not to be excluded, then the exclusion contemplated by the proposed Note would be significantly weakened, and we are

concerned that proxy statements will be filled with multiple proposals seeking approval of a variety of compensation components, imposing undue costs and other burdens on companies and shareholders alike.

In addition, we suggest that the proposed Note clarify the scope of the exclusion relating to the frequency of Say on Pay Proposals. Specifically, we believe the exclusion should apply to proposals calling for a different frequency than received a plurality vote as well as proposals for a new Frequency Proposal to be submitted to shareholders sooner than once every six years, as required under the Dodd-Frank Act.

Further, the proposed Note can be read to suggest that Say on Pay and Frequency proposals can be "automatically" excluded if the company has adopted the requisite policy on Frequency Proposals. We assume that, notwithstanding the Note, companies will be required to submit formal no-action requests in order to exclude Say on Pay and Frequency Proposals in these circumstances; however, it would be helpful to clarify this in the final version of the Note.

We Support the Proposed Amendment of Rule 14a-6(a) regarding Preliminary Filing of Proxy Materials and the Commission's Related Transition Guidance

We agree with the proposed amendment to Rule 14a-6(a) that would add both Say on Pay and Frequency Proposals to the list of items that do not trigger the filing of preliminary proxy materials. We also commend the Commission for the transition guidance that, pending adoption of the proposals in the Release, companies need not file preliminary proxy materials if the only matters that would require such filing are advisory Say on Pay and Frequency Proposals.

The Commission Should Modify the Proposed "Golden Parachute" Disclosure Requirements to Conform to the Requirements of the Dodd-Frank Act

We believe that the proposed golden parachute disclosure requirements should be modified in the following respects:

- First, even though the Dodd-Frank Act appears to call for disclosure of golden parachute arrangements with officers of the entity to be acquired (and not officers of the acquiring entity), the proposed rules require disclosure of such arrangements with named executive officers of both entities. We see no basis – nor does the Release offer any justification – for going beyond the requirements of the Dodd-Frank Act, particularly given that shareholders of the entity to be acquired have no voting authority with respect to the acquiring entity. The Release states (albeit in another context) that "shareholders may find disclosure about these arrangements informative to their voting decisions regarding not only the…advisory vote, but also the transaction itself." However, particularly given the length and complexity of compensation and other disclosures relating to mergers, acquisitions and similar transactions, we believe that additional disclosures should not be required merely because they may be "informative." We think it is equally likely that shareholders may find the disclosures excessive, confusing, or both.

- Second, for substantially the same reasons, we recommend that the golden parachute disclosures not be required in cases where shareholders of the entity to be acquired have neither voting nor investment authority. On this basis, the disclosures would be appropriate not only in proxy statements, but also in tender offer materials, where the shareholders of the target entity can decide whether or not to tender their shares. However, the disclosures would not be appropriate in an information statement, where those shareholders have no choices concerning participation in the transaction.

We Agree that "Golden Parachute" Disclosures Should Not Be Provided for Previously Vested Benefits and Should Not Be Included in Routine Proxy Statements

The disclosures contemplated by Item 402(t) of Regulation S-K would not have to be provided with respect to previously vested equity and pension benefits that are not related to the transaction under consideration, nor would such disclosures have to be included in "regular" proxy statements (i.e., not relating to a transaction). We agree with both approaches.

Thank you for your consideration.

Very truly yours,

Matthew Lepore
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