

2022 Annual Long-Term Incentive Award Program

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

Type/Weighting	5- and 7-Year Total Shareholder Return Units (TSRUs) (25% each of value at grant)	Performance Share Awards (PSAs) (50% of value at grant)
Program Design (metrics, vesting and objectives)	Deliver value based on long-term alignment with shareholders by linking rewards to absolute TSR over a five- or seven-year period. Vests on the third anniversary of grant; settled on fifth or seventh anniversary of grant	Aligns rewards to both a strategic financial performance metric, NI ⁽¹⁾ , over three one-year periods and relative TSR ⁽²⁾ performance as compared to the DRG Index over a three-year period. Vests on the third anniversary of grant
Value Delivered	Difference between the Settlement Price ⁽²⁾ and the Grant Price (both as described in the "Executive Summary" section of this Proxy Statement), plus dividend equivalents accumulated during the term	Amount earned based on performance (payout range is 0% to 200% of target award value) plus dividend equivalents for the three-year performance period on the shares earned
Formula	$\begin{aligned} & \text{(# of TSRUs granted} \\ & \times [\text{Settlement Price}^{(2)} - \text{Grant Price} \\ & + \text{Dividend Equivalents}]) \\ & / \text{Settlement Price}^{(2)} \\ & = \text{Shares delivered}^{(4)} \end{aligned}$	$\begin{aligned} & \text{Average of the three annual NI}^{(1)} \text{ Performance Factors \%} \\ & + 1.5 \times \text{the first 20 percentage point differential between} \\ & \text{Pfizer's TSR \% and DRG Index TSR \%}^{(3)} \\ & + 2.0 \times \text{the differential over 20 percentage points}^{(3)} \\ & = \text{PSA percentage earned and delivered in cash}^{(5)} \end{aligned}$

- (1) Adjusted Net Income, as the PSA performance measure, is defined as U.S. GAAP net income attributable to Pfizer Inc. common shareholders before the impact of amortization of intangible assets, certain acquisition-related items, discontinued operations and certain significant items; and is adjusted to reflect budgeted FX rates for the year and further refined to exclude certain other unbudgeted or non-recurring items including acquired in-process research and development expenses.
- (2) The settlement price is the 20-day average of Pfizer's closing stock prices ending on the settlement date of the TSRUs. For PSAs, the TSR is calculated based on the average of the closing stock prices for the 30 (trading) days immediately prior to start and end of each three-year performance period.
- (3) Positive or negative adjustment.
- (4) No value for TSRUs is received if TSR is negative.
- (5) PSA payout is delivered in cash to active colleagues and in shares to former colleagues; payout is capped at target if TSR is negative.

2022 GRANT VALUE OF ANNUAL LONG-TERM INCENTIVE AWARDS

The 2022 grant value of each NEO's regular annual long-term incentive award opportunity was set by the Committee based on competitive market data (targeted to approximate the market median), relative duties and responsibilities, the individual's future advancement potential, the individual's impact on Pfizer's results, and for retention purposes.

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

Name ⁽¹⁾	5-Year TSRUs Value ⁽²⁾ (\$) (25%)	7-Year TSRUs Value ⁽²⁾ (\$) (25%)	PSAs Value ⁽²⁾ (\$) (50%)	Total Grant Value of Annual LTI Awards ⁽³⁾ (\$)
A. Bourla ⁽⁴⁾	4,875,000	4,875,000	9,750,000	19,500,000
D. Denton ⁽⁵⁾	1,125,000	1,125,000	2,250,000	4,500,000
M. Dolsten	1,500,000	1,500,000	3,000,000	6,000,000
A. Hwang	1,125,000	1,125,000	2,250,000	4,500,000
F. D'Amelio	1,500,000	1,500,000	3,000,000	6,000,000

- (1) Dr. Pao did not receive a 2022 annual long-term incentive award and is not shown in the table above (as discussed elsewhere in this Proxy Statement).
- (2) Consistent with historical practice, the grant value is converted into TSRUs and PSAs using the value/closing stock price on the first trading day of the week of grant. The actual value of the grant may differ due to the change in the value of the TSRUs/PSAs between the conversion date and the date of grant.
- (3) The amounts shown represent the full value of the annual grant, which is different from the 2022 amount reported in the "Summary Compensation Table" which reports the value of TSRUs granted in 2022, and the value of one-third of each of the 2020, 2021 and 2022 PSA grants, in accordance with applicable accounting rules. The Committee considers the full value in its determination of annual compensation.
- (4) In recognition of Dr. Bourla's performance and exceptional leadership during 2021, the Committee set his 2022 LTI award at \$19.5 million, as disclosed in the 2022 Proxy Statement.
- (5) Consistent with the terms of his offer, Mr. Denton received an annual long-term incentive award on May 31, 2022. The award provides the same terms and conditions as the annual February 2022 grant; the grant price of the TSRUs and the grant values were converted into TSRUs and PSAs using the value/closing stock price on May 31, 2022.